



Summary of the 2020-2024 Corporate Plan
and 2020 Capital Budget

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Cover Image: 2019 \$50 - 5 oz. Fine Silver Coin – Rose of the Winds featuring an intricate cast of compass rose. The Rose of the Winds is a beautiful symbol that suggests a world of possibilities in every direction. A fixture on Antique maps, compasses and even modern navigational systems, the Rose of the Winds connects explorers past and present.

DISCLAIMER – FORWARD LOOKING STATEMENTS

This Summary of the Corporate Plan contains forward-looking statements that reflect management’s expectations regarding the Mint’s objectives, plans, strategies, future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements are typically identified by words or phrases such as “plans”, “anticipates”, “expects”, “believes”, “estimates”, “intends”, and other similar expressions.

These forward-looking statements are not facts, but only estimates regarding expected growth, results of operations, performance, business prospects and opportunities (assumptions). While management considers these assumptions to be reasonable based on available information, they may prove to be incorrect. These estimates of future results are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Mint expects. These risks, uncertainties and other factors include, but are not limited to, those risks and uncertainties set forth in Annex 5: Risks and Risk Responses.

To the extent the Mint provides future-oriented financial information or a financial outlook, such as future growth and financial performance, the Mint is providing this information for the purpose of describing its expectations. Therefore, readers are cautioned that this information may not be appropriate for any other purpose. Furthermore, future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks.

Readers are urged to consider these factors carefully when evaluating these forward-looking statements. In light of these assumptions and risks, the events predicted in these forward-looking statements may not occur. The Mint cannot assure that projected results or events will be achieved. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

The forward-looking statements included in Summary of the Corporate Plan are made only as of October 4, 2019, and the Mint does not undertake to publicly update these statements to reflect new information, future events or changes in circumstances or for any other reason after this date.

EXECUTIVE SUMMARY

The Royal Canadian Mint is a global leader in circulation, bullion and collectible coin products and services that connect people and inspire celebration. It combines history, heritage, diversity and artistry with innovative manufacturing for the Mint's customers in Canada and around the world. The Mint is dedicated to delivering excellence through its customer-driven businesses, its talented people and the value it adds to Canada and Canadians.

The Mint's goal is to ensure Canadians and Canadian companies always have the coins they need to facilitate trade and commerce. The Mint enters the planning period from a position of strength with industry leading circulation coin management services, innovation and profit generation. The Mint acknowledges the decline in circulation coin demand in Canada and the competitive landscape it is operating in on the global stage. Over the last years, it has implemented many initiatives to improve its productivity. The Mint has increased its risk management sophistication by developing scenarios and options that will allow it to respond to various market conditions both domestically and internationally with a constant view of delivering value to Canada and Canadians by optimizing the productive use of its assets.

2019 Highlights

While 2018 brought stability to the Mint's Board of Directors, 2019 has brought stability to a largely new leadership team at the Mint. The Minister of Finance appointed a new President and CEO, Marie Lemay, on February 18, 2019. A new Chief Commercial Officer, Tom Froggatt has been recruited to integrate our sales and marketing organizations, and a permanent Vice President of Operations is expected to be in place by the end of 2019.

The Mint's mid-year financial performance is solid, on track to achieving or exceeding its profit before taxes target for 2019. On the program and business front, the Mint has made progress. Over a number of meetings with its Board of Directors, the Mint has formalized its focus on long-term planning with respect to the Canadian Circulation program. The Mint continues to perform well in highly competitive market conditions in both our Foreign and Bullion businesses.

The Mint has again been recognized as one of the Top 50 companies in Canada in its category for its corporate social responsibility. The Equality and D-Day commemorative coins were thoughtfully launched and the Mint held a well-attended Annual Public Meeting in Winnipeg at CN's National Training Headquarters celebrating the 100th Anniversary of CN. The Governor in Council has approved three commemorative coins for 2020.

On the People front, the Mint has placed a renewed emphasis on health and safety in 2019 striving for a safety first, zero injury environment, and the Mint continued to implement plans for the next phase of its mental health program. Our Employee Survey results remained on par with 2018, an achievement given the extensive transition the organization underwent through 2018 and early 2019.

2020-2024 Corporate Plan Highlights

People First

As we work to write the next chapter in the Mint's history, we are working to create a safe, respectful and inclusive workplace. We are striving to create a safety-first, zero injury culture and to achieve industry benchmarks for employee engagement and enablement. With an enhanced focus on learning and development of the Mint's team through a variety of experience, exposure and education, we can ensure we have a high performing team with the proper skills to deliver results.

A Customer-Centric Organization

The Mint is refocusing its efforts to put its customers at the centre of what its employees and leaders focus on each and every day. To achieve this, the Mint will develop a clear understanding of what customers value in order to provide distinct products and experiences in all of its programs and businesses and then enable our leaders and our employees to profitably deliver these experiences.

Prepared to continue to deliver value to Canada and Canadians

The Mint has a substantial set of assets and capabilities across its portfolio of businesses. With its continued focus on risk management practices including scenario and option analyses, the Mint is positioned to respond to market changes over the planning period and beyond. The Mint will continue the monitoring of key industry dynamics and further refinement of long-term options through to 2030 in recognition of the continued expected decline in circulation coin usage in Canada.

The Mint will continue to prioritize maintaining its market leading position in its bullion business as it represents the primary profit generator over the corporate planning period. Aggregate annual profits are expected to increase as the Mint improves the performance of its Numismatics business.

Over the next five years, the Mint expects to generate \$192 million in cash flow for the Government of Canada; \$72 million in seigniorage from coin sales to financial institutions and over \$120 million in dividends paid to the Government of Canada from its commercial operations.

Consistent with the expectations for Canada's Crown Corporations of strong governance and good corporate citizenship, the Mint will continue to further advance its Corporate Social Responsibility footprint and will continue its implementation of improved foundational and risk management practices.

OVERVIEW

Corporate mandate

The Royal Canadian Mint (the RCM, or the Mint) is a Crown corporation owned solely by the Government of Canada. It formally reports to Parliament through the Minister of Finance by submitting annual reports on its operations. The *Royal Canadian Mint Act* requires the Corporation to mint coins in anticipation of profit and carry out other related activities.

Mission, Vision and Values

Mission

The Mint is a world-class provider of branded investment, collectible and circulation coin products and services that connect people and inspire celebration.

Vision

Delivering excellence... through our customer-driven businesses, our talented people and the value we add to Canada and Canadians.

Values

Honesty, respect, pride and passion.

Main activities and principal programs

The foundational Canadian Circulation program is complemented with businesses leveraging the Mint's key assets and expertise, namely: foreign circulation, bullion products and services and numismatics. The Mint operates a set of diversified global businesses under a fully integrated structure.

As part of its mandate, the Mint produces and distributes coins for circulation and for use in trade and commerce, ensures an adequate supply of coins in the appropriate denominations across Canada, and provides advice to the Government of Canada on all matters related to coinage. On behalf of the Government of Canada, the Mint operates a Commemorative Coin Program (CCP) to celebrate Canada's history, diversity, culture and values in collaboration with a number of federal government and community organizations. These functions are provided by its Canadian Circulation business line.

Foreign circulation produces circulation coins, blanks, medals, medallions, and tokens for international customers.

Bullion, products and services—refines and produces investment-type precious-metal products, such as the Maple Leaf silver and gold bullion coins, gold kilo bars, trade bars, and gold wafers. Other secondary, supporting services in this business line include gold and silver refining, assaying (that is, assessing the content of materials), secure precious metals storage and ETR (Exchanged Traded Receipts) that allow investors to buy and sell gold and silver on the Toronto Stock Exchange.

Numismatics and Collectibles—produces and sells original, high-quality, limited-mintage collectable coins and medals to consumers in Canada and internationally. The Mint operates out of facilities in Ottawa and Winnipeg.

OPERATING ENVIRONMENT

EXTERNAL BUSINESS ENVIRONMENT – CANADIAN CIRCULATION PROGRAM

Trends in Cash, Coins and Electronic Payments

Members of the Bank of Canada's leadership team presented to the Royal Canadian Mint's Board of Directors March 2019 meeting. Materials were presented to provide the bank's view on cash trends and to provide highlights on research completed by the Bank of Canada. Of note, the Bank's Method-of-Payments survey and Ipsos' annual Canadian Financial Monitor Survey indicated that the use of cash is declining at the point of sale. The information presented was consistent with the Mint's analysis.

