2016–2017 ANNUAL REPORT

GROWING CANADIAN EXPORT BUSINESS

Focused and Collaborative Business Development

Aligning Trade Priorities

Corporate Social Responsibility

CCC
Canadian Commercial Corporation
Corporation Commerciale Canadienne

Canada

CANADA'S INTERNATIONAL GOVERNMENT-TO-GOVERNMENT CONTRACTING AGENCY

Mandate

CCC is a Crown corporation of the Government of Canada established for the purpose of assisting in the development of trade between Canada and other nations.

Mission

CCC supports the development of trade by helping Canadian exporters access government procurement markets of other nations through government-to-government contracting.

CCC IS A TRUSTED PARTNER WITH A UNIQUE SET OF TRADE DEVELOPMENT SERVICES.

Collaborative

A trusted Government of Canada partner in accessing foreign markets.

Credible

A trusted Government of Canada partner in contracting and corporate social responsibility.

Competitive

A trusted Government of Canada partner in mitigating risk.

CCC
Canadian Commercial Corporation
Corporation Commerciale Canadienne

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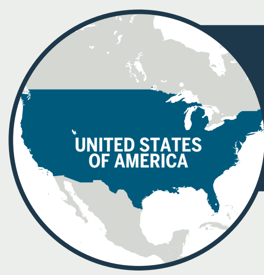
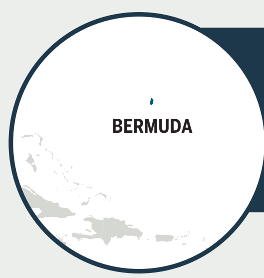
SELECTED HIGHLIGHTS OF CCC'S GLOBAL ACTIVITIES

Support for the Government of Canada's international aid commitments such as the Global Partnership Program (GPP) and the Anti-Crime Capacity Building Program (ACCBP).

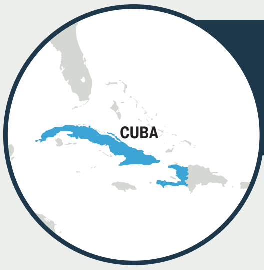


$726M in sales to the U.S. under the Defence Production Sharing Agreement.

Contract with Canadian Bank Note Company Ltd. for the operation of the National Electronic Lottery System Honduras.



Contract with Aecon Construction Group Inc. for an airport redevelopment project with the Government of Bermuda.



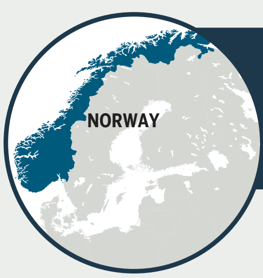
More than $1B in contracts with the Cuban Sugar and Tourism industries since 1991.

CCC has foreign representation in Lima working to connect Canadian exporters to international export opportunities.

CCC has foreign representation in Abu Dhabi working to connect Canadian exporters to international export opportunities.

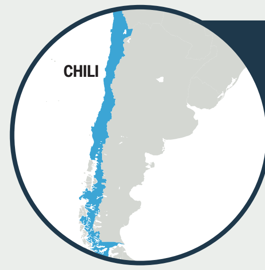
Contract with Bell Helicopter Textron Canada to provide helicopters to the Philippine Air Force.

A contract with CAE Inc. to provide training systems to the Royal Australian Air Force.



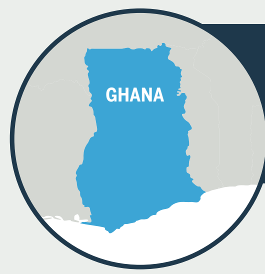
Contract with the IMP Group Ltd. for an aircraft service life extension program with the Norwegian Department of Defence.

Contract with Cowater International for the provision of a Smart Meter Business Transformation project with the Barbados Water Authority.



Contract with S&S Turbine Services Ltd. for engine repair work with the Chilean Navy.

Contract with Canpotex for the sale of potash to the Bangladesh Agricultural Development Corporation.



A contract with JV Driver Project Inc. to build a new terminal for the Ghana Ports and Harbour Authority (GPHA).

CCC has foreign representation in Bangkok working to connect Canadian exporters to international export opportunities.

An artist's conception of the new L.F. Wade International Airport in Bermuda. Construction started in March 2017 and is scheduled for completion over 40 months.

CCC EMBARKS ON THE CONSTRUCTION OF A NEW WORLD CLASS AIRPORT FOR BERMUDA

Canada has a long standing bilateral relationship with Bermuda. This valued and trusted connection was on display again on March 15, 2017 with the commercial and financial closing of a US $274M airport redevelopment project between Aecon Construction Group Inc., the Canadian Commercial Corporation (CCC), and the Government of Bermuda that will see a new world class international airport constructed in Bermuda. This government-to-government contract embodies the value, trust and collaboration of the long-standing relationship between Canada and Bermuda.

CCC is excited to play a key role in the delivery of this world-class customized Canadian solution to meet the needs of Bermudians—while working with one of Canada's leading construction firms.

Key features of the project include a new terminal incorporating the Bermuda "look and feel" along with state-of-the-art energy and water efficiency technologies. The project will also provide significant local employment opportunities. The new terminal is being constructed on the current airport property well removed from the existing facility, allowing for uninterrupted operations during the build.

CCC's involvement in construction provides assurance that schedules will be met and cost overruns minimized.

CCC'S CUBA CONTRACTING PROGRAM TOPS $1B MARK

Over the past 25 years, CCC has been supporting Canadian exporters doing business in Cuba. In 2016–2017, a record $89.6M in contracts were signed by CCC with the Cuban Sugar and Tourism industries, pushing CCC's cumulative value of contracts with Cuba since 1991 to more than $1 billion.

A focused, strategic and proactive strategy to match Cuban customers with Canadian exporters in 2016–2017 is credited for the record value of contracts signed over the period as well as a record number of Small and Medium-Sized Enterprises (SMEs) directly benefiting from the program.

Canadian exporters using CCC's Cuba Contracting Program benefit greatly from CCC's government-to-government contracting mechanism. The program streamlines the procurement processes by effectively matching Cuban procurement needs with Canadian sources of supply; transfers Cuban customer payment risk to Canadian financial institutions, and; helps resolve contractual issues that may arise. This year, CCC signed 149 commercial contracts with Cuba, while supporting 29 Canadian companies, the majority of which are SMEs.

2016–2017 PERFORMANCE HIGHLIGHTS

$1.6B
The Value of Contracts Signed (VCS)

$2.6B
Commercial Trading Transactions (CTTs)

$1B
Value of contracts CCC signed with Cuba since 1991

>36%
Percentage of SMEs within CCC's exporter base

144
Number of Canadian exporters contracting with CCC

90
Number of countries in which CCC was active around the world

92
Number of Canadian exporters providing goods and services to the U.S. Department of Defense (U.S. DoD)

2,222
Number of contracts and amendments CCC signed with the U.S. DoD

MESSAGE FROM THE INTERIM CHAIR

I am pleased to present the 2016–2017 Annual Report of the Canadian Commercial Corporation (CCC). This past fiscal year, the Corporation has excelled in surpassing its business and strategic objectives. CCC served as a key competitive advantage for many Canadian exporters as the Corporation signed export contracts in excess of $1.6B. This achievement was all the more remarkable considering the difficult economic conditions in some of CCC's target markets and the general world economic uncertainty, including the Brexit vote and recent political change in the U.S.

Throughout the year, the Corporation worked diligently to further the Government of Canada's trade agenda. CCC ensured that its activities were aligned to support its export partners to leverage a focused and collaborative approach to business development while demonstrating exemplary corporate social responsibility. Key steps were taken to diversify into new markets including infrastructure, Cleantech, and energy, leveraging CCC's core capabilities in contract and risk management for government-to-government contracting to pursue new markets for Canadian exporters.

The Corporation continued to administer the Canada-U.S. Defence Production Sharing Agreement (DPSA) on behalf of the Government of Canada with emphasis on maintaining Canada's valuable and close relationship with the U.S. The DPSA facilitates the U.S. Department of Defense acquisition of world class defence and security products and services from Canada. It is often the vehicle that Canadian Small and Medium-Sized Enterprises (SMEs) use to expand into international markets. CCC is proud to support these SMEs and all Canadian companies in bringing Canadian goods and services to the U.S. and beyond.

As we move forward, CCC will continue to focus on innovative business development strategies in cooperation with its Government of Canada export partners. This whole-of-government approach to international trade aligns with the Government of Canada's trade strategy and will assist the Corporation as it works to diversify into new sectors and markets. Continued investments in foreign representation will leverage these efforts and provide additional value to Canadian companies. The Corporation will pursue these objectives while operating within its risk management and corporate social responsibility frameworks.

I would like to thank the Board of Directors for their many contributions over this past year. The Board has functioned exceptionally well, focusing its diverse expertise to provide strategic guidance to assist CCC in achieving stellar results and to develop its diversification strategy. Over the course of 2016-2017, the Board concentrated its activities on business ethics, succession planning, risk management oversight and building business development capability and capacity in support of CCC's diversification into new markets.

On behalf of the Board of Directors, I wish to thank our President and CEO, Martin Zablocki, the senior management team and the entire CCC staff for their leadership and dedication resulting in a successful 2016–2017. I look forward to continued success in the years to come as strategic business development activities have laid a strong foundation to realize future export trade opportunities in CCC's traditional and newly diversified markets.

Respectfully yours,

Stephen Sorocky
Interim Chair, Board of Directors

MESSAGE FROM THE PRESIDENT AND CEO

The Canadian Commercial Corporation continued to grow and strengthen in 2016–2017, signing $1.6B in contracts and operating in 90 countries around the world, including those in Latin America, the Middle East and Asia. This success resulted from focused outreach with Canadian exporters and teamwork with other Government of Canada entities that also support international trade.

During the year, CCC's contract management team worked with 144 exporters to deliver over $2.6B of Canadian goods and services abroad while supporting approximately 28,000 value-added jobs for Canadians. These achievements are reflective of the Corporation's primary commitment to provide exceptional service to our diverse Canadian exporter base. Of the 144 companies, 52 were Small and Medium-Sized Enterprise (SMEs) whose unique capabilities and leading edge technologies are widely sought after in markets throughout the world.

Critical to CCC's success in competitive international markets is establishing and maintaining trusted relationships with key stakeholders and clients. The strengthening of our relationship with the U.S. Department of Defense (U.S. DoD) continues to be a key priority for the Corporation. Our 60-plus year history in administering the Canada-U.S. Defence Production Sharing Agreement (DPSA) has generated in excess of $30B of exports for Canadian companies both large and small over those six decades. Last year, CCC signed $726M in new contracts and amendments with the buying commands of the U.S. DoD, its highest level in over five years.

CCC had numerous other successes, especially in non-defence markets. From delivering potash to Bangladesh to signing a significant airport rehabilitation project in Bermuda, CCC's value proposition supports many Canadian industries in accessing foreign markets. Over half of the export contracts signed this past year by the Corporation related to our International Commercial Business (ICB) line that supports a broad spectrum of industries. This business line also supports the long established and strong working relationship CCC has with the Sugar and Tourism industries in Cuba. Canadian companies have been supplying equipment and goods and services to Cuba through the CCC since 1991. Last year, CCC signed a record $89.6M of contracts with Cuba, bringing the total business volume over the past quarter-century to just over $1 billion.

While CCC's primary focus has traditionally been in aerospace, defence, security and infrastructure, the Corporation is embarking on diversification efforts which will lead us into exciting and significant business opportunities. To this end, a new Vice-President of Business Diversification was appointed to develop and implement a comprehensive diversification strategy focusing on key industry sectors such as clean technologies and environment, energy and civil aviation.

A pillar of CCC's existing business development strategy is to continue to strengthen our foreign representation which is now established in Latin America, the Middle East and Asia. The Corporation has offices co-located within the Canadian Embassies in Lima (Peru), Abu Dhabi (United Arab Emirates) and Bangkok (Thailand) in response to the strong success that CCC and Canadian businesses have experienced in the surrounding regions. By co-locating within the Canadian Embassies, the Corporation is leveraging the support of other Government of Canada stakeholders in international trade to build strong relationships with foreign government customers. CCC will continue to enhance its presence in these target markets through close client relationship management to develop a growing pipeline of regional projects.

CCC's work is greatly enhanced by the considered oversight and contribution from its Board of Directors. CCC is fortunate to have a Board that shares a passion for the Corporation's mandate and the ultimate goal of growing Canadian export business. I would like to thank Stephen Sorocky for his dedicated service as Interim Chair of the Board and the ongoing support and oversight provided by his fellow Board members.

I would also like to thank my senior management team for their commitment and support this past year and I remain enthusiastic about the future as CCC embarks on new challenges in emerging industries and markets. I look forward to continuing my leadership of this essential Canadian organization and achieving meaningful results for Canadian businesses.

As a final note, I extend sincere thanks and appreciation to the entire CCC staff. This Annual Report highlights the superb work all of you do on behalf of Canadians coast-to-coast-to-coast.

