



Speaking Notes for

Carman Joynt

Chair

**Royal Canadian Mint
Board of Directors**

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I am pleased to have the opportunity, as the Chair of the Royal Canadian Mint's Board of Directors to report on the performance of the Mint over the past year, from the perspective of the Mint's exclusive shareholder, the Government of Canada.

Our role on the Board is to ensure the Mint is well directed as it balances its core mandate with the challenge of operating in a variety of competitive markets. Its chief responsibility is to produce circulation coins for Canada, manage the supporting distribution system and provide advice to the Government of Canada on all matters related to coinage.

While the Mint no longer sells Canadian circulation coins to the government of Canada in anticipation of profit, it is expected to generate profits from the marketing and sale of bullion and numismatics products, as well as the sale of circulation products and services to foreign countries, in order to fund and sustain its operations at no cost to the Canadian taxpayer.

Finally, it has the responsibility to use the coins it expertly manufactures to celebrate Canada's history, culture and values.

In that regard, the Board of Directors is pleased to report that the Royal Canadian Mint has continued to succeed in 2015 as an organization which is unique in the diversity of its roles: from being a commercial manufacturer, a marketing enterprise, a government institution, and an important Canadian employer.

Working with the senior leadership team, the Board is committed to maintaining a strong governance framework.

In 2015, this involved a close collaboration with a new management team, with a fresh perspective on the Mint's public mandate and its commercial future, under the leadership of President and CEO Sandra Hanington. We also welcomed two new directors, Carol Skelton and William Ross, who each bring unique experience and diversity to our Board.

While the past year can be defined by transition, it was also one of transformation for the Royal Canadian Mint.

With a consensus that the Mint's ability to meet its public mandate is dependent on its ability to sustain the profitability of commercial activities exposed to changing market forces, a comprehensive strategic review of the organization was undertaken in 2015.

The review was a successful, collaborative effort between the Board and the senior leadership team and it has produced a revitalized strategy supported by clear priorities and a restructured organization, as well as a new vision focused on delivering excellence.

My Board colleagues and I are encouraged that the Mint demonstrated impressive business profitability in the course of a challenging year and that it is taking on the future from a successful starting point.

Over the past fiscal year, the Mint fully met the expectations of its shareholder and Canadians by reliably and efficiently supplying the circulation coins needed for trade and commerce, while its for-profit businesses continued to generate strong profits to sustain the operation and growth of the Mint, while returning considerable value to the Government of Canada.

The Board is also pleased that the Mint completed the divestiture of MintChip™, thereby allowing the private sector to lead the commercialization of a promising digital currency innovation developed with the unique insight and talent of Mint employees and technology partners.

After closing the books on another year of business profitability, the Mint paid record dividends of \$53 million to the Government of Canada, which is in line with the current development of more consistent capital and dividend policies for federal Crown corporations.

The Mint was also able to enhance its accountability to Canadians, and the management of public funds, by aligning its travel and hospitality directives with Treasury Board policy. This was an important step forward for the Mint and its fellow Crown corporations and the Board commends the leadership team and key members of the Mint's Finance and Administration division for its rapid implementation.

From its facility in Winnipeg, Manitoba, the Mint continues to be a highly adept and reliable manufacturer and distributor of Canada's circulation coins. It did so under a revised memorandum of understanding consistent with new legislation which states the Mint should not anticipate profit on goods and services it provides to the Government of Canada.

The supply of coins to financial institutions and Canadian businesses was also managed in an environmentally responsible manner by maximizing the recirculation of recycled coinage and the continued use and development of cyanide-free plating processes at its Winnipeg manufacturing facility. We cannot overstate the importance of promoting environmentally sound technologies to international customers, which included the first-ever contract with Indonesia, who made a large purchase of multi-ply plated steel blanks.

In keeping with its strong track record of celebrating stories of Canadian pride and values, the Mint issued several popular commemorative circulation coins in 2015 and the Board is encouraged by the Mint's commitment to reflecting Canada's diversity on future coins.

I was particularly encouraged by the scale of public participation in the My Canada, My Inspiration program which will redesign all of Canada's circulation coins for the 150th anniversary of Canadian Confederation in 2017.

The more than 10,000 public entries and one million online votes to select winning designs bode very well for the Mint to connect with Canadians far and wide in 2017.

The Mint's Ottawa facility continued to demonstrate impressive resilience in coping with surging demand for Silver Maple Leaf bullion coins, which reached a new record of nearly 35 million ounces in 2015 and the sale of over 950,000 ounces of Gold Maple Leafs.

My fellow Directors and I are also very encouraged with the enthusiastic reaction of bullion distributors and dealers to the Mint's new Bullion DNA Anti-Counterfeiting device. The Board was represented at the North American commercial launch of this security innovation at the American Numismatic Association's summer convention in Chicago and we know that the Mint has once again set a new standard in the field of coin security.

The Numismatics business continued to raise the bar as well, with new record annual sales. Once again, the Mint demonstrated the strong customer appeal of combining diverse Canadian themes with proven craftsmanship and a commitment to innovation.

It is worth pointing out that international sales from our three profit-oriented businesses are very important to the Mint and the Canadians it employs. Last year, we sold \$2.4 billion worth of circulation, numismatics and bullion products and services outside of Canada.

Since this represents around 80% of the Mint's 2015 revenues, it's obvious that the Mint's international success creates jobs for Canadians. The Mint therefore needs to continue to succeed in the global market if it's to remain a valued employer in Ottawa and Winnipeg, and in all the communities where the Mint's many partners and suppliers are located.

We must also keep in mind that the Mint's for-profit businesses are not immune to risks and challenges. The Mint needs to keep revising its strategic direction if it is to cope with change and uncertainty which are inherent to any competitive environment.

This is why the Board collaborated with the leadership team on a comprehensive strategic review to position the Mint for future growth and better help it adapt to change.

The Mint made some significant changes in response to the findings of its strategic review and, on the basis of this critical exercise, the Board supports the reorganization of the Mint's workforce, businesses and priorities; the adoption of a refreshed strategy and the adoption of a new corporate vision.

With its new vision, the Mint is focused on delivering excellence, in terms of serving its customers; delivering value to Canada and Canadians, and providing a supportive work environment for its talented people.

In representing the Mint's sole shareholder, the Board of Directors is committed to supporting the leadership's effort to manage the Mint to the high standard that Canadians expect of their institutions.

We are confident in the Mint's approach to managing risk and planning its future for the sustained benefit of Canadians, which it serves and also employs.

As I said at the beginning of my remarks, the Mint is in a strong position to face the future, and find opportunity in the midst of uncertainty.

The Board of Directors values the high level collaboration it enjoys with the Mint's senior leadership team and we will continue to work together to make a positive difference for all stakeholders of the Royal Canadian Mint.

The past year has been an exciting, transformative and accomplished one for the Royal Canadian Mint.

On behalf of the Board of Directors, I congratulate all Mint employees for their passion and dedication, without which the many achievements of 2015 could not have been possible.

We look forward to the future achievements of a new Mint as it pursues even greater excellence in 2016 and beyond.

Thank you.