As part of its role in managing Canada's coinage, the Mint developed a proprietary Coin Distribution System software, which contains over 5 million records. This information not only allows the Mint to manage day-to-day operations, but also enables the Mint to identify trends in coin usage. The Coin Distribution System software is used by the Armoured Car Carriers that are part of the Coin Pool. The Armoured car carriers act on behalf of the Financial Institutions and the RCM by processing customer orders and deposits and ensuring that coins are securely stored, transported, and maintained at their facilities. All transactions are entered into the software daily, providing real time inventory information. This information is the source of the data used by our forecasting software to estimate weekly inventory requirements for the next year, identify the sequence to redistribute Financial Institution owned inventory, and forecast new coin sales.

The Mint increased its effort in late 2018 and 2019 to gain greater insight on the key drivers of the use of coins in Canada. Multiple briefings to the Mint's Board of Directors have been completed to provide context for planning going forward.

Activities in 2019 have included:

- Establishing a cross functional team to address implications of changing requirements,
- Leveraging the RCM's internal systems to analyze and take a deeper dive in coin usage trends; and
- Leveraging the National Coin Committee to obtain their input and data on key trends
- Holding preliminary discussions with coinage intensive stakeholders to obtain their viewpoints on coin usage.

In Canada in 2019 and early 2020, the Mint will be commissioning targeted research and investigation to update its understanding of key coin trends

Key Considerations

The Mint has been working to leverage insights from its network of major mints around the world and to more closely monitor central bank research and publications to assist long-term planning.

There is a consistency in the insights being observed. They currently include the need for coins for lower-income consumers, the slower rate of e-payment adoption in small to medium-sized enterprises often located in rural areas and the desire for privacy in financial transactions. Contingency planning in the event of a significant disruption in the electronic payment infrastructure is also an important consideration.

Demand for Coins

The Mint's world leading circulation coin program continues to add value to Canada and Canadians with both recycling and redistribution practices reducing the requirement for net new coins by approximately 300 million coins annually. The efficiency of the distribution system is also seen as one of the lowest coin per capita ratios in the world.

Long Term Planning

Given the range of factors that influence longer-term usage of notes and coin in the Canadian economy, the Mint has undertaken an increasingly structured approach to scenario and option analysis.

Accordingly, the Mint's Board of Directors and management are developing a longer-term plan for the Mint through to 2030. The long-term plan development is continuing into 2020 and will be included in the 2021-2025 Corporate Plan. Scenario planning augments the Mint's existing forecasting work in that it identifies multiple plausible versions of the future for coin and then develops multiple options for adapting to those futures.

The Mint is monitoring trends and developments within and beyond Canada through its network of peer mints and other connections. In addition, it is preparing options that would allow it to deliver ongoing value to customers, the Shareholder, and Canada as more of the features of the transition towards a "cashless" Canada emerge.

Commemorative Coin Consultations and Approvals

In 2018, the Mint initiated a collaborative review of the process for selecting themes and designs for commemorative circulation coins, as well as the process of validating those choices with community stakeholders and experts. Working with representatives from the Department of Finance and Treasury Board Secretariat, the Mint adopted a new process that outlined the actions and consultations required from theme selection, the development of coin concepts and design, through to approval by the Governor in Council. The Mint is currently using the new process for the 2021 CC coin approvals and we are currently at the stakeholder outreach consultations stage. As per the agreed upon process we also socialized the proposed themes with officials from TBS and DOF.

Conclusion :

With respect to the Canadian Circulation program, there are no significant changes anticipated in the Mint's operations throughout the planning period.

The Mint will continue to deliver excellence in coin management services ensuring recycling and redistribution contribute to an efficiently run system.

The Mint has made significant progress in updating and increasing its level of insights with respect to key drivers and trends in recent months, in support of the development of a long-term plan through to 2030.
The Department of Finance will be briefed on a regular basis

INTERNAL BUSINESS ENVIRONMENT

Innovative Products and Services

Research and development plays a critical role in establishing the Mint's global leadership position. Investments in circulation coin technologies, manufacturing methodologies and services have provided the Canadian government and consumers with the most secure and efficient circulation coin program in the world¹. The Mint has leveraged this know-how to develop differentiating products and services for its commercial businesses. Key examples include:

- The Mint's colour circulation pad printing technology produces beautiful and durable colour circulation coins for its international customers to commemorate domestic events, such as the Panama World Youth Day in 2018.
- The Mint's Bullion DNA™ technology facilitates the authentication of Gold and Silver Maple Leaf coins.
- The Mint's MintShield™ technology maintains the resale value of silver bullion coins by significantly reducing the occurrence of white spots that compromise the aesthetic quality of silver bullion coins over time.
- Next generation tri-metal technology, which is a cost effective and advanced circulation coin security feature
- "From the R&D Lab" Collection offers our customers the opportunity to purchase numismatic coins or tokens with state-of-the-art innovations straight from our Research and Development Laboratory trials.

The Mint's reputation for research and development has been earned as a result of developing a talented team and network of technology partners over many years. The Mint patents important technologies and is vigilant in managing, and when necessary, defending its intellectual property portfolio.

Work Structures, Business Processes and Systems

The Mint continues to operate on an integrated basis. As an ISO 9001 Quality Management Systems certified organization, the corporation demonstrates a strong commitment to quality when it comes to production, installations and services. Productivity is a continued focus and continuous improvement practices that ultimately deliver cost savings have and will continue to be the priority.

OAG Special Examination Update

Through a dedicated and structured program approach, the Mint continues to make solid progress by taking action on the eleven recommendations and suggestions contained in the 2014 Auditor General of Canada Special Examination Report². While the majority of the recommendations have been implemented, the Mint plans to continue its multi-year efforts on the remaining three areas by refining and improving its business continuity plan, its disaster recovery plan, as well as advancing its risk management framework.

¹ 2018 Mint Directors Technical Committee review

² Copy of the full 2014 Special Examination Report of the Office of the Auditor General of Canada is available on the Mint's corporate website

STRENGTH OF THE WORKFORCE

The Mint's success rests on its ability to continue to recruit and retain a diverse, skilled and engaged workforce. The Mint's team is known internationally for its deep industry knowledge and expertise that balance public and commercial perspectives.

Collective Agreements

Public Service Alliance of Canada (PSAC)

The Mint and PSAC reached a tentative agreement in July 2019 and the deal was ratified at the end of September 2019. The Winnipeg Protective Services Officers' collective agreement, affiliated with a separate PSAC local, is expected to commence bargaining in Q1 2020.

Amalgamated Transit Union (ATU)

The collective agreement representing Protective Services Officers at the Ottawa facility expired on December 31, 2017. Bargaining is scheduled with the Amalgamated Transit Union local in October 2019.

Talent Development

In order to compete and be successful in a changing world and execute on its strategy, the Mint believes it must continuously invest in the development of its workforce. Through its strategic People Program, the Mint has initiated work to improve the processes and effectiveness of its investments in training and development. This includes more robust training needs identification, measuring the effectiveness of training and appropriate governance of the talent development processes. Improving the robustness of its talent development capabilities and succession planning processes will also be key areas of focus over the planning period, as the Mint has experienced significant changes in key leadership roles. The Mint is also strategically investing in change management training, in particular for those employees in the Numismatics business to support the customer centric strategy repositioning.

Talent Acquisition

A competitive market place has at times made the recruitment of people with a select number of key skills very challenging and often prolongs the time to fill key positions. Over the planning period, hiring will focus on specific skills needed to support the successful execution of the Mint's business strategy and core mandate.

Health and Safety

The Mint has also undertaken work to renew its focus on creating a vibrant and people-centric health and safety culture where leaders are role models of a safety first (zero injury mindset) and employees actively participate in creating an environment where safety and well-being are valued. As part of the People Program, a cross-functional group is working on building a robust health & safety framework to better integrate and reinforce the Mint's comprehensive suite of health and safety programs and further enhance their effectiveness. The Mint will pursue the multi-year deployment of its mental health strategy to support and enable employees in coping with mental health challenges.

Diversity and inclusion

The Mint will focus its recruitment efforts to ensure it is able to attract talent reflective of the diversity of the Canadian population. Over the planning period, the Mint will place a particular emphasis on improving the representation of women and visible minorities in its employee population. To support this effort, the Mint has initiated bias-awareness training for all of its HR staff. It will also progressively train people leaders to guard against conscious and unconscious biases, promote the value of inclusiveness, and reinforce the benefits of a diverse workforce.

Effective Governance

The Board of Directors reports to Parliament through the Minister of Finance and is comprised of eleven directors, including the chairperson and the President and CEO. The Board has overall responsibility for overseeing the management of the Mint's business and affairs. On February 18, 2019, Ms. Marie Lemay was appointed as President and CEO of the Mint for a five-year term. In 2019, the Mint welcomed two new directors - Ms. Pina Melchionna and Mr. Barry Rivelis.