Sincerely,

Martin Zablocki
President and CEO

GROWING CANADIAN EXPORT BUSINESS

HIGHLIGHTS BY OBJECTIVE

CCC had an exceptional year on many fronts including surpassing targets for Value of Contracts Signed (VCS), hitting a five-year high in sales to the U.S. Department of Defense (U.S. DoD), and signing more than $800M in contracts within its International Commercial Business (ICB) line. For the 12th consecutive year, CCC posted an operating surplus. These impressive financial results were bolstered by a strong risk management program that helped to avoid additional contract remediation expenses. During the year, CCC's exporters delivered over $2.6B of goods and services globally that helped sustain in excess of 28,000 value-added jobs across Canada.

These accomplishments were achieved by executing on CCC's strategic plan and objectives designed to increase Canadian export trade. These included: focused and collaborative business development, aligning business activities with the trade priorities of the Government of Canada and the continued focus on exemplary Corporate Social Responsibility (CSR).

CCC continued to play an important role promoting goods and services in the global marketplace, helping exporters to navigate through difficult markets impacted by continued low commodity prices and political uncertainty.

CCC'S VALUE PROPOSITION

CCC's business model is unique in the world. The Corporation's primary service involves the establishment of government-to-government contracts with foreign government buyers to provide goods and services available for export from Canada. CCC then enters into contracts with Canadian exporters to fulfill the requirements of these government-to-government contracts. With this approach, CCC provides an efficient contracting mechanism and mitigates a buyer's risk by guaranteeing contract performance. These competitive advantages combine to reduce procurement risk, time and cost, thus adding incentive for foreign governments to procure from Canada.

CCC's business model also mitigates risks for Canadian exporters as the Corporation is able to leverage its capacity as a Government of Canada organization to help resolve potential issues that may arise during the contract lifecycle. CCC's involvement often reduces payment collection risks and business development costs; aids in gaining more advantageous contract and payment terms for Canadian exporters, particularly for Small and Medium-Sized Enterprises (SMEs); and focuses on ensuring ethical business practices on all of its transactions.

OBJECTIVE 1:
Focused and Collaborative Business Development

As a member of the Canada's trade portfolio, the Corporation serves as its international contracting and procurement agency. This role complements those services provided by Export Development Canada (EDC) and the Global Affairs Canada's Trade Commissioner Service (TCS).

The Corporation works closely with these organizations in a focused and collaborative manner to maximize; a) the effectiveness of CCC's foreign representation; b) it's ability to support access to the U.S. DoD market; c) the promotion of the whole-of-government approach to international trade; d) support provided to Small and Medium Sized Enterprise (SMEs); e) the use of market intelligence in effective decision making. These efforts combined to help the Corporation surpass certain targets set for 2016–2017.

CCC FOREIGN REPRESENTATION

CCC continued to examine and assess the business rationale for increasing its foreign presence in Asia as well as in other regions and countries. CCC worked with Global Affairs Canada to establish foreign representation in the United Arab Emirates (UAE) in December of 2016. Operating out of the Canadian Embassy in Abu Dhabi, CCC is able to effectively support Canadian exporters in strengthening relationships with potential foreign government customers, and in positioning Canadian capabilities and solutions with foreign customers in the Middle East market. CCC and Global Affairs Canada also collaborated in 2016–2017 on finalizing the establishment of CCC representation in Bangkok, Thailand which will support Canadian companies seeking to win export contracts on a government-to-government basis in Southeast Asia. Representation in Asia commenced on April 1, 2017.

CCC's presence in foreign markets allows for greater promotion of its value proposition with foreign customers. It positions CCC to capitalize on export opportunities and to provide additional value for Canadian companies. Being in-country helps develop and maintain relationships with key government customers and other stakeholders; quickens response times, and; makes it easier to represent SMEs who may not have a regular presence in a particular country or region. CCC's foreign representatives are co-located within their respective Canadian Embassies thereby harnessing the resources of the Government of Canada and participating in a whole-of-government approach to international trade. CCC's overall business development efforts align to support Canadian exporters in these markets as well as those in the United States, Asia, Africa, the Caribbean and Central America.

DIVERSIFICATION

During the year the Corporation began to focus on a new diversification strategy to provide further export assistance to a wider range of industries. This will help the Corporation achieve its strategic goals with respect to export support. Many Government of Canada stakeholders, including EDC, Business Development Bank of Canada (BDC), Statistics Canada, Sustainable Development Technology Canada (SDTC) and Innovation, Science and Economic Development Canada (ISED) were consulted in the development of the strategy. CCC also turned to industry leaders in clean technology, infrastructure and civil aviation,to name a few, for their insights. Other independent research organizations such as the Conference Board of Canada, Aerospace Industries Association of Canada (AIAC) and the Canadian Chamber of Commerce were involved in the literature review, ensuring that the most up-to-date information was available for decision making.

BUSINESS DIVERSIFICATION STRATEGY

Goal
Grow Canadian Export Business

Sector Focus
Civil Aerospace, Infrastructure,
Clean Tech & Environmental,
ICT & Security, Global Defence

Market Focus
Emerging and Developing Markets

SUSTAINING ACCESS TO THE U.S. DOD

For more than 60 years, CCC has administered the Canada-U.S. Defence Production Sharing Agreement (DPSA) on behalf of the Government of Canada. The agreement strengthens access to the U.S. Government's defence and security market for Canadian exporters by providing a level playing field when bidding on U.S. DoD contracts. Last year, new contracts and amendments signed under the DPSA reached a five-year high of $726 million.

Given the importance of the DPSA to the Canadian defence and security industry, CCC advocates on behalf of Canadian exporters and connects them with the buying commands of the U.S. DoD at various events and trade shows across Canada. CCC staff also conducted outreach with Canadian companies to help develop their understanding of the DPSA and how to sell their goods and services to the U.S. DoD.

CCC is supportive of the Government of Canada's intention of consolidating all existing defence and security procurement agreements between the U.S. and Canada into one agreement. The new agreement would be known as the Reciprocal Defence Procurement (RDP) Agreement and would include the DPSA.

2016–2017 QUICK FACTS U.S. DOD

$726M
CCC's value of contracts signed with U.S. DoD

2,222
Number of U.S. DoD contracts and amendments processed

55%
% of CCC's exporters selling to the U.S. DoD that are SMEs

L-3 WESCAM WINS AGAIN

CCC's Excellence in Export Contracting award is given to companies to recognize their ability to develop export markets and their superior execution on contract delivery.

For the second year in a row, L-3 WESCAM is the recipient of CCC's Excellence in Export Contracting Award. L-3 WESCAM's state of the art camera systems reflect a key Canadian capability, with high operational and strategic value to U.S. Navy and Air Force customers. Positive feedback on the product and L-3 WESCAM's excellent delivery capabilities led to this year's award. Over the past 10 years, CCC and L-3 WESCAM have been awarded over $629M in contracts through the DPSA.

OTTAWA ENGINEERING SME, A SPECIALIST IN AEROSPACE MANUFACTURING

W.R. Davis Engineering of Ottawa, Ontario has decades of experience in contracting with CCC and the U.S. DoD. Established in 1975, W.R. Davis is considered a specialist with expertise in metal forming, welding, riveting and assembly, design and the fabrication of defence equipment for the marine and air environments.

CCC currently has two active projects with W.R. Davis. The first is to provide heat exchanger overhaul services done to specification. The second is to provide anti-missile defence systems for aircraft. These systems have been installed in more than 600 military aircraft for over 25 years providing additional safety to pilots and crew. The system improves existing electronic missile jamming technology, thereby reducing potential threats.

Last year, CCC assisted SMEs in accessing the U.S. DoD market, including W.R. Davis who employs 130 people at its 60,000 square-foot production facility in the Nation's Capital. CCC's role as the Government of Canada's custodian of the Canada-U.S. DPSA ensures that Canadian defence and security exporters are able to compete for U.S. DoD contracts on par with their American counterparts. CCC's work in this area allows for the U.S. to procure goods and services from Canada in a fair and efficient manner.

PROMOTING A WHOLE-OF-GOVERNMENT APPROACH TO INTERNATIONAL TRADE

CCC has fully embraced the whole-of-government approach in the pursuit of foreign export contracts for Canadian companies. This is achieved by CCC working with and leveraging other Government of Canada stakeholders including Trade Commissioners, Defence Attaches and EDC.

In 2016–2017, CCC renewed its Memorandum of Understanding (MOU) with Global Affairs Canada in order to achieve a shared goal of growing Canadian export business. A government-to-government contracting playbook for Trade Commissioners was also developed to assist them in promoting CCC's services. The TCS was also provided training by CCC on its business model and value proposition.

Through collaboration with EDC and other Government of Canada stakeholders, the Corporation ensured alignment of its CSR due diligence which helped move towards seamless and consistent services for Canadian exporters.

SMALL AND MEDIUM–SIZED ENTERPRISES

The Corporation supports Canadian SMEs through its government-to-government contracting role internationally and through providing access to export opportunities with the U.S DoD. The DPSA provides the framework through which many Canadian SMEs often make their first export sales. Within CCC's DPSA business line, SMEs made up 55% of its client base. Including all business lines, CCC supported 52 SMEs representing approximately 36% of CCC's exporters last year. In addition to the SMEs with direct export contracts with CCC, many more SMEs participate in the supply chains of larger companies who contract with CCC.

During the year, CCC continued to provide whole-of-government leadership at international trade shows and exhibitions focused in areas such as security, health services and clean technology. Through these events, CCC linked Canadian SMEs with foreign government customers to develop knowledge of opportunities in target markets.

Recognizing the importance of financing to successful exporting, CCC began discussions with BDC and EDC on how to better integrate services to provide SMEs with more export opportunities. As these discussions mature, an increase in horizontal alignment of export support services will help SME competitiveness in international markets.

MAKING MORE EFFECTIVE USE OF MARKET INTELLIGENCE

In 2016–2017, CCC gathered and analyzed relevant information regarding its key markets for the purpose of making informed decisions in determining market opportunities. CCC has developed relationships with its trade portfolio partners such as the TCS, Defence Attaches, EDC and the BDC, which provided for shared views on markets, the identification of specific opportunities and areas for enhanced support. This collaborative relationship will continue in order to better meet the needs of Canadian exporters.

OBJECTIVE 2: Aligning With Government of Canada Trade Priorities and Directions

CCC's role as an important tool in the Government of Canada's trade portfolio was reaffirmed through the Minister of International Trade's Statement of Priorities and Accountabilities (SPA) received in 2016. The SPA recognized the value of CCC's government-to-government contracting services and provided direction to diversify and provide export support to additional industry sectors.

ALIGNING WITH TRADE PRIORITIES

CCC's business development activities continue to align with the Government of Canada's priority markets and sectors. In 2016–2017, the Government identified key trade initiatives aimed at increasing Canada's global exports. An emphasis on renewing and strengthening existing trade partnerships (such as that with the U.S.) and developing trade with emerging and developing markets (including India and Asia) will help create opportunities for Canadian exporters. New export sectors (e.g. clean technology) were also highlighted. These markets and industries are supported by CCC's business development strategy.

In line with the Government's trade agenda and recognizing the opportunities for Canadian exporters in Asia, CCC established a foreign presence in Bangkok, Thailand. This new office is co-located in the Canadian Embassy strengthening CCC's existing relationships with Global Affairs Canada.

In 2016–2017, CCC connected with Canada's clean technology sector, particularly the solar energy industry. Through this outreach, CCC has identified potential solar energy projects in various global markets. CCC will continue to enhance its relationship with the clean technology sector to successfully grow Canadian exports and diversify its export portfolio.

CCC worked closely with other Government of Canada stakeholders in various forums and at a number of trade shows, discussing opportunities for enhanced collaboration in view of boosting sales for Canadian companies via government-to-government contracts. Outreach activities will continue to increase the number of referrals to CCC from other Government of Canada entities.

ASSISTANCE FOR CANADA'S INTERNATIONAL AID

CCC also supports the Government of Canada's priorities through its Sourcing Services provided to Global Affairs Canada and other Government departments. This service assists in the implementation of Canada's international aid program by providing fast and efficient sourcing of goods and services destined to foreign recipients. During the past year, CCC delivered over $35M of goods and services as part of Canada's international aid program. The Corporation has supported a wide array of sourcing projects under Global Affairs Canada's Global Partnership Program including, for example, the provision of training services, the delivery of communications systems, border control technologies and biocontainment infrastructure. CCC's assistance results in goods and services destined for foreign aid recipients being acquired and delivered in a cost effective and efficient manner.

COST EFFICIENCY AND EFFECTIVENESS

Throughout 2016–2017, CCC continued to effectively control its costs. Last year's efficiency ratio, which measures the ratio of core administrative expenses against net revenues and the Parliamentary appropriation, was 89.9%. Overall expenditures were 11% below budget. This achievement was driven by cost containment measures implemented by the Corporation. Although coming in under budget, CCC continued to make prudent investments in business development capacity and diversification efforts to broaden CCC's client base and the number of companies it supports going forward.

CCC renewed its agreement for shared services with PPP Canada last year to provide support in the areas of information technology, human resources management and other corporate services allowing both organizations to realize cost efficiencies. Following the elimination of the Parliamentary appropriation, CCC will become fully self-sufficient and will continue to make prudent investments in business development and diversification strategies while carrying out its mandate.

CCC continued to manage 10 Trade Offices in China on behalf of Global Affairs Canada. These offices were managed within existing budgets and continue to provide value to Canadian companies and Canada's trade agenda.