The Mint is working closely with the Chair and board members to ensure a solid orientation supporting the fulfillment of their stewardship responsibilities.

New board and committee mandates were approved by the Board at the Mint's March 2019 board meeting. The Board and committees have also revamped their work-plans to take into account the new mandates. The Mint has undertaken a review of its by-laws, which will be submitted to the Minister of Finance and President of the Treasury Board, as per the requirements of the *Financial Administration Act*.

STRATEGY AND CORPORATE OBJECTIVES

The Mint will drive forward with an ambitious agenda in light of increased focus on productivity needed in a fast-changing environment. It has organized its corporate objectives around its vision pillars – Canada, Customers and People.

Delivering Results through a Diversified and Integrated Business Structure

To maximize efficiency and effectiveness, the Mint operates an integrated corporate structure with four businesses sharing its core services. The Mint's corporate offices and manufacturing operations for its Bullion and Numismatics businesses are located in Ottawa. The Mint's Winnipeg manufacturing facility is responsible for the production and distribution of Canadian and foreign circulation coins.

As a Crown corporation, the Mint focuses on three key success criteria to measure results:

- Successful delivery on its core mandate by meeting coin demand, as outlined in the Memorandum of Understanding (MOU) with the Government of Canada;
- Delivery of targeted profits, dividends and taxes paid, as referenced in this Corporate Plan; and
- Ensuring alignment with the priorities of the Government of Canada, highlighted throughout in various initiatives.

As part of the Mint's strategic planning process, risk management is an important factor taken into account when establishing the Mint's corporate objectives. More detail on the Mint's enterprise risk management framework and mitigation strategies can be found in annex 5.

Canada: To add value to Canada and Canadians

Corporate Objective:

The Royal Canadian Mint effectively supports trade and commerce by reliably producing and managing Canada's supply of durable and secure circulation coins. It celebrates Canada's history, diversity and values with pride and purpose through thoughtful and beautiful commemorative and numismatic coins.

As a commercial Crown demonstrating strong governance and management, the Mint generates sustainable financial contributions to the Government of Canada while demonstrating good corporate social citizenship.

For Canada and Canadians:

- Core Mandate: Coins are available throughout Canada to support trade and commerce needs
- Release of commemorative coins and collector coins to celebrate Canadian history, diversity and values
- A new MOU for circulation coinage with the Department of Finance is signed
- Maximize returns to the Government of Canada through continued prudent financial management

Customer: Customer-Driven Businesses

Corporate Objective:

The Royal Canadian Mint creates value for its domestic and international customers by offering uniquely relevant products and services, and delivering a great customer experience.

The Royal Canadian Mint consistently demonstrates global minting and operational excellence, and capitalizes on

market and customer opportunities when they arise through its continual focus on innovation, productivity and agility.

For Foreign Circulation customers:

- Market share in all market conditions is maintained or improved

For Bullion Products and Services customers:

- Market share in all market conditions is maintained or improved
- Accreditation by the London Bullion Market Association (LBMA) is maintained.

For Numismatic customers:

- Performance of Numismatic business line is improved

People: Talented People

Corporate Objective:

The Royal Canadian Mint provides diverse experiences, training, tools and support to enable employees to successfully execute on strategies and business objectives.

Mint employees are proud, engaged and enabled to perform at their best. The Royal Canadian Mint provides a positive and inclusive work environment through a commitment to teamwork in a healthy, respectful and safe workplace.

For Talented People:

- Reduction of incidents and injuries related to top two causes in Ottawa and Winnipeg plants (ergonomics and struck by)
- Engaged and enabled workforce
- The Mint is recognized as a diverse workplace with increased representation of women, visible minorities, people that identify as Indigenous and people with disabilities

FINANCIAL OVERVIEW

Financial Overview

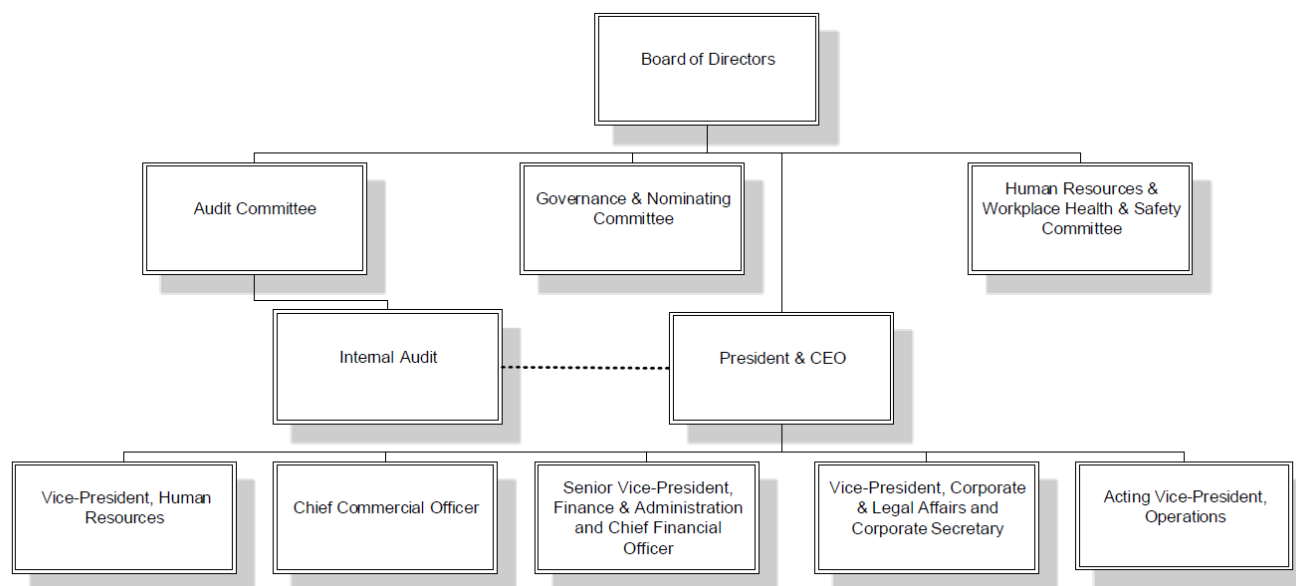
The Mint remains focused on providing value and being cost effective in all areas of its operations. The Mint continues to be committed to ensuring its financial resources are prioritized and committed to achieving its strategic corporate priorities. The Mint's financial plan and capital budget are developed under sound governance with management focusing on generating sustainable financial contributions to Canada, while demonstrating good corporate social responsibility. The Mint has outlined key financial principles that are reflected in its corporate objectives and financial plans.

These principles are to:

- Demonstrate continuous focus on improving productivity
- Operate each of the businesses to generate a strong sustainable level of performance
- Demonstrate discipline in managing the Mint's operating expenses
- Be measured in capital spending
- Actively manage the Mint's working capital

ANNEX 1: Corporate Governance Structure

Organizational Structure of the Royal Canadian Mint Board of Directors and Senior Officers



The Board of Directors

The Mint's Board of Directors has overall responsibility for overseeing the management of the Mint's business and affairs, including full and final responsibility for the Corporate Plan and its implementation. It exercises its duty with a view to the best interests of the Mint and the long-term interests of the sole shareholder, the Government of Canada, in accordance with the Mint's governing by-laws and various pieces of legislation.

The Board holds management accountable for the Mint's business performance and achievement of its objectives. To fulfill its responsibilities, the Board establishes and approves the Mint's strategic direction through a five-year business plan, and reviews and approves major strategies and initiatives. It exercises due diligence by assessing risks and opportunities, monitoring financial corporate performance, ensuring the integrity of financial results and providing timely reports to the Government of Canada.

Board of Directors Meetings

The Mint's vice-presidents are invited to attend all board meetings; their presence contributes to a more effective relationship between management and the Board by fostering open communication and a shared understanding of the Mint's activities, as well as, improving decision-making and governance. Other members of the Mint's management team also attend board meetings as needed.

With the exception of the President and CEO, all directors are independent of the Mint's senior management. At each regular meeting, the Board holds an in-camera session with the President and CEO as well as a separate Board-only in-camera session. The Chair of the Board is an ex-officio voting member on all standing committees; the Chair of the Board does not have a casting vote. The President and CEO is invited to all standing committee meetings but without voting rights; the President and CEO is a board member and can vote on board resolutions.

Standing Board Committees

Three standing committees assist the Board in discharging its responsibilities: The audit committee, the governance and nominating committee, and the human resources and workplace health and safety committee. The audit committee meets in-camera with the Mint's external and internal auditors. The Board establishes special ad hoc committees when required, which are dissolved once they have fulfilled their mandate. The Board and its committees may hire independent advisors as necessary to discharge their duties and responsibilities.

Audit Committee

The audit committee provides oversight of all material aspects of the Mint's financial affairs. Its role includes oversight of the Mint's financial affairs, including an assessment of financial performance against the Corporate Plan and annual operational plan, and the monitoring and oversight of the business risks in accordance with its risk management framework and the recommendations of specific courses of action to the Board as required. The Committee analyzes internal and external audit results and the periodic special examinations. The Committee manages the relationship with the external auditor of the Mint, the Auditor General of Canada, who is invited to attend all committee meetings. The director of internal audit reports directly to the committee and carries out engagements in accordance with the priorities established in the internal auditor's risk-based audit plan.

The audit committee meets at least quarterly or as many times as needed to discharge its mandate and consists of at least three directors.

Governance and Nominating Committee

The governance and nominating committee provides guidance on matters of corporate governance, including the review of the profiles of desirable skills and experience required of directors, the selection criteria for new appointments and re-appointments for directors, the Chair and the CEO, and consideration of board candidates. The committee reviews the orientation and education programs for directors, oversees the performance evaluation process of the Board and other committees and reviews corporate policies and other policy documents.

The governance committee meets at least semi-annually or as many times, as needed to carry out its mandate and consists of at least three directors.

Human Resources and Workplace Health and Safety Committee

The human resources and workplace health and safety committee advises the Board on human resources policies and practices, including recruitment, development and retention, compensation policies, labour relations issues and succession plans. It makes recommendations to the Board on the CEO's annual performance objectives and goals and evaluates his performance against these. Matters related to workplace health and safety are also reported to and monitored by the committee.

The human resources and workplace health and safety committee meets at least semi-annually or as many times as needed to carry out its mandate and consists of at least three directors.

Board Education and Composition

New board directors are provided with orientation to the Mint and its businesses through comprehensive briefings by senior management, as well as tours of the Ottawa and Winnipeg facilities. Regular updates on the Mint's activities are also provided at board meetings as part of ongoing education. Board members are encouraged to participate in ongoing professional development activities in alignment with an assessment of skills and competency requirements.

Governance Renewal

Renewed board and committee mandates. A review of by-laws is underway.

Board of Directors – Compensation

Position	Compensation
Chair of the Board	Annual retainer of \$12,400, Per diem of \$485
Board Members	Annual retainer of \$6,200, Per diem of \$485

All directors also received reasonable travel and other expenses reimbursement, in line with Treasury Board directives on travel and hospitality.

Senior Management Compensation

Position	Annual Compensation	Performance-based Compensation
President and CEO	\$318,800	26%

Board Membership³

Name	Position	Appointment / Term Expiry	Committee Membership / Attendance 12 M ending June 30, 2019	Board Attendance 12 M ending June 30, 2019
Clark, Phyllis Edmonton, Alberta	Chairperson	2018-05-11 / 2023-05-10	Audit – 4/4 HR&WHS – 4/4 Governance and Nominating – 5/5	9/9
Falardeau, Serge Ste-Marie de Beauce, Quebec	Director	2017-10-18 / 2021-10-17	Audit – 4/4 HR&WHS – 4/4	9/9
Lalli, Sandip K. Heritage Pointe, Alberta	Director	2018-06-06 / 2022-06-05	HR&WHS – 4/4 Governance and Nominating – 5/5	9/9
Macdonald, Fiona Vancouver, British Columbia	Director Chair of the HR &WHS Committee	2018-06-11 / 2022-06-10	HR&WHS – 4/4	9/9
Melchionna, Pina Toronto, Ontario	Director	2019-06-02 / 2023-06-01	N/A	1/1
Negris, Cybele Vancouver, British Columbia	Director	2017-10-18 / 2021-10-17	Audit – 4/4 HR&WHS – 4/4	8/9
Patry, Gilles, C.M. Ottawa, Ontario	Director	2018-06-11 / 2022-06-10	Audit – 4/4 Governance and Nominating – 5/5	9/9
Rivelis, Barry* Vancouver, British Columbia	Director	2019-07-01 / 2023-06-30	N/A	N/A
Ross, N. William C.** Toronto, Ontario	Director	2015-07-01/2019-06-30	HR&WHS – 4/4 Governance and Nominating – 5/5	9/9
Skelton, Carol *** Harris, Saskatchewan	Director	2015-03-26/2019-02-28	HR&WHS – 2/2 Governance and Nominating – 3/3	5/5
Trudeau, Deborah Shannon Montréal, Quebec	Director Chair of the Governance and Nominating Committee	2017-10-18 / 2021-10-17	Governance and Nominating – 5/5	9/9
Young, Victor L., O.C. St. John's, Newfoundland and Labrador	Director Chair of the Audit Committee	2017-10-18 / 2020-10-17	Audit – 4/4	9/9
Lemay, Marie Ottawa, Ontario	Master of the Mint	2019-02-18 / 2024-02-18	Audit – 2/2 HR&WHS – 2/2 Governance and Nominating – 2/2	4/4

*Mr. Rivelis' terms started on July 1, 2019 and as such is not covered by the time period of this table.

**Mr. Ross' term ended on June 30, 2019. While his attendance is included in this table, at the time of drafting of this table, he is no longer a Director of the Royal Canadian Mint.

***Ms. Skelton's term ended on February 28, 2019. Her attendance is included until the end of her term.

³ Board biographies can be found on the Mint's website - <https://www.mint.ca/store/mint/about-the-mint/board-members--senior-officers-1400006#.W79A5GzD-JA>

ANNEX 2: Summary of Financial Statements and Budgets⁴

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the year ended December 31 (in millions, CAD)

	Actual 2018	Plan 2019	Forecast 2019	Plan 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024
Revenue	\$1,420.6	\$1,320.2	\$1,367.6	\$1,379.4	\$1,382.3	\$1,386.6	\$1,391.5	\$1,394.8
Operating Costs	1,373.8	1,292.3	1,334.9	1,353.0	1,356.1	1,356.4	1,359.5	1,360.3
Profit (loss) before income tax	46.8	27.9	32.7	26.4	26.2	30.2	32.0	34.5
Income tax (expense) recovery	(11.7)	(7.0)	(8.2)	(6.6)	(6.5)	(7.6)	(8.0)	(8.6)
Profit (loss) for the period	35.1	20.9	24.5	19.8	19.6	22.7	24.0	25.9
Other comprehensive income (loss), net of tax	1.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Total comprehensive income (loss)	36.2	20.9	24.4	19.8	19.6	22.7	24.0	25.9

⁴ Due to rounding, numbers presented may not add up precisely to the totals provided.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31 (in millions, CAD)