OBJECTIVE 3: Exemplary Corporate Social Responsibility

As an agent representing the Government of Canada, it is especially important that CCC uphold the values of integrity and honesty in all of its business dealings. CCC's Code of Conduct and Business Ethics clearly defines the Corporation's expectations in these areas.

COMBATTING BRIBERY AND CORRUPTION

Integrity compliance is supported by policies and procedures that provide additional guidance to staff. Furthermore, all employees sign an annual statement confirming they understand and are in compliance with the Corporation's ethical standards.

In 2016–2017, 100% of CCC's employees participated in training programs related to anti-bribery and corrupted. These programs were provided by Trace International, an industry leader in providing anti-bribery compliant support. CCC staff undergo training in this area every two years.

CCC requires the same level of commitment to integrity from all persons and companies with whom the Corporation conducts business. CCC's Integrity Compliance Committee (ICC) reviews all export partners to protect against the possibility of bribery and corruption on CCC projects. During the year, discussions with other Government of Canada partners were held to ensure consistency is being taken on this important issue.

PEOPLE, PROCESSES, AND SYSTEMS

People, processes and systems are critical to the success of CCC. As such, CCC is committed to achieving organizational excellence through continued improvements in its human resources practices, business processes and information systems.

In fiscal 2016–2017, CCC renewed its Succession Plan with a focus on its leadership and those critical roles that drive revenue and impact results. As well, CCC considered structural and developmental recommendations based on an analysis of the Corporation's business skills inventory. As a result of this review, core competencies and contributive skill sets were determined for each critical role.

ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM

CCC regularly updates its ERP system in order that it remains highly effective. The system's purpose is to support primary activities within the business such as: business development, contract structuring, contract management and finance. During the year, CCC implemented an expanded human resources module which is now in a testing environment.

CLIENT RELATIONSHIP MANAGEMENT (CRM)

The CRM system supports CCC's business development efforts and captures leads and opportunities into the Corporation's pipeline. CCC expects the pipeline to grow over the next number of years as the new business development and diversification strategies are fully implemented.

EMPLOYEE LEARNING AND DEVELOPMENT

CCC remains committed to supporting learning and development for its employees through flexible and tailored learning plans. Using the output of employee surveys, a number of management training sessions were delivered throughout the fiscal year to strengthen the Corporation's management team and improve performance management. Overall, 92% of employees undertook training and development programs.

Over the course of 2016–2017, CCC updated and modernized its performance management process by implementing an industry leading human resources software system that will help to increase engagement from employees in the areas of objective setting, performance evaluation and setting future learning and development plans.

These efforts reflect the Corporation's commitment to strengthening its staff for sustained productivity and business growth.

EMPLOYEE REWARDS AND RECOGNITION

CCC believes that an employee recognition program is important as it provides employees with positive feedback and encouragement while promoting the Corporation's goals, values and initiatives. During 2016–2017, the Corporation continued to utilize the program to reward achievements and recognize results and performance.

MEASURING SUCCESS – CCC'S SCORECARD

CCC's 2016–2017 performance measurement includes a series of high-level indicators that help track the Corporation's progress against the implementation of its strategy.

VALUE OF CONTRACTS SIGNED (VCS)

This measure provides an order of magnitude of the amount of international business CCC has signed with foreign buyers and subcontracted to Canadian exporters. The Corporation tracks VCS by business line, region and country, and by exporter in order to identify and learn from trends.

SME TRANSACTIONS

This measure represents the number of SMEs that signed or had active contracts with CCC during the year.

EXPORTER CONFIDENCE (PROJECT LEAD IDENTIFICATION)

This measure represents the number of Canadian exporters in a given period who have sought CCC's government-to-government export support. It is determined by the number of new leads opened in CCC's CRM system for that period.

NET PROMOTER SCORE (NPS)

This is a measure of CCC's reputation and the likelihood that a Canadian exporter would recommend CCC's services to another company. Consistent with international bench-marks, an NPS result of 70 or greater is considered a strong result for this client feedback indicator.

EFFICIENCY RATIO

This is a measure of the ratio of core administrative expenses against net revenues.

NET EMPLOYEE SATISFACTION SCORE

This is an aggregate measure of the extent to which employees believe the Corporation succeeds in four areas: fostering innovation; facilitating learning and development; rewarding leadership; and supporting a healthy work/life balance. A result of greater than 85 is considered reflective of strong performance across these four areas

CCC'S PERFORMANCE SCORECARD: 2016–2017

	2016–2017 ACTUAL	2016–2017 TARGET	2015–2016 ACTUAL
VALUE OF CONTRACTS SIGNED	**$1.62B**	**$1.19B**	**$992M**
SME TRANSACTIONS	**52**	**60**	**48**
EXPORTER CONFIDENCE*	**96**	**150**	**134**
NET PROMOTER SCORE (%)	**89.5**	**≥70**	**91**
EFFICIENCY RATIO (%)	**89.9**	**83.7**	**66.3**
NET EMPLOYEE SATISFACTION SCORE (%)	**81**	**≥85**	**86**

* The Exporter Confidence Score for the fiscal year 2016–2017 is lower than its forecast due to a management decision taken during the year to focus on closing potential export transactions within CCC's existing pipeline rather than generating new leads. Moving forward, this measure has been renamed Project Lead Identification. It will continue to measure new leads within CCC's CRM system. The growth of this measure will reflect the effectiveness of the Corporation's diversification strategy.

FINANCIAL PERFORMANCE

(in millions of Canadian dollars, unless otherwise indicated)

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

CCC delivers its government-to-government contracting services through two core lines of business:

(1) International Commercial Business (ICB); and

(2) Global Defence and Security (GDS) which includes the administration of the Defence Production Sharing Agreement (DPSA)

In addition to its core business line operations, CCC performs activities related to sourcing and other Government of Canada priorities which include the maintenance and administration of the trade development offices in China on behalf of Global Affairs Canada, sourcing transactions with Government of Canada departments and agencies and a shared services arrangement with another crown corporation which generate economies of scale in providing a variety of corporate services to both organizations.

Historically, large contracts have materially impacted the Corporation's financial statements and can often cause significant variations in certain year-over-year amounts on the Statement of Financial Position and the Statement of Comprehensive Income.

In late 2013–2014 the Armoured Brigades Program (ABP), a historic multi-billion dollar contract, was signed for the supply of light armoured vehicles (LAVs) and associated equipment, training and support services. This activity will result in receivables, payables, advances to Canadian exporters and from foreign customers as well as progress work by Canadian exporters and for foreign customers to show significant variations from last year to the current year.

A discussion of CCC's 2016–2017 financial highlights follows:

STATEMENT OF COMPREHENSIVE INCOME DISCUSSION

SUMMARY NET PROFIT	FOR THE YEAR ENDED MARCH 31			
	2017	2016	INCREASE (DECREASE)	
Revenues	$ 26.7	$ 30.7	$ (4.0)	-13%
Expenses	(30.0)	(31.5)	1.5	5%
Parliamentary appropriation	3.5	8.9	(5.4)	-60%
Net profit	**$ 0.2**	**$ 8.1**	**$ (7.9)**	**-97%**

For 2016–2017, the overall decrease to the net profit was due to decreases to total revenues and the parliamentary appropriation. The decrease was offset partially by a decrease to total expenses.

(in millions of Canadian dollars, unless otherwise indicated)

REVENUES

REVENUES	FOR THE YEAR ENDED MARCH 31						
		2017		2016	INCREASE (DECREASE)		% OF TOTAL 2017
Commercial trading transactions - prime contracts	$	2,627.0	$	2,844.5	$ (217.5)	-8%	
Cost of commercial trading transactions - prime contracts		(2,627.0)		(2,844.5)	217.5	8%	
Fees for service		25.3		28.6	(3.3)	-12%	94%
Other income		1.0		0.8	0.2	23%	4%
Finance income, net		0.4		0.3	0.1	35%	2%
Gain on foreign exchange		–		1.0	(1.0)	-103%	0%
Total Revenues	**$**	**26.7**	**$**	**30.7**	**$ (4.0)**	**-13%**	**100%**

For 2016–2017, after offsetting commercial trading transactions with the cost of commercial trading transactions, the decrease in total revenues was due mainly to lower fees for service recorded resulting from a lower volume of contracts signed in 2015–2016 and during the first half of the year of 2016–2017 related primarily to the GDS business line.

COMMERCIAL TRADING TRANSACTIONS

COMMERCIAL TRADING TRANSACTIONS (CTT)	FOR THE YEAR ENDED MARCH 31						
		2017		2016	INCREASE (DECREASE)		% OF TOTAL 2017
GDS							
DPSA	$	675.7	$	667.1	$ 8.6	1%	26%
Non-DPSA GDS		1,582.7		1,827.4	(244.7)	-13%	60%
Total GDS	**$**	**2,258.4**	**$**	**2,494.5**	**$ (236.1)**	**-9%**	**86%**
ICB		**368.6**		**350.0**	**18.6**	**5%**	**14%**
Total CTT	**$**	**2,627.0**	**$**	**2,844.5**	**$ (217.5)**	**-8%**	**100%**

Commercial trading transactions measure the value of delivery of a good or service or progress work once a contract is signed and becomes effective. It is important to note that as an international trade intermediary, revenues from commercial trading transactions on prime contracts are fully offset by the cost of commercial trading transactions on prime contracts.

(in millions of Canadian dollars, unless otherwise indicated)

For 2016–2017, the overall decrease in commercial trading transactions was due to a decrease in deliveries and work performed related primarily to the GDS business line.

The decrease to GDS commercial trading transactions can be primarily attributed to two circumstances:

(1) In 2015–2016, the Corporation benefited from the significant total of non-DPSA GDS contracts signed in 2014–2015 ($431.8) as the majority of these contracts were delivered or had significant progress work performed throughout 2015–2016; and

(2) Conversely, the non-DPSA GDS contracts signed in 2015–2016 ($33.8) and 2016–2017 ($23.9) were significantly less which resulted in a much lower amount of deliveries and progress work performed in 2016–2017.

Of significance, for 2016–2017, $1,517.4 or 96% of the total non-DPSA GDS commercial trading transactions were recorded for progress work related to the ABP contract.

FEES FOR SERVICE

FEES FOR SERVICE	FOR THE YEAR ENDED MARCH 31							
	2017		2016		INCREASE (DECREASE)			% OF TOTAL 2017
GDS								
Non-DPSA GDS	$	13.6	$	18.4	$	(4.8)	-26%	54%
Total GDS	**$**	**13.6**	**$**	**18.4**	**$**	**(4.8)**	**-26%**	**54%**
ICB		**6.4**		**5.5**		**0.9**	**16%**	**25%**
Sourcing and other Government of Canada priorities		**5.3**		**4.7**		**0.6**	**11%**	**21%**
Total Fees for service	**$**	**25.3**	**$**	**28.6**	**$**	**(3.3)**	**-12%**	**100%**

The Corporation charges fees for service on non-DPSA GDS, ICB business and other services, generally as a percentage of the contract value at negotiated rates for services provided. Fees are recognized as revenue when commercial trading transactions related to prime contracts and international sourcing services agreements are recorded and from other international and domestic activities when services are rendered. It is important to note that CCC does not charge fees for service on the DPSA program. In addition to fees for service recorded on non-DPSA core operations business line activity, CCC collects fees related to sourcing and other Government of Canada priorities.

(in millions of Canadian dollars, unless otherwise indicated)

For 2016–2017, the overall net fee decrease is commensurate with the decrease in activity explained under the commercial trading transactions section.

EXPENSES

EXPENSES	FOR THE YEAR ENDED MARCH 31				
	2017	2016	INCREASE (DECREASE)		% OF TOTAL 2017
Administrative expenses					
Workforce compensation and related expenses	$ 20.8	$ 19.3	$ 1.5	7%	70%
Contract management services	2.7	2.4	0.3	12%	9%
Rent and related expenses	1.7	3.9	(2.2)	-56%	6%
Travel and hospitality	1.6	1.7	(0.1)	-4%	5%
Consultants	1.5	1.6	(0.1)	-8%	5%
Software, hardware and support*	0.5	0.6	(0.1)	-24%	2%
Depreciation	0.4	0.5	(0.1)	-14%	1%
Communications*	0.4	0.7	(0.3)	-45%	1%
Other expenses*	0.4	0.6	(0.2)	-25%	1%
Total Administrative expenses	**$ 30.0**	**$ 31.3**	**$ (1.3)**	**-4%**	**100%**
Contract remediation expenses	**–**	**0.2**	**(0.2)**	**-100%**	**0%**
Total Expenses	**$ 30.0**	**$ 31.5**	**$ (1.5)**	**-5%**	**100%**

* Comparative figures have been reclassified to conform to current year's presentation.

(in millions of Canadian dollars, unless otherwise indicated)

ADMINISTRATIVE EXPENSES

For 2016–2017, the overall decrease is due primarily to a reduction in rent and related expenses. In November 2014, the Corporation entered into a fifteen-year lease agreement for office space in a new location, which expires at the end of November 2031, in order to achieve future cost reduction goals. A one-time payment made to terminate the previous lease at the prior location was amortized over a twelve month period from October 2014 to September 2015 and as a result rent and related expenses were higher over that period of time. In addition, monthly rent expenses at the new location are lower by approximately 30% which contributes to the year-over-year decrease.

Increases to workforce compensation and related expenses resulting from collective bargaining and adjustments to liability accounts for vacation and sick leave balances were largely offset by decreases across other lines of expenditure. Cost containment measures were taken throughout the year to curtail spending in order to compensate for anticipated shortfalls in revenues.

CONTRACT REMEDIATION EXPENSES

Contract remediation expenses are recorded as actual amounts are incurred or can be determined. For 2016–2017, no contract remediation expenses were recorded. The result reflects the Corporation's robust risk and contract management practices and Enterprise Risk Management (ERM) framework.

SOURCING SERVICES FOR SUPPORT OF INTERNATIONAL GOVERNMENT ASSISTANCE PROGRAMS

SOURCING SERVICES TRANSACTIONS	FOR THE YEAR ENDED MARCH 31						
	2017		2016		INCREASE (DECREASE)		
Sourcing services transactions	$	27.8	$	27.5	$	0.3	1%
Cost of sourcing services transactions		(27.8)		(27.5)		(0.3)	-1%
	$	**–**	**$**	**–**	**$**	**–**	**0%**

Sourcing services for support of international assistance programs represent transactions whereby the Corporation is not the prime contractor, however acts as an agent on behalf of a domestic or foreign Government entity. The majority of the services are provided to Global Affairs Canada (GAC) in accordance with an MOU that was signed in 2007. For 2016–2017, CCC also entered into separate agreements with the National Research Council (NRC) and the Department of National Defence (DND). This increased activity contributed by the agreements with NRC and DND helped offset a decrease in activity resulting from the winding down of a service agreement with the Royal Norwegian Air Force.

PARLIAMENTARY APPROPRIATION

PARLIAMENTARY APPROPRIATION	FOR THE YEAR ENDED MARCH 31						
	2017		2016		INCREASE (DECREASE)		
Parliamentary appropriation	$	3.5	$	8.9	$	(5.4)	-60%
Total Parliamentary appropriation	**$**	**3.5**	**$**	**8.9**	**$**	**(5.4)**	**-60%**

The Corporation's appropriation is being gradually phased out in accordance with the 2014–2015 Corporate Plan as follows: $15.7 in 2013–2014, $14.2 in 2014–2015, $8.9 in 2015–2016, $3.5 in 2016–2017 and nil from 2017–2018 and ongoing, reaching its objective of financial self-sufficiency.

(in millions of Canadian dollars, unless otherwise indicated)

STATEMENT OF FINANCIAL POSITION DISCUSSION

SUMMARY

SUMMARY – STATEMENT OF FINANCIAL POSITION	AS AT MARCH 31						
	2017		2016		INCREASE (DECREASE)		
Assets	**$**	**5,664.6**	**$**	**3,815.8**	**$**	**1,848.8**	**48%**
Liabilities	**$**	**5,635.7**	**$**	**3,787.1**	**$**	**1,848.6**	**49%**
Shareholder's equity							
Contributed surplus		10.0		10.0		–	0%
Retained earnings		18.9		18.7		0.2	1%
Total Shareholder's equity	**$**	**28.9**	**$**	**28.7**	**$**	**0.2**	**1%**

As an international trade intermediary, CCC trade-related assets are offset with matching liabilities. Therefore, trade receivables from foreign customers and progress work by Canadian exporters are normally offset by trade payables and accrued liabilities to Canadian exporters and progress work for foreign customers, respectively.

(in millions of Canadian dollars, unless otherwise indicated)

ASSETS

ASSETS	AS AT MARCH 31							
	2017		2016		INCREASE (DECREASE)			% OF TOTAL
Cash	$	76.4	$	85.7	$	(9.3)	-11%	1%
Trade Receivables		741.2		130.8		610.4	467%	13%
Advances to Canadian exporters		175.4		473.6		(298.2)	-63%	3%
Progress work by Canadian exporters		4,668.2		3,122.1		1,546.1	50%	83%
Property and equipment		3.4		3.6		(0.2)	-5%	0%
Total Assets	**$**	**5,664.6**	**$**	**3,815.8**	**$**	**1,848.8**	**48%**	**100%**

The increase from March 31, 2016 was due to increases in the amount of progress work by Canadian exporters and trade receivables offset partially by a decrease primarily from advances to Canadian exporters. The net change to the assets resulted primarily from the continued progress work related to the ABP contract.

LIABILITIES

LIABILITIES	AS AT MARCH 31							
	2017		2016		INCREASE (DECREASE)			% OF TOTAL
Trade payables and accrued liabilities	$	760.4	$	162.7	$	597.7	367%	13%
Advances from foreign customers		201.3		497.6		(296.3)	-60%	4%
Progress work for foreign customers		4,668.2		3,122.1		1,546.1	50%	83%
Deferred lease incentives		3.9		2.7		1.2	44%	0%
Employee benefits		1.9		2.0		(0.1)	-4%	0%
Total Liabilities	**$**	**5,635.7**	**$**	**3,787.1**	**$**	**1,848.6**	**49%**	**100%**

The increase from March 31, 2016 was due to increases in the amount of progress work for foreign customers and trade payables and accrued liabilities offset by a decrease primarily from advances from foreign customers. The net change to the liabilities resulted primarily from continued progress work related to the ABP contract.

(in millions of Canadian dollars, unless otherwise indicated)

SIGNIFICANT TRANSACTIONS IN ASSETS AND LIABILITIES

Given the back-to-back nature of CCC's contracting with foreign customers and Canadian exporters, movements in assets and liabilities are closely related and mostly offset one another.

The increase in trade receivables and trade payables from March 31, 2016 was due to the recording of accrued receivable and payable transactions related to the ABP contract to reflect progress work to date.

Contractually, payments for progress work for foreign customers are required to flow through in their entirety to the Canadian exporter. Of the total progress work by Canadian exporters and for foreign customers, $4,531.8 or 97% was related to continued progress work on the ABP contract.

Of the advances from foreign customers and advances to Canadian exporters, $60.4 or 30% and 34% respectively was related to the ABP contract. Another $115.0 or 57% was related to projects under the GDS and ICB business lines. Of the $115.0 advances from foreign customers, $114.6 was passed on to Canadian exporters. Contractually, advances are not offered on DPSA contracts. For non-DPSA contracts, CCC's risk mitigation practices require that in some circumstances, CCC hold back some advance payments made by foreign customers and release them to Canadian exporters as delivery obligations are fulfilled. As a result, period-over-period variations will occur.

STATEMENT OF CASH FLOWS DISCUSSION

SUMMARY STATEMENT OF CASH FLOWS	FOR THE YEAR ENDED MARCH 31				
	2017	2016	INCREASE (DECREASE)		% OF TOTAL 2017
Operating activities	$ (10.0)	$ 22.2	$ (32.2)	-145%	108%
Investing activities	(0.1)	(1.3)	1.2	94%	1%
Effect of exchange rate changes on cash	0.9	0.2	0.7	301%	-9%
Net increase (decrease) in cash	**$ (9.2)**	**$ 21.1**	**$ (30.3)**	**-144%**	**100%**

Under the DPSA program, the Corporation generally pays its Canadian exporters within 30 days of receipt of an invoice and substantiating documentation according to the terms and conditions of the contract. Consequently, the Corporation may use its own cash to pay Canadian exporters on the 30th day funding its trade receivables in instances where there are collection delays and payment is not received from the DPSA customer until beyond the 30 days. On certain contracts (generally outside of the DPSA program), the Corporation pays its Canadian exporters within five business days after CCC receives payment from the foreign customer. Depending on the timing of receipts compared to payments, these transactions often cross reporting periods and can cause variations in cash flows from one period to the next. In these instances, cash is momentarily provided to the Corporation at the end of one period until the payment is made to the Canadian exporter, as stipulated in the contract, early in the next period.

The decrease is due to the general timing of receipts from foreign customers compared to payments made to Canadian exporters related to the Corporation's main operating activities.

(in millions of Canadian dollars, unless otherwise indicated)

COMPARISON OF FINANCIAL RESULTS TO THE 2016–2017 TO 2020–2021 CORPORATE PLAN

STATEMENT OF COMPREHENSIVE INCOME	FOR THE YEAR ENDED MARCH 31, 2017			
	ACTUAL	CORPORATE PLAN	VARIANCE	% VARIANCE
Revenues				
Commercial trading transactions - prime contracts	$ 2,627.0	$ 2,958.9	$ (331.9)	-11%
Less: Cost of commercial trading transactions - prime contracts	(2,627.0)	(2,958.9)	331.9	-11%
Fees for service	25.3	29.4	(4.1)	-14%
Other income	1.0	0.3	0.7	233%
Finance income, net	0.4	0.4	–	0%
Gain (Loss) on foreign exchange	–	–	–	0%
	26.7	30.1	(3.4)	-11%
Expenses				
Administrative expenses	30.0	32.8	2.8	9%
Contract remediation expenses	–	0.7	0.7	100%
	30.0	33.5	3.5	10%
Sourcing services for support of international Government assistance programs				
Sourcing services transactions	27.8	24.9	2.9	12%
Less: Cost of sourcing services transactions	(27.8)	(24.9)	(2.9)	12%
	–	–	–	0%
Net loss before Parliamentary appropriation	(3.3)	(3.4)	0.1	-3%
Parliamentary appropriation	3.5	3.5	–	0%
Net profit	**$ 0.2**	**$ 0.1**	**$ 0.1**	**100%**

The $0.1 favourable variance compared to the Corporate Plan resulted from monitoring and managing expenses to lower than budgeted levels in order to offset the lower fees for service that were earned and recorded for the year ended March 31, 2017.

DPSA and the Cuba Contracting Program commercial trading transactions combined contributed a favourable variance of $147.2 which was more than offset by a $479.1 unfavourable variance spread across the other business lines and programs. The unfavourable result across the other business lines and programs is due to the lower level of GDS and ICB contracts signed in 2015–2016 and the first half of 2016–2017, resulting in fewer deliveries and/or work performed in 2016–2017 and less progress work than originally scheduled related to the ABP contract.

Fees for service are earned as contract work is delivered or completed, and are largely commensurate with commercial trading transactions, leading to similar results. Cuba Contracting Program fees for service contributed a favourable variance of $1.4 which was more than offset by a net $5.5 unfavourable variance spread across the other business lines and programs.

The Corporation manages exchange gains and losses through monitoring and maintaining its exposed foreign currency balances at negligible levels and does not budget for gains or losses on foreign exchange. The Corporation's exposed U.S. currency balance of $0.3 represents less than 0.01% of its U.S. denominated assets.

Administrative expenses are paid primarily in Canadian dollars and, as such, are not impacted by foreign exchange fluctuations. The favourable variance related to administrative expenses resulted primarily from:

(1) Savings realized through efficiencies related to the China Offices Program;

(2) Expenses that have not occurred to date as originally planned due to delays encountered in the establishment of foreign representative offices;

(3) Expenses that have not occurred to date as originally planned related to managing the ABP contract; and

(4) Savings realized due to numerous staff vacancies at various times during the year.

(in millions of Canadian dollars, unless otherwise indicated)

2017–2018 CORPORATE PLAN FORECAST

STATEMENT OF COMPREHENSIVE INCOME	CORPORATE PLAN FORECAST MARCH 31, 2018	ACTUAL MARCH 31, 2017	VARIANCE	% VARIANCE
Revenues				
Commercial trading transactions - prime contracts	$ 3,302.1	$ 2,627.0	$ 675.1	26%
Less: Cost of commercial trading transactions - prime contracts	(3,302.1)	(2,627.0)	(675.1)	26%
Fees for service	31.6	25.3	6.3	25%
Other income	0.4	1.0	(0.6)	-60%
Finance income, net	0.6	0.4	0.2	44%
Gain (Loss) on foreign exchange	–	–	–	0%
	32.6	26.7	5.9	22%
Expenses				
Administrative expenses	32.5	30.0	2.5	8%
Contract remediation expenses	0.1	–	0.1	-100%
	32.6	30.0	2.6	9%
Sourcing services for support of international Government assistance programs				
Sourcing services transactions	19.3	27.8	(8.5)	-30%
Less: Cost of sourcing services transactions	(19.3)	(27.8)	8.5	-30%
	–	–	–	0%
Net loss before Parliamentary appropriation	0.0	(3.3)	3.3	-100%
Parliamentary appropriation	–	3.5	(3.5)	-100%
Net profit	**$ 0.0**	**$ 0.2**	**$ (0.2)**	**-94%**

The planning objectives and assumptions used to forecast the Operating Budget for 2017–2018 are detailed and discussed in CCC's Corporate Plan 2017–2018 to 2021–2022.

CCC is budgeting for an operating surplus of $11 thousand in 2017–2018 with net revenues of $32.6.

In 2017–2018, net revenues are expected to increase by $5.9 or 22%, with 69% of the increase related to the ABP. The ICB business line contributed signed contracts in excess of $830.9 in Latin America, Africa and Asia in 2016–2017 and a significant portion of these contracts will be delivered in 2017–2018, contributing to the year-over-year net revenue increase in the form of fees for service earned upon deliveries. This success is directly attributed to a growth in awareness of CCC's value proposition, made possible through the redeployment of resources in business development over the last three years.