	Actual 2018	Plan 2019	Forecast 2019	Plan 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024
Current Assets								
Cash	\$ 66.4	\$ 62.4	\$ 62.4	\$ 59.2	\$ 56.1	\$ 53.0	\$ 53.0	\$ 53.0
Trade receivables, net and other receivables	38.8	23.1	36.0	25.0	26.0	26.5	27.3	27.9
Prepaid expenses	3.4	3.5	3.3	1.4	1.4	1.4	1.4	1.4
Income taxes receivable	0.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0
Inventories	62.2	63.4	71.5	65.8	64.8	66.0	67.3	68.0
Contract assets	17.3	0.0	1.9	0.0	0.0	0.0	0.0	0.0
Derivative financial assets	0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Total current assets	188.1	157.0	175.0	151.4	148.4	147.0	149.0	150.3
Non-current assets								
Trade receivables, net and other receivables	0.0	0.0	0.5	0.3	(0.0)	0.0	0.0	0.0
Prepaid expenses	0.6	0.0	0.2	0.1	(0.0)	(0.0)	(0.0)	(0.0)
Derivative financial assets	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax assets	36.2	30.8	35.7	35.1	34.7	34.4	34.0	33.7
Property, plant and equipment	164.2	170.2	158.0	157.8	156.2	155.1	154.0	153.1
Right of use assets	0.0	14.1	7.9	5.8	3.8	2.8	2.1	1.4
Investment property	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Intangible assets	8.4	7.3	8.9	10.0	10.6	11.4	12.2	13.0
Total non-current assets	209.7	222.6	211.4	209.2	205.6	203.9	202.6	201.4
Total assets	397.8	379.7	386.4	360.7	353.9	350.9	351.6	351.7
Current Liabilities								
Trade payables, other payables and accrued liabilities	49.0	54.0	53.8	52.2	56.0	56.0	56.6	56.8
Provisions	5.8	0.0	1.8	1.0	1.0	1.0	1.0	1.0
Loans payable	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0
Face Value redemptions	1.3	1.9	1.4	1.4	1.4	1.4	1.4	1.4
Deferred revenue	0.0	6.2	0.0	0.0	0.0	0.0	0.0	0.0
Contract liabilities	14.6	0.0	12.7	11.9	11.9	11.9	11.9	11.9
Lease liabilities	0.0	2.7	3.0	2.9	1.7	1.0	0.9	0.9
Income taxes payable	2.4	0.0	2.4	2.4	2.4	2.4	2.4	2.4
Employee benefits	2.5	2.9	2.5	2.5	2.5	2.5	2.5	2.5
Derivative financial liabilities	2.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	80.7	71.2	80.8	77.3	79.9	76.2	76.7	76.9
Non-current liabilities								
Trade payables, other payables and accrued liabilities	0.3	1.7	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	2.1	0.0	1.4	1.4	1.4	1.4	1.4	1.4
Loans payable	9.0	6.0	6.0	3.0	0.0	0.0	0.0	0.0
Face Value redemptions	138.5	132.9	134.3	132.0	130.6	129.1	127.7	126.3
Lease liabilities	0.0	11.7	6.6	4.2	2.9	2.2	1.5	0.7
Employee benefits	10.8	11.8	10.8	10.8	10.8	10.8	10.8	10.8
Derivative financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total non-current liabilities	160.7	164.1	159.0	151.4	145.6	143.5	141.4	139.2
Total liabilities	241.4	235.3	239.8	228.6	225.5	219.7	218.0	216.1
Shareholder's equity								
Share capital (authorised and issued 4,000 non-transferable shares)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	116.4	104.4	106.6	92.0	88.4	91.2	93.5	95.7
Accumulated other comprehensive loss	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total shareholder's equity	156.5	144.4	146.6	132.0	128.4	131.2	133.5	135.7
Total liabilities and shareholder's equity	397.8	379.7	386.4	360.7	353.9	350.9	351.6	351.7

Short Balance Sheet analysis over the period 2019 through to 2024

2019 :

Period-end inventories increase from 2018 to 2019 in the first three quarters of the 2020 plan but are expected to remain fairly consistent throughout the planning period.

2020-2024 :

Cash is expected to decrease by \$3.2M in 2020.

Conclusion: The Mint will continue to have a solid balance sheet over planning period and is focused on its management of working capital

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY As at December 31 (in millions, CAD)

	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance beginning of 2018	40.0	88.1	0.1	128.2
Profit (loss) for the year	-	35.1	-	35.1
Other comprehensive income (loss)	-	1.1	(0.0)	1.1
Dividend	-	(10.0)	-	(10.0)
Balance end of year 2018	40.0	116.4	0.1	156.5
Balance beginning of 2019	40.0	116.4	0.1	156.5
Profit (loss) for the year	-	24.5	-	24.5
Other comprehensive income (loss)	-	-	(0.1)	(0.1)
Impact of change in accounting policy	-	-	-	-
Dividend	-	(34.2)	-	(34.2)
Balance end of year 2019	40.0	106.6	-	146.6
Balance beginning of 2020	40.0	106.6	-	146.6
Profit (loss) for the year	-	19.8	-	19.8
Other comprehensive income (loss)	-	-	-	-
Dividend	-	(34.4)	-	(34.4)
Balance end of year 2020	40.0	92.0	-	132.0
Balance beginning of 2021	40.0	92.0	-	132.0
Profit (loss) for the year	-	19.7	-	19.7
Other comprehensive income (loss)	-	-	-	-
Dividend	-	(23.2)	-	(23.2)
Balance end of year 2021	40.0	88.4	-	128.5
Balance beginning of 2022	40.0	88.4	-	128.5
Profit (loss) for the year	-	22.7	-	22.7
Other comprehensive income (loss)	-	-	-	-
Dividend	-	(19.9)	-	(19.9)
Balance end of year 2022	40.0	91.2	-	131.2
Balance beginning of 2023	40.0	91.2	-	131.2
Profit (loss) for the year	-	24.0	-	24.0
Other comprehensive income (loss)	-	-	-	-
Dividend	-	(21.6)	-	(21.6)
Balance end of year 2023	40.0	93.5	-	133.5
Balance beginning of 2024	40.0	93.5	-	133.5
Profit (loss) for the year	-	25.9	-	25.9
Other comprehensive income (loss)	-	-	-	-
Dividend	-	(23.7)	-	(23.7)
Balance end of year 2024	40.0	95.7	-	135.7

Short Dividends analysis over the period 2019 through to 2024

The Mint is targeting an annual dividend payment made up of excess cash over a defined cash reserve. In 2019, the projected dividend of \$34.2 million exceeds the planned 2019 dividend of \$25.3 million. For the planning period the dividend ranges from \$19.9 million to \$34.4 million.

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended December 31 (in millions, CAD)

	Actual 2018	Plan 2019	Forecast 2019	Plan 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024
Cash flows from operating activities								
Profit (loss)	\$ 35.1	\$ 20.9	\$ 24.5	\$ 19.8	\$ 19.6	\$ 22.7	\$ 24.0	\$ 25.9
Adjustments to reconcile profit (loss) to cash flows from operating activities								
Depreciation and Amortization	18.1	20.9	21.6	21.2	20.9	19.3	19.0	18.8
Tax expense (recovery)	11.7	7.0	8.2	6.6	6.5	7.6	8.0	8.6
Finance costs, net	(1.9)	(0.3)	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
Other income	(0.5)	-	-	-	-	-	-	-
Loss on foreign exchange	(3.4)	-	-	-	-	-	-	-
Adjustments to other expenses (revenues), net	(1.8)	(3.0)	(2.9)	(3.1)	(4.9)	(5.0)	(5.0)	(5.0)
Changes in liability for Face Value redemptions	2.0	(3.9)	(4.1)	(2.3)	(1.4)	(1.4)	(1.4)	(1.4)
Net changes in operating assets and liabilities	(11.6)	14.2	10.1	20.8	9.2	3.5	3.6	4.0
Cash provided by operations before interest and tax	47.6	55.7	57.0	62.8	49.8	46.4	47.9	50.6
Income taxes paid, net of income taxes received	(8.9)	(6.0)	(7.6)	(6.0)	(6.2)	(7.2)	(7.6)	(8.3)
Interest received, net of interest paid	0.9	0.3	0.4	0.2	0.2	0.2	0.2	0.3
Net cash from operating activities	39.7	50.0	49.8	56.9	43.8	39.4	40.5	42.6
Cash flows used in investing activities								
Acquisition of property, plant and equipment	(11.7)	(20.0)	(9.3)	(14.9)	(13.4)	(13.4)	(13.4)	(13.4)
Acquisition of intangible assets	(2.2)	-	(4.6)	(5.0)	(4.6)	(4.6)	(4.6)	(4.6)
Net cash used in investing activities	(13.9)	(20.0)	(13.8)	(20.0)	(18.0)	(18.0)	(18.0)	(18.0)
Cash flows used in financing activities								
Dividends paid	(10.0)	(25.3)	(34.2)	(34.4)	(23.2)	(19.9)	(21.6)	(23.7)
Finance lease payments	-	(1.9)	(2.7)	(2.7)	(2.7)	(1.6)	(0.9)	(0.9)
Repayment of loans	(7.5)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	-	-
Net cash used in financing activities	(17.5)	(30.2)	(40.0)	(40.2)	(28.9)	(24.5)	(22.5)	(24.6)
Effect of changes in exchange rates on cash	1.8	-	-	-	-	-	-	-
(Decrease) increase in cash	10.1	(0.2)	(4.0)	(3.2)	(3.1)	(3.1)	(0.0)	0.0
Cash at the beginning of the period	56.3	62.6	66.4	62.4	59.2	56.1	53.0	53.0
Cash at the end of the period	66.4	62.4	62.4	59.2	56.1	53.0	53.0	53.0

Cash Flow highlights over the period 2019 through to 2024

Cash at period-end ranges from \$53 million to \$62.4 million during the planning period. Cash is expected to decrease by \$3.2M in 2020 as cash from operating activities will be partially offset by payments for capital expenditures, dividends, and finance lease and loan repayments. Cash is expected to decrease slightly in 2021 and remain consistent for rest of the plan horizon, consistent with cash reserve requirements in the dividend framework.