The Corporation's appropriation will be phased out in accordance with a three-year plan which began in 2014–2015. Notwithstanding the elimination of the appropriation, CCC will continue to monitor expenses in relation to revenues and to work closely with other Government of Canada departments and agencies in managing corporate risks. Overall administrative expenses are budgeted to increase to $32.5 in 2017–2018 from $29.9 in 2016–2017, an increase of $2.6 or 9%. The increase will result primarily from increases related to:

(1) The continued implementation of foreign representation;

(2) Additional Business Development and Sales resources;

(3) The effort required to manage the ABP contract;

(4) Succession planning of certain key roles; and

(5) Collective bargaining and the staffing to the full complement of the corporate budgeted workforce.

In 2017–2018, contract remediation expenses are budgeted at $50 thousand. CCC's confidence in this low level of budgeted contract remediation expenses stems from its robust risk and contract management practices.

CCC'S COMMITMENT TO RISK MANAGEMENT

RISK MANAGEMENT

Consistent with the Treasury Board Secretariat's Framework for the Management of Risk and the Financial Risk Management Guidelines for Crown Corporations as determined by the Minister of Finance, CCC's ERM framework manages a wide variety of risks while assisting the Corporation in fulfilling its mandate to facilitate international trade on behalf of Canadian exporters. The framework segments key risks facing CCC within three risk categories: Strategic, Operational and Transactional. It identifies robust risk management processes, procedures, and practices which include: risk identification, assessment, response, control, monitoring, reporting and communication/training.

Balancing risk and opportunities is a key tenet of the ERM Framework. CCC's capital allocation model is combined with strong governance oversight from the Risk and Opportunities Committee (ROC) to ensure that risk and opportunities are appropriately managed. This helps with the achievement of the Corporation's strategic objectives and long-term financial viability. CCC strives to optimally mitigate the risks related to its strategic, operational and transactional objectives.

RISK GOVERNANCE

Risk management is a shared process within the Corporation. Ensuring that the Corporation's risk management program is current and effective is a key role of the Board of Directors. The structures, policies and procedures related to risk management are developed by Senior Management and reviewed by ROC. Subsequent to the review, Senior Management makes recommendations to the President for approval. On an annual basis, the Audit Committee reviews the ERM program and recommends proposed changes to the Board of Directors for approval.

CCC's risk management culture encourages a collaborative effort. Each employee plays an important role in the management of enterprise risks and is part of the extended risk management team.

CATEGORIES OF RISKS

STRATEGIC RISKS

Strategic risks are those that may impede the Corporation's ability to meet its overall objectives. These include:

Mandate Risk:

This risk relates to ensuring the Corporation a) engages only in activities that are consistent with its mandate, and b) fulfils its mandate through the services provided.

To mitigate this risk, the Corporation's Corporate Plan identifies all proposed business lines and activities to be undertaken in the upcoming planning period. Further, the ROC reviews proposed transactions within the contract pipeline to ensure that CCC's mandate is respected.

Organizational Risk:

This risk relates to CCC not having the proper corporate structure in place to achieve objectives. During the year, the Corporation began to focus on diversification as a means to grow its business. Impacts on the organization are expected and a change management exercise was commenced.

Reputational Risk:

This risk relates to ensuring that the Corporation's fulfillment of its corporate activities does not tarnish its brand image with its shareholder, stakeholders and the general public. This risk is mitigated through strong transactional due diligence and focusing on business integrity issues. The Corporation provides regular and open communication with all of its stakeholders, which is essential to managing reputational risk.

Business Environment Risk:

This risk relates to changing economic, social, legal or environmental conditions that could result in decreased demand for CCC's services. The Corporation monitors environmental changes to manage this risk and adapts processes as necessary. Corporate Plan targets are set within the context of the expected business environment. Key developments during the year that increased economic uncertainty included the Brexit vote and political change in the U.S. As the impact of low oil prices work through the global economy, shifts in purchasing power will continue to provide new opportunities in new markets.

Financial Risk:

This risk relates to the Corporation's financial capacity (as measured through its capital) to undertake its mandate and manage its financial obligations. The Corporation's Capital Allocation Model tracks exposures across Operational, Performance and Credit risks and ensures there is an appropriate level of available capital to backstop risks. Results are reported to the Board of Directors on a quarterly basis. During the year, the Corporation met its capital requirements.

OPERATIONAL RISKS

This is the second major risk category managed by CCC. It refers to those risks directly related to the Corporation's information management, information systems, people, policies/procedures and business continuity planning. Operational risks are managed at the business and functional unit level and are the responsibility of the Vice-Presidents. These include:

Information Management Risk:

This risk encompasses the Corporation's necessity to acquire timely and appropriate information for the purposes of business decision making. Information that is gathered to facilitate the decision making process is carefully maintained. During the year, Library and Archives Canada continued to work on finalizing the Corporation's disposition authority. This authority is required prior to the Corporation moving forward with document destruction.

Information System Risk:

This risk relates to the Corporation's information system being able to generate relevant data in an efficient and effective manner. During the year, significant focus on cyber risk resulted in new policies and procedures being established.

People Risk:

People risk reflects the importance of having sufficient human resources in place to meet both client expectations and achieve overall corporate objectives. Staffing needs were identified within the business development function and plans were put in place to address this in 2017–2018. Staffing levels across the rest of the Corporation are appropriate to meet current workload requirements.

CCC monitors its employee satisfaction level through annual employee surveys. These assist in the development of human resource strategies to ensure employee needs are met and that turnover remains low. During the year, a continued focus on succession planning took place.

Policies and Processes Risk:

This risk relates to the possibility of financial losses or inefficient use of resources that may develop as a result of not having appropriate policies, systems and processes in place. The Internal Audit function reviews key areas of the Corporation to ensure that controls and practices are being followed as per approved policies and procedures.

Business Continuity Planning (BCP) Risk:

This risk relates to the possibility of a negative event impacting CCC's assets, work environment and staff to the point of interrupting CCC's ability to carry on its business. Examples of situations that may lead to interruptions include CCC's facilities being unavailable for a period of time or a significant portion of CCC's staff being unable to work due to illness.

To help ensure the Corporation is BCP ready, an on-going contract with a BCP service provider is in place. Back-up communication and computer facilities along with optional office space are available through this arrangement. During the year, a test of the communication capacity was successfully performed.

TRANSACTIONAL RISKS

This is the third major category of risk managed by CCC and reflects those risks that deal with export transactions. The Corporation is sensitive to the need for protecting its shareholder by effectively and prudently managing these risks. Prior to entering into export contracts, the following transactional risks are evaluated:

Supplier Performance Risk:

This risk relates to the timely delivery of contracted goods and services and to ensure an exporter's failure to perform is mitigated. The Corporation's due diligence process reviews the financial, managerial and technical capabilities of companies that are seeking the Corporation's support. Once under contract, CCC undertakes quarterly reviews of key exporters to monitor the financial condition of its supplier portfolio. The results are communicated to the Board of Directors. During the year, no new problem contracts were identified in CCC's project portfolio.

Foreign Environment Risk:

This risk relates to the possibility of a foreign customer defaulting on its contractual obligations with the Corporation and the intricacies of operating in a foreign environment.

The major subset of this risk relates to buyer credit. The Corporation accepts unsecured credit from AAA rated foreign governments and commercial parties, thereby minimizing buyer credit risk. CCC may accept securities to back up payment obligations of customers where the credit rating is below that of AAA. In all other cases, the Corporation passes the credit risk to the exporter. This is achieved through a back-to-back payment mechanism that only allows the supplier to be paid once CCC has received the relevant payment from the foreign customer. Often, the exporter will use the services of Export Development Canada to mitigate foreign customer credit risk.

Contract Risk:

This risk relates to the terms and conditions reflected within CCC's foreign and domestic contracts. Each foreign customer and domestic supplier contract must be carefully negotiated and drafted to establish appropriate terms and conditions to mitigate the Corporation's risk. CCC has an experienced workforce comprised of contract professionals and legal counsellors who adeptly manage contract risks.

The Corporation continued to focus on areas of bribery and corruption and ensures that its contracts contain appropriate language in this regard.

Export Foreign Exchange Risk:

This risk relates to changes in the exchange rate of the Canadian dollar and the potential impacts from an export transaction viewpoint.

Similar to foreign customer credit risk, CCC passes the exchange rate risk through to the exporter. This is accomplished by paying exporters under the domestic contract in the same currency as is received under CCC's foreign contract with the buyer. The Corporation also manages foreign exchange risk related to its internal holdings of foreign currencies. This risk is mainly comprised of the fluctuation in value of the Corporation's U.S. dollar working capital. The Corporation minimizes the balance in its foreign currency account to mitigate foreign exchange risk. To a lesser degree, the value of CCC's fees denominated in foreign currency also represents a foreign exchange risk.

Fraud Risk:

This risk relates to the possibility that the Corporation is the subject of internal or external fraud. Policies and procedures have been established along with internal controls to ensure that this risk is minimized. CCC's Internal Audit function reviews these practices and recommends improvements where warranted. During the year, Management updated its annual Fraud Risk Assessment and presented findings to the ROC which did not identify any new fraud risk concerns.

Corporate Social Responsibility Risk:

Corporate Social Responsibility (CSR) refers to the way a company balances it's economic, environmental, and social objectives while addressing stakeholder expectations and enhancing shareholder value. To address CSR issues related to the business integrity of the Corporation's existing and potential supplier base, a senior level Integrity Compliance Committee reviews export transactions to ensure that CCC's participation in an export transaction does not include bribery or corruption issues.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements of the Canadian Commercial Corporation and all information presented in this annual report are the responsibility of management. The financial statements have been prepared in accordance with International Financial Reporting Standards, using management's best estimates and judgments, where appropriate. Financial information presented elsewhere in the annual report is consistent with the financial statements.

In support of its responsibility, management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the integrity and reliability of financial information, that assets are safeguarded and controlled, and that transactions of the Corporation are in accordance with the *Financial Administration Act* (FAA) and regulations and, as appropriate, the *Canadian Commercial Corporation Act*, the by-laws of the Corporation, and the directives issued pursuant to Section 89 of the FAA.

The Audit Committee oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting. The Audit Committee meets with management and the internal and external auditors to review the manner in which these groups are performing their responsibilities and to discuss auditing, internal controls and other relevant financial matters. The Audit Committee has reviewed the financial statements with the external auditor and has submitted its report to the Board of Directors. The Board of Directors has reviewed and, on recommendation by the Audit Committee, has approved the financial statements.

The Corporation's external auditor, the Auditor General of Canada, audits the financial statements in accordance with Canadian generally accepted auditing standards, and expresses an opinion on the financial statements.

Martin Zablocki
President and Chief Executive Officer

Ernie Briard
Vice-President, Corporate Services and
Chief Financial Officer

Ottawa, Canada
May 30, 2017

Office of the Auditor General of Canada | Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of International Trade

Report on the Financial Statements

I have audited the accompanying financial statements of the Canadian Commercial Corporation, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Commercial Corporation as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Commercial Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Canadian Commercial Corporation Act,* the by-laws of the Canadian Commercial Corporation, and the directives issued pursuant to section 89 of the *Financial Administration Act.*

MK Kerrigan

Mary Katie Kerrigan, CPA, CA
Principal
for the Auditor General of Canada

30 May 2017
Ottawa, Canada

FINANCIAL STATEMENTS AND NOTES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31 (*in thousands of Canadian dollars*)	2017	2016
ASSETS		
Current assets		
Cash (note 4)	**$ 76,430**	$ 85,670
Trade receivables (notes 5 and 7)	**741,193**	130,779
Advances to Canadian exporters (note 6)	**175,367**	473,609
Progress work by Canadian exporters (note 6)	**4,668,186**	3,122,080
	5,661,176	3,812,138
Non-current assets		
Property and equipment (note 8)	**3,432**	3,630
	$ 5,664,608	$ 3,815,768
LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities (notes 5 and 7)	**$ 760,346**	$ 162,722
Advances from foreign customers (note 6)	**201,338**	497,597
Progress work for foreign customers (note 6)	**4,668,186**	3,122,080
Employee benefits	**292**	243
	5,630,162	3,782,642
Non-current liabilities		
Deferred lease incentives	**3,886**	2,690
Employee benefits	**1,646**	1,767
	5,635,694	3,787,099
SHAREHOLDER'S EQUITY		
Contributed surplus	**10,000**	10,000
Retained earnings	**18,914**	18,669
	28,914	28,669
	$ 5,664,608	$ 3,815,768

Lease commitments (note 15)
Contingencies and guarantees (note 16)

The accompanying notes are an integral part of the financial statements.

Authorized for issue by the Board of Directors on May 30, 2017

Stephen J. Sorocky
Interim Chair, Board of Directors

Scott Player
Chair, Audit Committee

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31 (*in thousands of Canadian dollars*)	2017	2016
REVENUES		
Commercial trading transactions – prime contracts (note 10)	**$ 2,627,041**	$ 2,844,537
Less: cost of commercial trading transactions – prime contracts	**(2,627,041)**	(2,844,537)
Fees for service (note 10)	**25,269**	28,565
Other income (note 10)	**963**	786
Finance income, net (note 11)	**477**	354
Gain (loss) on foreign exchange	**(29)**	985
	26,680	30,690
EXPENSES		
Administrative expenses (note 12)	**29,946**	31,315
Contract remediation expenses	**–**	192
	29,946	31,507
SOURCING SERVICES FOR SUPPORT OF INTERNATIONAL GOVERNMENT ASSISTANCE PROGRAMS		
Sourcing services transactions (note 10)	**$ 27,802**	$ 27,454
Less: cost of sourcing services transactions	**(27,802)**	(27,454)
	–	–
Net loss before Parliamentary appropriation	**(3,266)**	(817)
Parliamentary appropriation (note 13)	**3,510**	8,880
NET PROFIT	**$ 244**	$ 8,063
OTHER COMPREHENSIVE INCOME (LOSS) ITEMS THAT WILL NOT BE RECLASSIFIED TO NET PROFIT		
Actuarial gain (loss) on employee benefits obligation	**1**	(95)
TOTAL COMPREHENSIVE INCOME	**$ 245**	$ 7,968

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2017 (*in thousands of Canadian dollars*)	CONTRIBUTED SURPLUS	RETAINED EARNINGS	TOTAL
BALANCE MARCH 31, 2016	**$ 10,000**	**$ 18,669**	**$ 28,669**
Net profit	**–**	**244**	**244**
Actuarial gain on employee benefits obligation	**–**	**1**	**1**
Total comprehensive income	**–**	**245**	**245**
BALANCE MARCH 31, 2017	**$ 10,000**	**$ 18,914**	**$ 28,914**

FOR THE YEAR ENDED MARCH 31, 2016 (*in thousands of Canadian dollars*)	CONTRIBUTED SURPLUS	RETAINED EARNINGS	TOTAL
BALANCE MARCH 31, 2015	$ 10,000	$ 10,701	$ 20,701
Net profit	–	8,063	8,063
Actuarial gain on employee benefits obligation	–	(95)	(95)
Total comprehensive income	–	7,968	7,968
BALANCE MARCH 31, 2016	$ 10,000	$ 18,669	$ 28,669

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31 (*in thousands of Canadian dollars*)	2017	2016*
OPERATING ACTIVITIES		
Net profit	**$ 244**	$ 8,063
Adjustments to determine net cash from (used in) operating activities:		
Depreciation	**414**	484
Employee benefit expense	**42**	13
Employee benefit payments	**(113)**	(155)
Gain on foreign exchange	**(843)**	(210)
Deferred lease incentives	**801**	611
Change in working capital from:		
Trade and other receivables	**(610,414)**	36,614
Advances to Canadian exporters	**298,242**	713,675
Trade payables and accrued liabilities	**597,874**	(9,065)
Advances from foreign customers	**(296,259)**	(727,912)
Cash (used in) provided by operating activities	**(10,012)**	22,118
INVESTING ACTIVITIES		
Acquisitions of property and equipment	**(71)**	(1,272)
Cash used in investing activities	**(71)**	(1,272)
Effect of exchange rate changes on cash	**843**	210
Net (decrease) increase in cash	**(9,240)**	21,056
Cash at the beginning of year	**85,670**	64,614
Cash at the end of year	**$ 76,430**	$ 85,670

The accompanying notes are an integral part of the financial statements.
** Change made to the presentation of the comparative figures (Note 17)*

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

1. NATURE, ORGANIZATION AND FUNDING

The Canadian Commercial Corporation (the "Corporation") was established in 1946 by the Canadian *Commercial Corporation Act* (the "Act"), and is wholly owned by the Government of Canada and is an agent Crown corporation listed in Part I of Schedule III of the *Financial Administration Act*. The Corporation is domiciled in Canada with a head office located at 350 Albert Street, Ottawa, Ontario. The Corporation operates primarily in Canada with representation in Asia and South America.

The Corporation acts as the prime contracting agency when foreign governments, international organizations, or foreign private sector buyers wish to purchase products and services from Canada through the Canadian Government. The Corporation enters into contracts with these foreign customers and into corresponding supply contracts with Canadian exporters. Additionally, the Corporation enters into sourcing services agreements to procure goods and services for international end use on behalf of Canadian and foreign governments.

The Corporation's operations are funded primarily by fees for service, supplemented by a parliamentary appropriation.

In September 2008, the Corporation, together with a number of other Crown corporations, was issued a directive (P.C. 2008-1598) pursuant to Section 89 of the *Financial Administration Act*, entitled *Order giving a direction to parent Crown corporations involved in commercial lending to give due consideration to the personal integrity of those they lend to or provide benefits to in accordance with Government's policy to improve the accountability and integrity of federal institutions*. The Corporation implemented the directive effective January 1, 2010.

In July 2015, the Corporation was issued a directive (P.C. 2015-1110) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and to report on the implementation of this directive in the Corporation's next corporate plan. The Corporation performed a detailed review of existing policies regarding travel, hospitality, conferences and events, as well as the approach to public disclosure of this information and completed the implementation of the directive in August 2016.

The Corporation is not subject to the provisions of the *Income Tax Act*.

2. BASIS OF PREPARATION

Compliance with International Financial Reporting Standards (IFRS)

These financial statements have been prepared in accordance with IFRS accounting policies as at and for the year ended March 31, 2017.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for as permitted by IFRS and to the extent material, the following items:

- derivative financial instruments are measured at fair value through profit or loss
- accrued employee benefit liabilities for post-employment benefit plans are recognized at the present value of the defined benefit obligations

Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ significantly from estimates resulting in significant differences in the related financial statement balances.

Estimates and underlying assumptions are reviewed on an ongoing basis and in detail as at the date of the financial statements. Any changes in estimates are reflected in the financial statements in the period in which they become known and in any future periods affected. Management has used estimates to determine the useful lives of property and equipment, to account for employee benefits liabilities, provisions, lease commitments and contingencies and used judgment in determining whether a provision for contract remediation expenses should be recognized or disclosed.

Information about areas where management has exercised judgment and made significant use of estimates and assumptions are included in the following notes:

Note 8 – property and equipment

Note 15 – lease commitments

Note 16 – contingencies and guarantees

Functional and presentation currency

The Corporation's functional and presentation currency is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Corporation are summarized below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Contracts

Commercial trading transactions and **sourcing services transactions**, and their offsetting costs, are recorded when a delivery has taken place: title to the purchased goods has been transferred to the foreign customer or a service has been rendered, in accordance with the contractual terms. However, in the case where the contract provides for payments for progress work, commercial trading transactions and sourcing services transactions are recorded as the work is performed by the exporter. Commercial trading transactions related to prime contracts are included in **revenues**, and sourcing services transactions, whereby the Corporation acts as an agent for another government or government department, are not included in revenues and as such, are disclosed separately under **sourcing services for support of international government assistance programs**, net of the related costs.

Fees for service from commercial trading transactions related to prime contracts and international sourcing services agreements, and fees from other international and domestic activities are recognized in **revenues** when services are rendered.

Progress work by Canadian exporters and **progress work for foreign customers**, represent the progress work performed on a contract leading up to delivery that has been recognized on a percentage-of-completion basis. Under the terms of the contracts, the Corporation has the right to receive the goods from Canadian exporters for work performed in advance of delivery and equally, the obligation to deliver the goods to foreign customers for work performed in advance of delivery. The Corporation recognizes the progress work by Canadian exporters as an asset and the progress work for foreign customers as a liability. These balances are reduced upon delivery and acceptance by the foreign customer. Usually payments for progress work are restricted to 75% of costs incurred.

Advances from foreign customers and **advances to Canadian exporters** represent a down payment usually made at the outset of the contract before any work has been performed. The Corporation recognizes the advances made to Canadian exporters as an asset and the advances received from foreign customers as a liability. Advances made and received are reduced as the work is performed or upon delivery and acceptance by the foreign customer in the normal course of business. Advances from foreign customers also include overpayments from customers due to temporary timing differences in their liquidation methods and accounting for work performed.

The operating cycle, or duration, of many of the Corporation's contracts exceeds one year. All contract related assets and liabilities are classified as current as they are expected to be realized or satisfied within the operating cycle of the contract.

Other income is comprised of early payment discounts received on payments to Canadian exporters and are recognized when the services related to the early payment are rendered by the Corporation. Discounts are determined by applying a set percentage ranging from 0.03%, for one day of advance payment, to 1.32%, for 40 days of advance payment.

Contract remediation expenses may be incurred for commercial trading transactions related to prime contracts if the Canadian exporter fails to fulfill its domestic contract obligations to the Corporation. The Corporation is responsible for ensuring that the terms of the contract with the foreign customer are fulfilled regardless of the quality of performance by the Canadian exporter. Contract remediation expenses and the associated provision are determined on a contract-by-contract basis, and include completion, re-procurement, associated legal and other costs that are based on quotes or reliable estimates. These costs are recorded in the Statement of Comprehensive Income in the period in which the non-performance is identified by the Corporation as probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

(b) Parliamentary appropriation

A parliamentary appropriation that is not in the nature of contributed surplus is recorded as funding in the year for which it is appropriated. An appropriation that is restricted by legislation and related to expenses of future periods is deferred and recognized as funding in the period in which the related expenses are incurred. An appropriation used for the purchase of property and equipment is deferred and amortized into the Statement of Comprehensive Income on the same basis as the related asset.

(c) Finance income, net

Finance income is recorded on an accrual basis and represents interest earned on cash balances and investments held throughout the year, and interest charged to customers related to late payments. Finance costs are incurred as a result of payments of the interest earned on cash balances held from customers or exporters as per the terms and conditions of the underlying contract with the Corporation, interest charges related to the Corporation's revolving credit facility or charged by exporters for late payments.

(d) Foreign currency translation

Monetary assets and liabilities and period-end accruals denominated in foreign currencies are translated into Canadian dollars at the period-end exchange rates. Revenues and expenses are translated at the average monthly exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost using the exchange rate at the date of the transaction are not retranslated. Revenues and expenses recognized from the derecognition of non-monetary assets and liabilities are translated using exchange rate in effect at the time the related non-monetary assets and liabilities were recognized. Any gains or losses on foreign currencies are recorded as a gain or loss on foreign exchange in the Statement of Comprehensive Income.

(e) Fair value measurement

All financial and non-financial assets and liabilities are initially recognized on the Statement of Financial Position at fair value. The fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. Subsequent to initial recognition, fair value is determined by using observable market data based on a three level hierarchy as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Inputs that are unobservable as a result of little if any market activity. Inputs into the determination of fair value that require significant management judgment or estimation.

The carrying amount of trade receivables and trade payables and accrued liabilities approximates fair value due to their relatively short-term nature.

(f) Financial instruments

The term "financial instrument" is defined as any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Loans and receivables and all other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial asset when the contractual rights to receive the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position only when the Corporation has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Non-derivative financial instruments

i) Cash

Cash includes cash on hand and demand deposits and are recorded at fair value. All interest income, gains and losses are recognized in net finance income in the period in which they arise. The Corporation has designated its cash as a financial asset at fair value through profit or loss since it is held for trading principally to manage cash flow requirements while maximizing return on investment and can be reliably measured at fair value, based on Level 1 inputs, due to its liquidity. The changes in fair value of cash denominated in foreign currency are recognized in the period incurred as a gain or loss on foreign exchange in the Statement of Comprehensive Income.

ii) Trade receivables

Trade receivables are classified as loans and receivables which are initially recognized at fair value. Subsequent to initial recognition the carrying value of trade receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Corporation does not establish an allowance for doubtful accounts since it has contractual recourse, in all material respects, whereby the Canadian exporter assumes the risk of non-payment from the foreign buyer.

iii) Trade payables and accrued liabilities

Trade payables and accrued liabilities are classified as other financial liabilities and are initially recognized at fair value. Subsequent to initial recognition the carrying value of trade payables and accrued liabilities are measured at amortized cost using the effective interest method. Deferred revenues included in the trade payable and accrued liabilities are not classified as financial instruments and are treated as non-monetary items, measured at historical cost and not retranslated on the Statement of Financial Position.

Derivative financial instruments

The Corporation may enter into forward contracts to reduce its exposure to fluctuations in foreign exchange rates. The Corporation does not use derivative financial instruments for speculative purposes. As the Corporation does not account for these forward contracts using hedge accounting, these instruments are classified as financial assets or financial liabilities at fair value through profit or loss, and measured at fair value using quoted forward prices with changes recognized in the Statement of Comprehensive Income in the period in which they occur as a gain or loss on foreign exchange. Derivatives are recognized on the Statement of Financial Position as an asset in trade receivables, or as a liability in trade payables and accrued liabilities.

(g) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. When components of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Property and equipment includes costs associated with information systems hardware and operating systems, leasehold improvements and furniture and equipment. These amounts include any costs directly attributable to bringing the asset to the Corporation and in the condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual amount. Information systems hardware and operating systems as well as furniture and equipment are depreciated, once available for use, on a straight-line basis over their estimated useful life of four years and five years respectively. Leasehold improvements are depreciated on a straight-line basis over the lesser of the useful life and the remaining term of the lease agreement.

Gains and losses on the disposal of an item of property and equipment are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of Comprehensive Income for the period.

The useful life and depreciation method of an asset is reviewed at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate.

(h) Impairment

i) Impairment of financial assets

For financial assets that are not classified as fair value through profit or loss, the Corporation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of assets is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Corporation on terms that the Corporation would not consider otherwise, or indications that a debtor or issuer will enter bankruptcy.