Capital Budget 2020 and Capital Expenditure Plan 2021-2024

	Actual 2018	Plan 2019	Forecast 2019	2020	2021	Plan 2022	2023	2024
Total	15.2	20.0	13.8	20.0	18.0	18.0	18.0	18.0

- Building: This includes plant and office modernization and improvements in Ottawa and Winnipeg, to facilitate efficient use while meeting health and safety standards.
- Equipment: Includes investments for reliability, flexibility and capability improvements as well as safety, security and environment. These projects are dedicated to optimizing processes, equipment and layout to ensure a high level of manufacturing efficiency and responsiveness. They also ensure the health and safety of employees, the security of the Mint's assets, and compliance with environmental requirements including carbon emissions monitoring.
- Information Technology: Includes computer hardware and software for the ongoing support and development of the computing and communications infrastructure and business applications and customer-facing systems.
- Treasury Board Corporate Plan guidelines require the application of a 2-key risk criteria (value and risk) for mandatory disclosure in Corporate Plans. The Mint has no capital projects that meet these criteria.
- Right of use assets for leases being transitioned into capital upon the adoption of IFRS 16 on January 1, 2019 amount to \$10.0 M and are not included in the above table. This created an asset and corresponding liability.
- Other than the right of use assets transitioned into capital upon the adoption of IFRS 16, no other leases are included in the Capital Plan.

The Capital Budget for 2020 and the Capital Expenditure Plan for 2021-2024 represent the major investments planned in equipment and technology to the Mint's productivity and customer service, and enhance profitable growth opportunities. Investments that are required to maintain reliability, flexibility and capability of the Mint's equipment as well as to protect employee health and safety and the environment are also included.

The Mint's capital budget is managed in aggregate with adjustments made as required in-year prioritization. As a result of this practice, combined with the multi-year nature of certain projects, it is possible that the actual spend by asset category can vary from that presented in the 2020 Capital Budget and 2021-2024 Capital Expenditure Plan.

ANNEX 3: Detailed Financial Statement Information

Key Planning assumption⁵

Planning Assumptions	2020
Inflation	1.9%

Significant Accounting Policies

Basis of reporting

The consolidated financial statements are prepared in accordance with International Financial Reporting Standard (IFRS), applying the IFRS standards in effect on January 1, 2019.

Quarterly Financial Reporting

The *Financial Administration Act* requires that all departments and parent Crown corporations prepare and make public a quarterly financial report within 60 days after the end of the fiscal quarter to which the report relates. The Treasury Board Secretariat issues this standard.

New and revised IFRS affecting amounts reported in the consolidated financial statements

The Corporation adopted IFRS 16 – *Leases* (“IFRS 16”) with a date of initial application of January 1, 2019. As a result, the Corporation has changed its accounting policies for leases as outlined in note 3 of its condensed consolidated financial statements for the 13 weeks ended March 30, 2019.

The Corporation applied IFRS 16 using the modified retrospective method. Under this method, the Corporation applied the standard retrospectively only to the most current period presented in the condensed consolidated financial statements and recognized the cumulative effect of initially applying this standard as an adjustment to its opening statement of financial position as at January 1, 2019. Therefore, the comparative information for 2018 presented in the Corporation’s consolidated financial statements has not been restated.

In addition, as described in note 5 of its condensed consolidated financial statements for the 13 weeks ended March 30, 2019, the Corporation adopted other new and revised IFRS pronouncements issued by the International Accounting Standards Board (IASB) on January 1, 2019 that did not have a material impact on its consolidated financial statements.

New and revised IFRS pronouncements issued, but not yet effective

The Corporation has reviewed the revised accounting pronouncements that have been issued, but are not yet effective, as outlined in note 5 of its condensed consolidated financial statements for the 13 weeks ended March 30, 2019, and has made the following assessment of the future impact on its consolidated financial statements.

- a) The adoption of the *Revised Conceptual Framework for Financial Reporting* issued by the IASB, which is effective for annual periods beginning on or after January 1, 2020, is not expected to have a material impact on the Corporation’s consolidated financial statements.

⁵ Inflation: Bank of Canada Monetary Policy Report, July 2019

ANNEX 4: Borrowing Plan

Funding activities are governed by section 20 of the *Royal Canadian Mint Act* and section 127 of the *Financial Administration Act*. Under subsection 20(1) of the *Royal Canadian Mint Act*, the Mint is subject to a statutory borrowing authority constraint, which limits total amount outstanding at any time at \$75 million (M), or such greater amount as may be specified in an appropriation Act. In accordance with subsections 20(3) of the *Royal Canadian Mint Act* and 127(3) of the *Financial Administration Act*, the Mint requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction.

Short-Term Borrowing

The Mint anticipates minimal, if any, short-term borrowings over the planning period. Approval to access to short-term funding facilities is required, however, to address potential working capital requirements and/or to address potential bank overdraft positions that could stem from inaccurate cash forecasts and delays in receiving large-value payments from customers. The amount of short-term borrowings outstanding at any time shall not exceed \$25 M (Canadian or equivalent US Dollars).

The Mint requires access to short-term funding to promote operational efficiencies, address working capital requirements and potential overdraft positions. The \$25 M short-term borrowing limit amount is deemed reasonable at this time in light of the Mint's multi-billion-dollar annual cash flows.

Long-Term Borrowing

No new long-term borrowings are anticipated for 2019 and over the planning period.

ANNEX 5: Risk and Risk Responses

Enterprise Risk Management Framework (ERM)

The Mint relies heavily on effective leadership, engaged employees utilizing modern business tools, and stakeholder engagement to ensure the disciplined execution of initiatives.

In 2017, the Mint undertook to refresh its Enterprise Risk Management (ERM) framework to enhance risk informed decision making. The new framework is being phased in, and contains the following key components.

ERM and Business Planning

The Mint's Board of Directors and senior leadership hold an annual strategic planning session where the corporate strategy is reviewed and adapted to reflect in-year changes to the external and internal operating environment. Risk is one of multiple factors considered to determine long-term strategic priorities and objectives.

Risk Identification and Assessment

The focus is the identification of events that can affect the achievement of the strategy and business performance objectives. The Mint's approach distinguishes a risk and an issue, where an issue is a known fact with a certainty of occurrence and consequently are not assessed. The risk assessment considers the strategic, financial, reputational and operational impacts of events, as well as, the likelihood of such events.

Risk Treatment and Monitoring

The risk indicators are closely monitored and updated using the Mint's corporate risk framework. Senior management reviews the Mint's risk profile on a quarterly basis. Risk exposure is discussed in the context of management's tolerance, and risk treatment actions are selected. The Board's Audit Committee receives a quarterly update of the key strategic risks included in the corporate risk profile, in addition to newly identified emerging risks.

Corporate Risk Profile

Strategic:

- Shareholder relations
- Numismatic value proposition
- E-Payment adoption rate

Financial:

- Foreign market dynamics
- Bullion market dynamics

Operational:

- Resilience and recovery
- Security (cyber and physical)
- Change management
- Regulation
- Geopolitical

ANNEX 6: Compliance with Legislative and Policy Requirements

This appendix contains information about the corporation's efforts to comply with legislation, Treasury Board policies, Governor in Council and ministerial directives such as:

A. Access to Information Act

The Mint is subject to the *Access to Information Act* (the Act) and facilitates the public's right of access to the Mint's records through its compliance with the request process as provided for under the legislation. As reflected in its practices and procedures, the Mint follows the principles for assisting requesters and endeavours to provide complete, accurate and timely responses to requests made under the Act. The Mint also regularly delivers training and education on access to information to make its employees aware of their duties and legal responsibilities under the Act. The Mint will ensure that it complies with the recent changes to Part 1 of the Act as provided in *An Act to Amend the Access to Information Act and the Privacy Act and to Make Consequential Amendments to Other Acts* (Bill C-58) including the changes related to tabling of the Annual Report. The Mint posts summaries of completed Access requests of interest to the public on the government of Canada's Open Government site. By 2020, the Mint will also be participating in the ATIP Online Request Service.

B. Conflict of Interest Act

The Mint ensures that directors annually review and affirm their commitment to and compliance with the *Conflict of Interest Act*, the Guidelines for Public Office Holders and the *Royal Canadian Mint Act* as well as the Mint's Code of Conduct policy through a formal process by providing conflict of interest letters to members.

C. Canadian Human Rights Act

The Mint conducts itself and provides experiences to its employees in a manner consistent with the expectations set out in the *Canadian Human Rights Act*. The Mint has a Code of Conduct and Ethics, and a suite of policies pertaining to staffing, salary administration, violence in the workplace, harassment and discrimination. The Mint also provides employees with a confidential means for disclosure through its Code of Conduct and Ethics, and its Disclosure of Wrongdoings policy. The Mint also promotes itself on the careers page of its website as an equal opportunity employer for women, Indigenous peoples, persons with disabilities and members of visible minorities.