Once impaired, financial assets not classified as fair value through profit or loss are re-valued and the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate with the amount of the impairment recognized in net profit or loss.

ii) Impairment of non-financial assets

Non-financial assets, including property and equipment with finite useful lives are reviewed for impairment at each reporting date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized to the extent the carrying amount of the asset exceeds the estimated recoverable amount. The recoverable amount is calculated as the higher of an asset's fair value less costs to sell and its value in use.

Impairment losses recognized in prior periods are assessed at the end of each reporting period to determine if there is any indication that the impairment no longer exists or has decreased. If there is indication that it decreased or is eliminated then the Corporation will estimate the new recoverable amount and an impairment reversal will be recognized. The increased carrying amount attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset(s) in prior years. This reversal amount will be recognized in net profit or loss.

(i) Provision and contingent liabilities

The need for a provision for contract remediation expenses is analyzed as at the date of the Statement of Financial Position and recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Management uses judgment in determining whether a provision should be recognized, or a contingent liability disclosed, considering the probability that a payment will be required to settle the obligation and that a reliable estimate of the amount can be made. Management's estimate of the provision is subject to many uncertainties, including the timing and the actual amount of the payment.

To the extent material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. If it is determined that an outflow of resources is no longer probable to settle the obligation, then the provision will be reversed.

i) Contract re-procurement

The Corporation may incur contract re-procurement expenses should Canadian exporters fail to fulfill the terms and conditions of their contracts. The provision for contract re-procurement expenses represents the Corporation's best estimate of the incremental costs to fulfill the outstanding contractual obligations under the contract.

ii) Legal claims and expenses

The Corporation may be subject to legal claims and expenses as a result of lawsuits arising from its contracting activities. The provision for legal claims and expenses represents the Corporation's best estimate of the expenditure to settle the present obligation. The risks and uncertainties that surround the underlying event are considered in determining the provision.

iii) Onerous contracts

A provision is recognized if the expected economic benefits to be received by the Corporation under a contract are lower than the unavoidable costs of meeting the obligations of the contract. The provision for onerous contracts is recognised and measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation will recognize any impairment loss on the assets associated with that contract.

(j) Deferred lease incentives

Lease incentives representing a rent-free period and allowances for leasehold improvements are deferred as a liability and recognized on a straight-line basis over the term of the lease as a reduction of administrative expenses.

(k) Pension and employee benefits

i) Pension benefits

Substantially all of the employees of the Corporation are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an administrative expense in the Statement of Comprehensive Income in the year when employees have rendered service and represent the total pension obligation of the Corporation.

ii) Employee severance benefits

During the year ended March 31, 2013, the Corporation discontinued the accrual of its employee severance benefits upon resignation or retirement and consequently, employees and executives no longer accumulate these severance benefits. The collective agreement entitled employees who had less than ten years of continuous service as of the date of cessation of severance benefits to an immediate lump-sum payment of the previously accumulated total severance benefits. For employees with more than ten years of continuous service and for the executive group, employees were provided the option of receiving a single payment of all or part of the previously accumulated severance benefits, or leaving the balance to be paid upon retirement or resignation. Employees are still entitled to benefits if terminated for incapacity or upon death and consequently continue to accrue for these severance benefits.

The cost of the obligation for the benefits earned and not yet paid to employees is actuarially determined using the projected unit credit method prorated on services. The valuation of the liability is based on a discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds. Actuarial gains (losses) on employee severance benefits are recognized through other comprehensive income and immediately transferred to retained earnings.

A full actuarial valuation of the outstanding severance benefits obligation is performed annually.

iii) Employee sick leave benefits

As provided under labour contracts and conditions of employment, employees are permitted to accumulate unused sick leave. However, such leave entitlements are non-vesting and can only be used in the event of illness. The cost of this other long-term employee benefit is accrued as employees render the services necessary to earn them. The valuation of the liability is based on a discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds. Actuarial gains or losses are considered workforce compensation and related expenses and are recognized as incurred in administrative expenses in the Statement of Comprehensive Income.

A full actuarial valuation of the outstanding sick leave benefits obligation is performed annually.

iv) Other employee benefits

The federal government sponsors a variety of other future benefit plans from which employees and former employees may benefit during employment or upon retirement. The Public Service Health Care Plan and the Corporation's Dental Plan are the two principle plans available to employees and retirees of the Corporation. The Corporation's responsibility with regard to these two plans is limited to its contributions, which are considered workforce compensation and related expenses and are recorded as administrative expenses in the Statement of Comprehensive Income.

(l) Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Those leases in which substantially all the risks and rewards of ownership are not retained by the lessor are classified as finance leases. The Corporation classifies all of its leases as operating since the risks and rewards incidental to ownership remain with the lessor. The expenses incurred under its operating leases are recognized in the Statement of Comprehensive Income for the reporting period on a straight line basis over the term of the lease, net of the reduction of deferred lease incentives.

(m) Application of new and revised International Financial Reporting Standards

i) Standards adopted effective April 1, 2016

In December 2014, the IASB issued amendments to *IAS 1 – Presentation of financial statements* (IAS 1), effective for annual periods beginning on or after January 1, 2016. The amendment, which clarifies the existing presentation and disclosure requirements including the presentation of line items, subtotals and notes and provides guidance to assist in applying judgement in determining what information to disclose and how that information is presented in financial statements, was adopted. The most significant modifications made as a result of the adoption of IAS 1 disclosure enhancements, include the removal of the Deferred lease incentive and Pension and employee benefits note disclosure.

ii) Standards and amendments not yet in effect

The following new standards, amendments and annual improvements issued by the International Accounting Standards Board (IASB) have been assessed as having a possible effect on the Corporation in the future. The Corporation is currently determining the impact, if any, of these standards and amendments on its financial statements.

In May 2014, the IASB issued *IFRS 15 – Revenue from contracts with customers* (IFRS 15), with further amendments issued in April 2016, establishing a comprehensive framework for the recognition, measurement and disclosure of revenue. The new standard supersedes the requirements in *IAS 11 – Construction Contracts*, *IAS 18 – Revenue*, *IFRIC 13 – Customer Loyalty Programmes*, *IFRIC 15 – Agreements for the Construction of Real Estate*, *IFRIC 18 – Transfers of Assets from Customers*, and *SIC 31–Revenue—Barter Transactions Involving Advertising Services*. IFRS 15 must be applied retrospectively for annual periods beginning on or after January 1, 2018, with early adoption permitted.

In July 2014, IASB published the final version of *IFRS 9 – Financial instruments* (IFRS 9) containing accounting requirements for financial instruments, replacing *IAS 39 – Financial Instruments: Recognition and Measurement* (IAS 39) and all previous versions of IFRS 9. The standard contains requirements for the classification and measurement of financial instruments, impairment of financial assets, hedge accounting and derecognition of financial assets and financial liabilities. IFRS 9 must be applied retrospectively for annual periods beginning on or after January 1, 2018, with early adoption permitted.

In January 2016, the IASB issued *IFRS 16 – Leases (IFRS 16)* that provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes *IAS 17 - Leases* and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). In contrast, IFRS 16 does not include significant changes to the requirements for lessors. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted for companies that have also adopted *IFRS 15 - Revenue from Contracts with Customers*.

In December 2016, the IASB issued the *IFRIC 22 – Foreign Currency Transactions and Advance* Consideration, an interpretation which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Corporation's current accounting treatment for non-monetary assets and liabilities and the related expense and revenue on derecognition is compliant with this IFRIC and as such, the coming into effect of IFRIC 22 will not impact the Corporation.

(in thousands of Canadian dollars, unless otherwise indicated)

4. CASH

As at March 31 cash included:

	2017		2016	
	ORIGINAL CURRENCY	CANADIAN DOLLARS	ORIGINAL CURRENCY	CANADIAN DOLLARS
Canadian dollars	**51,277**	**$ 51,277**	44,352	$ 44,352
U.S. dollars	**18,684**	**24,848**	31,151	40,456
Chinese renminbi	**1,574**	**305**	2,990	601
Euros	**–**	**–**	176	261
		$ 76,430		$ 85,670

Of the cash as at March 31, 2017, $32,084 (2016 – $29,958) represents advances and holdbacks received from foreign customers which will be remitted to Canadian exporters at later dates in accordance with contracts. Advances from foreign customers also include overpayments from foreign customers due to temporary timing differences in their liquidation methods and accounting for work performed. Where contracted, these funds may accrue interest to the credit of the Canadian exporter or foreign customer.

5. TRADE RECEIVABLES AND TRADE PAYABLES AND ACCRUED LIABILITIES

Trade receivables are based on normal international trade terms and are generally non-interest bearing. As at March 31, the Corporation's trade receivables consisted of the following:

	2017	2016
Accrued receivables	**$ 657,900**	$ 3,850
Trade receivables	**83,293**	126,929
	$ 741,193	$ 130,779

The currency profile of the Corporation's trade receivables as at March 31 was as follows:

	2017		2016	
	ORIGINAL CURRENCY	CANADIAN DOLLARS	ORIGINAL CURRENCY	CANADIAN DOLLARS
U.S. dollars	**548,567**	**$ 729,540**	50,229	$ 65,228
Canadian dollars	**11,639**	**11,639**	65,551	65,551
Chinese renminbi	**75**	**14**	–	–
		$ 741,193		$ 130,779

(in thousands of Canadian dollars, unless otherwise indicated)

Trade payables and accrued liabilities are due on normal trade terms. As at March 31, the Corporation's trade payables and accrued liabilities consisted of the following:

	2017	2016
Accrued liabilities	**$ 667,053**	$ 17,414
Trade payables	**91,142**	140,994
Deferred revenues	**2,151**	4,314
	$ 760,346	$ 162,722

The currency profile of the Corporation's trade payables and accrued liabilities as at March 31 was as follows:

	2017		2016	
	ORIGINAL CURRENCY	CANADIAN DOLLARS	ORIGINAL CURRENCY	CANADIAN DOLLARS
U.S. dollars	**558,464**	**$ 742,700**	71,313	$ 92,663
Canadian dollars	**17,598**	**17,598**	70,032	70,032
Chinese renminbi	**146**	**28**	135	27
Australian dollars	**20**	**20**	–	–
		$ 760,346		$ 162,722

Credit, market and liquidity risks relating to trade receivables and to trade payables and accrued liabilities are disclosed in Note 7.

6. PROGRESS WORK BY CANADIAN EXPORTERS, PROGRESS WORK FOR FOREIGN CUSTOMERS, ADVANCES FROM FOREIGN CUSTOMERS AND ADVANCES TO CANADIAN EXPORTERS

Given the back-to-back nature of CCC's contracting with foreign customers and Canadian exporters, the balances of progress work by Canadian exporters and progress work for foreign customers are reduced by amounts that are equal and opposite. As at March 31, the reductions expected due to deliveries over the next twelve months are $578,561 (2016 – $90,456) with the remaining $4,089,625 (2016 – $3,031,624) to be delivered in more than twelve months.

Advances received from foreign customers in advance of work being performed and advances paid to Canadian exporters, in accordance with contract terms and conditions, are reduced as the work is performed or upon delivery and acceptance by the foreign customer in the normal course of business. During the year, reductions in advances from foreign customers of $458,563 (2016 – $870,393) were recognized in income. Conversely, reductions in advances to Canadian exporters of $383,001 (2016 – $793,392) were recognized in expense. As at March 31, the amounts expected to be recognized into income and expense over the next twelve months are respectively $87,175 and $61,204 (2016 – $56,969 and $33,250) with the remaining $114,163 and $114,163 (2016 – $440,628 and $440,359) to be recognized in more than twelve months.

7. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Corporation is exposed to credit risk, market risk and liquidity risk as a result of holding financial instruments. The Board of Directors has responsibility for the oversight of the Corporation's risk management framework and the review, approval and monitoring of the Corporation's risk management policies including the development of an Enterprise Risk Management program which involves establishing corporate risk tolerance, identifying and measuring the impact of various risks and developing risk management action plans to mitigate risks that exceed corporate risk tolerance.

The Audit Committee of the Board of Directors provides oversight of management's compliance with the Corporation's risk management policies and procedures, and periodically reviews the adequacy of the risk management framework in relation to the risk exposure of the Corporation. The Audit Committee is assisted in its oversight role by the Internal Audit function of the Corporation. Internal audits of the Corporation are performed as both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The following is a description of risks associated with financial instruments and how the Corporation manages its risk exposure:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation and arises principally from the Corporation's cash and trade receivables from customers. The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk.

Cash

The Corporation invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements. The Corporation's exposure to credit risk from investing cash is minimized through compliance with the Corporation's Board of Directors approved investment policy which includes approved investment instruments and portfolio limits. The Corporation invests cash in highly liquid demand deposits with a reputable chartered bank. Investments must maintain credit ratings at or above thresholds identified from at least two of the agencies listed below:

- Moody's rating of P1
- Standard and Poor's (S&P) rating of A1
- Dominion Bond Rating Service (DBRS) rating of R1 (low)

Trade receivables

The Corporation generally passes credit risk related to trade receivables from export transactions through to Canadian exporters. This is achieved through a back-to-back payment mechanism whereby exporters are paid when the Corporation has received the related payment from the foreign customers. Where a foreign customer is rated AAA by recognized rating agencies, CCC may agree to pay the Canadian exporter in advance of receiving the foreign customer's payment, thereby creating a credit exposure. With the AAA rating, the credit risk is deemed mitigated and acceptable. During the year ended March 31, 2017, 6% (2016 – 25%) of the Corporation's trade receivables were from AAA credit rated customers.