D. Corruption of Foreign Public Officials Act

The Mint's *Code of Conduct and Ethics* (CFPOA) prohibits bribery and employees knowingly supporting a transaction that involves the offer or giving of a bribe. As a means of ensuring demonstrated compliance with the CFPOA, the Mint adopted an Anti-Bribery and Anti-Corruption Compliance Program. Based on a risk assessment designed to identify the Mint's potential threats and vulnerabilities to bribery and corruption, the Mint developed the following key measures to mitigate the risk of same: an internal hospitality approval process for employees who have business dealings with foreign public officials; risk-based due diligence pertaining to the hiring and regular oversight of the Mint's agents operating abroad; and a practice of requiring that such agents sign a declaration respecting bribery and corruption on a bi-annual basis. In addition, the Mint has provided training and guidelines on the CFPOA to educate designated employees and its agents operating abroad on their obligations and compliance requirements under the CFPOA. Where the Mint has determined it is beneficial for the management of its anti-bribery program it will undertake enhanced due diligence on its foreign agents.

E. *Compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (“PCMLTFA”)*

As a dealer in precious metals, the Mint has obligations under the PCMLTFA and associated regulations respecting transactions that involve the sale of precious metals, including specific reporting, record keeping, customer identification and know-your-customer requirements. The Mint implemented an Anti-Money Laundering/Anti-Terrorist Financing (“AML/ATF”) Compliance Program to provide a solid foundation for compliance with such requirements. As part of the program, the Mint has appointed an AML/ATF Compliance Officer (“CAMLO”); maintains compliance policies and procedures; regularly assesses money laundering and terrorist financing risks to ensure continued effectiveness of the Mint’s risk mitigation measures; manages an on-going compliance-training program; and ensures external reviews of the effectiveness of the program every two years.

F. *Canada’s Anti-Spam Legislation*

Through diligent work with its sales and marketing team, the Mint has implemented controls to ensure that appropriate consents and protocols are in place for email use with customers in compliance with Canada’s Anti-Spam Legislation (CASL). The Mint maintains an email consent database. Customized CASL online training is provided to sales and marketing staff.

G. *General Data Protection Regulation*

The Mint completed an initial assessment of the applicability of the EU General Data Protection Regulation (GDPR) to its business activities in early 2018 when the GDPR came into force. Available evidence suggests that compliance with the legislation is not required at this time. The Mint continues to monitor GDPR guidance, case law and other developments. Any future Mint initiatives, programs or activities that may involve EU data subjects are reviewed for GDPR compliance as a condition precedent to implementation.

H. *Employment Equity Act*

The Mint maintains and administers policies to ensure it provides equitable employment opportunities for all job applicants. This is achieved through staffing policies and processes designed to ensure that recruitment and selection rules and tools are non-discriminatory, that applications are reviewed and evaluated based on objective and established criteria, and assures management that members of the four designated groups are not disadvantaged. In December 2017, the Mint completed an external review of its employment policies to ensure the content of those policies did not hinder employment opportunities for member of the four designated groups. In the planning period, the Mint plans to conduct a self-identification survey of its employee population.

I. *Official Languages Act*

The Corporation strives to dynamically balance its mandate of operating “in anticipation of profit” with spending requirements for bilingualism and compliance with Parts IV, V, VI and VII of the federal *Official Languages Act* (OLA). While the *Public Service Employment Act* is not applicable to the Mint, the Corporation is currently deploying an action plan in its facilities located in the National Capital Region to enhance language of work compliance. Other measures supporting official languages (OL) compliance include: an in-house translation unit; regular attendance of OL meetings with federal stakeholders; an OL working group to address issues; a two-person OL Champion/Co-champion team for OL advocacy; and the Mint’s core function of celebrating—with fully bilingual products and communications—the people, places and culture of Canada, in alignment with the heritage component of government priorities.

J. *Privacy Act*

The Mint is subject to the *Privacy Act* (the *Act*) and is committed to protecting personal information and managing this information with the utmost responsibility and care. In its efforts to comply with sections 4 through 8 of the legislation, the Mint limits as appropriate the collection, use and disclosure of personal information; identifies the purposes for which this information is collected at or before the time of collection; and protects the information with the appropriate safeguards. Personal information collected and held by the Mint is listed in Personal Information Banks (PIBs) and published annually in its Info Source chapter, which describes the purpose for the collection, notes any consistent uses and specifies the retention and disposal standards of the information. The Mint regularly delivers training and education on privacy and privacy breach awareness to make its employees aware of best practices as well as their duties and legal responsibilities under the Act. The Mint will comply with Bill C-58 provisions including the changes related to tabling of the Annual Report.

K. Directives on Travel and Hospitality, Conference and Event Expenditures

The Mint has made the necessary revisions to policies, processes and systems to comply with all the changes included in the current Directive on Travel, Hospitality, Conference and Event Expenditures (DTHCEE) and to ensure compliance with Bill C-58 requirements, including proactively disclosing appropriate Travel and Hospitality expenses on a monthly basis. Controls also include guidance and focused training, as well as oversight activities during the processing of claims. In addition to the revisions, the Mint continues to take additional measures to review, identify and implement enhancements to its processes and systems. This forms part of the organization's continuous improvement initiatives, enhanced controls and cost reduction efforts, all consistent and in line with the DTHCEE. In 2020, the Mint will be moving to Open Government for posting its proactive disclosure.

L. Official Languages policy instruments

The Treasury Board (TB) has recently streamlined its twelve former official languages (OL) policy instruments into one overarching policy, the TB's Policy on Official Languages, now supported by only three consolidated directives. The Mint is subject to all three instruments, except Appendix 2 of the directive on official languages for people management. In addition to mirroring the principles of the TB's OL policy with its own corporate OL Policy (No. 31), the Mint also enacts compliance measures such as: a robust in-house second-language training program; spot checks for Active Offer compliance; totally bilingual online platforms with toggle functions between mint.ca and monnaie.ca; an on-call translation service after hours to ensure simultaneous messaging on social media platforms.

M. Pension Plan Reform Directives

The Mint has necessary processes and systems designs to ensure that employees who meet the prescribed eligibility criteria are members of the federal public service pension plan. In conjunction with the public service pension reform, employees starting after January 1, 2013 are aligned with the new plan design, guidelines and contribution rates.

N. Canada Labour Code Part II and the Canada Occupational Health and Safety Regulations

The Mint is committed to providing a safe and healthy work environment as a fundamental right afforded to its employees, contractors and business visitors. The Mint has a corporate health and safety policy and a suite of comprehensive, proactive and practical health and safety programs designed to identify, assess and control workplace hazards including those impacting psychological health and safety. These safety programs and practices reflect best practices and are developed with the participation of the corporate policy health and safety committee, the workplace health and safety committee, management and employees. These programs are executed with the highest degree of regard for compliance with the *Canada Labour Code Part II* and the *Canada Occupational Health and Safety Regulations*

O. Trade Agreements

In an effort to comply with all relevant directives and legislation, the Mint maintains a corporate procurement policy to provide the Mint with a management framework that is flexible and promotes the efficient, effective, open, fair, ethical, and transparent acquisition of goods and services while supporting the commercial mandate of the Mint.

- The Mint's requirements for goods and services are met and best value is attained;
- The integrity of the procurement process is maintained, the Mint's obligations as a Crown corporation are respected, while operational requirements are met, and;
- The Mint is not exposed to undue risks that cannot be mitigated, managed or avoided when entering into contracts for the procurement of goods and services.

Internal processes and systems are being established or enhanced so that each new procurement for goods and services is assessed against that policy and against obligations under applicable international trade agreements. As is required and requested, related reporting is submitted to government.

Such trade agreements include Comprehensive Economic and Trade Agreement (CETA), Comprehensive and Progressive Agreement for Trans-Pacific Partnership Canada (CPTPP), Canada Free Trade Agreement (CFTA), Canada-United States-Mexico Agreement (CUSMA), World Trade Organization Agreement on Government Procurement (WTO-AGP), Canada-Chile Free Trade Agreement, Canada-Columbia Free Trade Agreement, Canada-Honduras Free Trade Agreement, ,Canada-Korea Free Trade Agreement, Canada-Peru Free Trade Agreement, Canada-Ukraine Free Trade Agreement.

ANNEX 7: Government Priorities and Direction

This appendix describes how the corporation's priorities and activities align with government-wide priorities, and highlights any notable activities in the following key areas.

Government-wide priorities are outlined in the Speech from the Throne and the Budget Plan.

The Mint promotes openness and accountability through its proactive disclosure publications. The Mint transitioned to publishing its completed Access to Information (ATI) request summaries from its own website to the Open Government portal open.canada.ca in the 2018 calendar year. The Mint's ATI summaries appear and are searchable in the portal within 30 days of the end of the calendar month in which the requests were closed.

A. Open and Transparent Government

In alignment with this priority the Mint is:

- Refreshing systems and processes to enable timely and accurate disclosure to shareholder and the people of Canada, all required information both financial and non-financial.
- Prioritizing requests for access to information within the corporation's workload.
- Publishing on its website all annual and quarterly financial reports, as well as the proactive disclosure of travel and hospitality expenses of its board members and the officers.

B. Gender-Based Analysis Plus (GBA+)

At this time, the Mint does not have a specified GBA+ implementation plan. However, the Mint has begun implementing its diversity and inclusion strategy including an assessment of the application of GBA+ initiatives in its activities. The Mint will then determine the next steps and appropriate actions required.

C. Diversity and employment equity

The Mint is proud to promote diversity through coin designs featuring Indigenous art and creating a link with many of Canada's communities by celebrating culture on numismatic coins. The Mint will continue to look for opportunities to support diversity in recommending future coin designs.

The Mint also has practices focused on equity such as workplace accommodation, a transparent and objective job evaluation system, an annual compensation equity review, a diversity and inclusion committee, in addition to promoting equal opportunity employment for women, Indigenous peoples, persons with disabilities and members of visible minorities on its website careers section and on internal job postings.

D. Indigenous issues – consultations

To date, there have been no instances where the duty to consult Indigenous peoples has been triggered by the Mint's activities, nor does the Mint expect such a duty to be triggered in the foreseeable future. The Royal Canadian Mint has a rich history of portraying Indigenous art, culture, people and places on its coins. The Mint works closely with Indigenous artists and is increasing its consultation and outreach to ensure designs are accurate, respectful and meaningful keepsakes that commemorate Canada's history and diversity. Whether through commemorative circulation coins or numismatic collector coins, the Royal Canadian Mint is committed to telling the stories that shape the nation.

E. Sustainable development and greening government operations

The Mint is committed to sustainability as demonstrated through the Mint's vision of *delivering excellence... through our customer-driven businesses, our talented people and the value we add to Canada and Canadians*. The Mint strives to always provide a positive customer experience by delivering high quality, relevant products, and responsive customer care and service that the Mint tracks through its net promoter score. The

Mint invests significantly in training and development, health and safety, and mental wellness programs to ensure that employees are not only engaged, but equipped with the right tools and support to make them physically and psychologically prepared and successful in their jobs. The Mint adds value by returning profits to the Canadian shareholder, celebrating Canada's heritage, people and places and through an ongoing commitment to reduce the Mint's footprint on the environment. The Mint possesses a robust environmental management system and monitors annual its water and electricity consumption, employing the Mint's proprietary non-cyanide plating processes in its production facilities, reducing the overall production requirements through recycling and advanced forecasting and logistics programs and strategically investing in equipment that will reduce environmental impact.

F. Safe Workspaces

The Mint's values of *Respect, Honesty, Pride and Passion* are the basis of the Mint Code of Conduct and Ethics, and the Mint's commitment to these values is further supported by embedded reporting mechanism and a separate policy on disclosure of wrongdoings. During the planning period, both the Code of Conduct and the wrongdoing policy have been approved in Q2 2019, with roll out in Q3 2019 to include a new third party whistleblower reporting service providing employees yet another mechanism to report both misconduct under the code, and wrongdoing under the disclosure of wrongdoings policy. Amendments to the code will also set out how employees can report non-compliance with the code through the third party provider, and also report wrongdoing and receive legislated confidentiality and protection against reprisal. A communication strategy will support the implementation of these changes and the new employee on-boarding processes will be updated accordingly. Additionally, an annual memo is sent to all Mint employees from the Senior Officer for Disclosures, the Mint's Vice-President Legal and Corporate Affairs and Corporate Secretary, reminding them of the various means to report misconduct or wrongdoings. In the event allegations of misconduct or wrongdoing are reported to the Mint, directly or via third party, all allegations are investigated by trained human resources staff or through an independent third party investigator when deemed appropriate in order to ensure a fair, equitable and thorough investigative process.

G. Accessibility

The Mint has adopted a diversity and inclusion strategy setting out three priorities: to create a shared understanding, to foster workforce diversity, and to be mindful of an inclusive day-to-day experience at the Mint. The strategy is supported by an active diversity and inclusion employee committee and a thorough communications plan. The Mint celebrates and shares information on employment equity, diversity and multiculturalism through its weekly communication tool called *The Source*. Asian Heritage Month, Black History Month, Multiculturalism Day, International Day of Persons with Disabilities, International Day Against Homophobia and Transphobia and Human Rights Day are acknowledged in *The Source*, posted on communication boards and various events are held during the year to recognize milestones and events such as the launch of the Equality coin in 2019 commemorating the 50th anniversary of federal legislation that initiated the decriminalization of homosexuality.

Additionally, the Mint continues to implement recommendations from a 2018 Graybridge Malkam Consulting report, which reviewed policies and programs, including an analysis of the Mint's workforce diversity. In the planning period, the Mint plans to roll-out of a self-identification survey to update its workforce diversity statistics and implement targeted recruitment strategies for designated groups. Partnerships with organizations such as Hire Immigrants Ottawa (HIO), Employment Accessibility Resource Network (EARN), GlobalLK, the Canadian Centre for Diversity and Inclusion, Women Deliver 2019 and March

of Dimes will help support recruitment efforts to attract candidates from the four employment equity designated groups. Seminars on leveraging inclusion and diversity to mitigate unconscious bias have been completed with HR professionals and will cover all people managers over the planning period. Additionally, the annual employee engagement survey contains specific questions regarding diversity and inclusion, in order to gather data on the effectiveness of the work being done to meet diversity and inclusion goals.

The Mint also provides adapted tools and resources such as ergonomic modifications to workstations and return-to-work programs to facilitate the return of employees after an injury or illness, or to meet accommodations relevant to their permanent restrictions such as hearing impairments. Indeed, the Mint responds to requests for sign language interpreters to assist our employees with hearing impairments to communicate and participate fully in meetings, presentations, interviews and special events. The Mint ensures that members of the public and contractors visiting the Mint are supported when accommodations are needed. The Mint also provides flexible hours, telework and vacation time to accommodate employees' families and religious holidays.

ANNEX 8: Glossary of Terms

ALS – Acid-Less Separation
AML – Anti-Money Laundering
ARP – Alloy Recovery Program
ATF – Anti-Terrorist Financing
ATI – Access to Information
ATU – Amalgamated Transit Union
B2B – Business to Business
B2C – Business to Consumer
BCP – Business Continuity Planning
Bullion DNA – Bullion Digital Non-Reactive Activation
CAD – Canadian Dollar
CAMLO – AML/ATF Compliance Officer
CCP – Commemorative Coin Program
CETA – Comprehensive Economic and Trade Agreement
CFTA – Canada Free Trade Agreement
CPTPP – Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CSR – Corporate Social Responsibility
CUSMA – Canada United States Mexico Agreement
DOF – Department of Finance
DR – Disaster Recovery
ECCB – Eastern Caribbean Central Bank
ERM – Enterprise Risk Management
ESDC - Employment and Social Development Canada
ETR – Exchange Traded Receipt
EU – European Union
FX – Foreign Exchange
GBA – Gender Based Analysis
GDP – Gross Domestic Profit
GDPR – General Data Protection Regulation
IASB – International Accounting Standards Board
IAS – International Accounting Standard
IFRS – International Financial Reporting Standards
IT – Information Technology
KPI – Key Performance Indicator

K – Thousand
M – Million
MOU – Memorandum of Understanding
MPPS – Multi-Ply Plated Steel
NAFTA – North American Free Trade Agreement
NGC – Next Generation Coin
OL – Official Languages
OZ – Ounce
PCMLTFA – Proceeds of Crime Money Laundering and Terrorist Financing Act
PIBs – Personal Information Banks
P&L – Profit and Loss
PSAC – Public Service Alliance of Canada
PSHCP – Public Service Health Care Plan
QFR – Quarterly Financial Report
R&D – Research & Development
RAM – Royal Australian Mint
ROA – Return on Assets
ROI – Return on Investment
SOE – State-Owned Enterprises
TB – Treasury Board
TBS – Treasury Board Secretariat
USD – United States Dollar
WTO-AGP – World Trade Organization Agreement on Government Procurement