(in thousands of Canadian dollars, unless otherwise indicated)

As at March 31, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

	2017	2016
Asia*	**$ 670,223**	$ 23,760
United States	**46,363**	30,510
Central America and Caribbean	**12,150**	62,272
Africa	**7,915**	–
South America	**2,768**	12,369
Canada	**1,744**	1,167
Australia	**26**	–
Europe	**4**	701
	$ 741,193	$ 130,779

* Includes Middle East

The maturity profile of the Corporation's trade receivables as at March 31 was as follows:

	2017	2016
< 1 year	**$ 741,164**	$ 130,539
> 1 and < 3 years	**29**	240
	$ 741,193	$ 130,779

Trade receivables are considered past due when the payor has failed to make the payment by the contractual due date. The aging profile of the Corporation's past due trade receivables as at March 31 was as follows:

	2017	2016
< 30 days	**$ 3,718**	$ 17,916
> 30 days and < 180 days	**2,928**	24,135
> 180 days	**1,560**	1,516
	$ 8,206	$ 43,567

Collateral

With respect to managing credit risk related to its outstanding contractual obligations, the Corporation has contractual recourse that consists, in all material respects, of corresponding contractual obligations against Canadian exporters in the same amount. In addition, in order to further mitigate its overall credit risk exposure, depending upon the results of its due diligence, the Corporation may supplement this recourse by requiring commercial securities including holdbacks, bank guarantees, surety bonds, parent guarantees, insurance assignments, property liens, personal guarantees and shareholder cash held in trust with the Corporation.

(in thousands of Canadian dollars, unless otherwise indicated)

The profile of the Corporation's total collateral held with respect to its contractual obligations in the unlikely event of contractual non-performance by Canadian companies, as at March 31 was as follows:

	2017	**2016**
Holdbacks	**$ 6,113**	$ 5,970
Bank guarantees	**$ –**	$ 30,452
Surety bonds	**$ –**	$ 26,864
Parent guarantees	**$ 18,483,325**	$ 17,535,138
Other	**$ 9,764**	$ 6,590

The above amounts approximate the fair values of collateral held.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is not exposed to significant other price risk. The Corporation has no significant derivatives or embedded derivatives that require recognition as an asset or liability on the Statement of Financial Position.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To address foreign exchange risks, contracts with foreign customers and corresponding contracts with Canadian exporters are generally transacted in the same currency. In some cases where payment between parties is made in a different currency the Corporation may enter into forward contracts. The Corporation uses these strategies to effectively transfer the currency risk to the Canadian exporter resulting in minimal net exposure.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to fair-value interest rate risk arises from investing cash. The risks associated with fluctuations in interest rates are minimized by investing in highly liquid demand deposits with a reputable chartered bank.

As directed by the Minister of International Trade, during the year ended March 31, 2014, the Corporation developed an approach to transfer its Cuba trade financing activities to a related Crown Corporation which eliminates related risks to the Corporation while continuing to ensure support to the Canadian exporters.

Under a specific series of contracts, included in trade payables and accrued liabilities, the Corporation owed $719 as at March 31, 2017 (2016 – $34,355) which bears interest at the cost of funds plus 0.25% (2016 – 0.25%).

The Corporation is not exposed to any significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is minimized through compliance with the Corporation's investment policy whereby cash is invested in highly liquid demand deposits with a reputable financial institution in order to meet financial obligations on a timely basis.

(in thousands of Canadian dollars, unless otherwise indicated)

With respect to outstanding contractual obligations to foreign customers, the Corporation has contractual recourse that consists of, in all material respects, back-to-back contractual obligations against Canadian exporters in the same amount. Under contract terms, payments to exporters usually are not made in advance of receipt of payment from foreign customers. In addition, in order to further mitigate its overall liquidity risk exposure, depending upon the results of its due diligence, the Corporation may supplement this recourse by requiring commercial securities including holdbacks, bank guarantees, surety bonds, parent guarantees, insurance assignments, property liens, personal guarantees and shareholder cash held in trust with the Corporation.

The *Canadian Commercial Corporation Act* permits the Corporation to borrow from the Consolidated Revenue Fund or enter into other credit arrangements or indemnities from other sources for an amount not to exceed $90.0 million.

The Corporation has a revolving credit facility providing access to funds in the amount of $40.0 million (2016 – $40.0 million) Canadian or its U.S. dollar equivalent. Indebtedness under this agreement is unsecured and this credit facility has no expiry date. As at March 31, 2017, there were no draws on this line of credit (2016 – nil).

In addition, the Corporation enters into credit arrangements up to a maximum of $70.0 million (2016 – $70.0 million) where transactions are fully insured by a related Crown Corporation with a Moody's credit rating of AAA, thereby mitigating all liquidity risk related to the Cuba contracting program. The Corporation incurred expenses of $610 (2016 – $3,493) related to the Cuba contracting program.

Trade payables and accrued liabilities

Trade payables and accrued liabilities are due on normal trade terms. The maturity profile of the Corporation's trade payables and accrued liabilities as at March 31 was as follows:

	2017	2016
< 1 year	**$ 760,346**	$ 162,722
	$ 760,346	$ 162,722

Under a specific series of contracts, related to the Cuba contracting program included in trade payables and accrued liabilities the Corporation owed $719 as at March 31, 2017 (2016 – $34,355) which bears interest at the cost of funds plus 0.25% (2016 – 0.25%) and the Corporation has offered as security certain foreign trade receivables under certain conditions. The amount of outstanding trade receivables which are fully insured by a related Crown corporation under these arrangements was $ 719 as at March 31, 2017 (2016 – $34,355) and was profiled as follows:

	2017	2016
< 1 year	**$ 719**	$ 34,115
> 1 and < 3 years	**–**	240
	$ 719	$ 34,355

No onerous contracts have been identified as at March 31, 2017 and March 31, 2016.

(in thousands of Canadian dollars, unless otherwise indicated)

8. PROPERTY AND EQUIPMENT

FOR THE YEAR ENDED MARCH 31, 2017	FURNITURE AND EQUIPMENT	LEASEHOLD IMPROVEMENTS	INFORMATION SYSTEMS-HARDWARE	TOTAL
COST				
Balance, March 31, 2016	$ 890	$ 2,636	$ 256	$ 3,782
Additions	58	145	13	216
Balance, March 31, 2017	**$ 948**	**$ 2,781**	**$ 269**	**$ 3,998**
ACCUMULATED DEPRECIATION				
Balance, March 31, 2016	$ 31	$ 74	$ 47	$ 152
Depreciation	182	168	64	414
Balance, March 31, 2017	**$ 213**	**$ 242**	**$ 111**	**$ 566**
CARRYING AMOUNTS				
As at March 31, 2016	$ 859	$ 2,562	$ 209	$ 3,630
As at March 31, 2017	**$ 735**	**$ 2,539**	**$ 158**	**$ 3,432**

FOR THE YEAR ENDED MARCH 31, 2016	FURNITURE AND EQUIPMENT	LEASEHOLD IMPROVEMENTS	INFORMATION SYSTEMS-HARDWARE	TOTAL
COST				
Balance, March 31, 2015	$ –	$ 1,792	$ 435	$ 2,227
Additions	890	2,658	53	3,601
Disposals	–	(1,814)	(232)	(2,046)
Balance, March 31, 2016	$ 890	$ 2,636	$ 256	$ 3,782
ACCUMULATED DEPRECIATION				
Balance, March 31, 2015	$ –	$ 1,526	$ 188	$ 1,714
Depreciation	31	362	91	484
Disposals	–	(1,814)	(232)	(2,046)
Balance, March 31, 2016	$ 31	$ 74	$ 47	$ 152
CARRYING AMOUNTS				
As at March 31, 2015	$ –	$ 266	$ 247	$ 513
As at March 31, 2016	$ 859	$ 2,562	$ 209	$ 3,630

Included in administrative expenses was $414 (2016 – $484) of depreciation related to the Corporation's property and equipment.

(in thousands of Canadian dollars, unless otherwise indicated)

9. CAPITAL MANAGEMENT

The Corporation's objective with respect to capital is to preserve and strengthen its capital base through prudent risk management. This, coupled with the implementation of strategies to optimize operating surpluses ensures that capital is available to facilitate investments in people and processes and to mitigate any potential losses related to operational, performance and credit risk.

The Corporation defines capital as its contributed surplus and retained earnings. The Corporation's contributed surplus consists of the capital contributed by the Government of Canada. The capital allocation model used by the Corporation determines the capital required across three risk areas: operational risk; performance risk; and credit risk. The capital model was updated during the year to bring it more in line with capital requirements of the insurance industry.

The Corporation is not subject to externally imposed capital requirements.

Key strategies used by the Corporation to manage its capital base include: minimizing contract remediation expenses; balancing smart growth with operating expenses; minimizing foreign exchange exposure; optimizing interest income. The Corporation may be required to return to the Government of Canada any part of capital deemed to be in excess of the amount required for the purposes for which the Corporation was constituted.

The Corporation's breakdown of supply of capital as at March 31 is as follows:

	2017	2016
Contributed surplus	**$ 10,000**	$ 10,000
Retained earnings	**18,914**	18,669
	$ 28,914	$ 28,669

10. COMMERCIAL TRADING TRANSACTIONS, FEES FOR SERVICE, OTHER INCOME AND SOURCING SERVICES TRANSACTIONS

The Corporation facilitates sales of Canadian goods to foreign customers including governments, international agencies and other buyers and receives revenues from commercial trading transactions related to prime contracts, fees for service and other income. The Corporation also engages in transactions related to sourcing services for support of international programs.

(in thousands of Canadian dollars, unless otherwise indicated)

For the year ended March 31, the profile by geographic region is as follows:

	2017			2016		
	REVENUES*	SOURCING SERVICES TRANSACTIONS	TOTAL	REVENUES*	SOURCING SERVICES TRANSACTIONS	TOTAL
Asia**	**$ 1,590,561**	**$ 9,552**	**$ 1,600,113**	$ 1,759,181	$ 5,439	$ 1,764,620
United States	**676,181**	**–**	**676,181**	667,892	–	667,892
Central America and Caribbean	**311,549**	**229**	**311,778**	342,522	394	342,916
South America	**53,715**	**724**	**54,439**	93,271	–	93,271
Europe	**1,474**	**12,920**	**14,394**	933	20,170	21,103
Africa	**13,484**	**109**	**13,593**	4,190	880	5,070
Canada	**2,438**	**4,268**	**6,706**	1,641	571	2,212
Australia	**3,871**	**–**	**3,871**	4,258	–	4,258
	$ 2,653,273	**$ 27,802**	**$ 2,681,075**	$ 2,873,888	$ 27,454	$ 2,901,342

* Revenues include revenue related to Commercial Trading Transactions, Fees for Service and Other Income.
** Includes Middle East

11. FINANCE INCOME, NET

For the year ended March 31, the Corporation has recorded finance income and cost in relation to the following financial instruments:

	2017	2016
FINANCIAL ASSETS		
Finance income earned on cash	**$ 527**	$ 445
FINANCIAL LIABILITIES		
Finance cost on payables and other liabilities	**(50)**	(91)
	$ 477	$ 354

(in thousands of Canadian dollars, unless otherwise indicated)

12. ADMINISTRATIVE EXPENSES

Administrative expenses for the year ended March 31 included the following:

	2017	2016
Workforce compensation and related expenses	**$ 20,723**	$ 19,328
Contract management services	**2,726**	2,427
Rent and related expenses	**1,697**	3,886
Travel and hospitality	**1,634**	1,703
Consultants	**1,438**	1,571
Software, hardware and support*	**513**	678
Depreciation	**414**	484
Communications*	**366**	660
Other expenses*	**435**	578
	$ 29,946	$ 31,315

* Comparative figures have been reclassified to conform to current year's presentation.

13. PARLIAMENTARY APPROPRIATION

The appropriation authorized by the Parliament of Canada included in the Statement of Comprehensive Income for the year ended March 31, 2017 totalled $3,510 (2016 – $8,880).

14. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business, under the same terms and conditions that apply to unrelated parties, and as such the transactions approximate fair value.

The amounts due from and to these parties included in trade receivables and trade payables and accrued liabilities respectively as at March 31were as follows:

	2017	2016
Trade receivables	**$ 1,251**	$ 426
Trade payables and accrued liabilities	**$ 191**	$ 215

Individually significant transactions and transactions that are collectively significant are listed below:

(a) Public Services and Procurement Canada

Public Services and Procurement Canada provides contract management and other administrative services to the Corporation at negotiated rates. The cost of these services for the year ended March 31 is included in administrative expenses as follows:

	2017	2016
PSPC	**$ 2,726**	$ 2,427
	$ 2,726	$ 2,427

(in thousands of Canadian dollars, unless otherwise indicated)

(b) PPP Canada Inc.

The Corporation has a Memorandum of Understanding with PPP Canada Inc. for the provision of shared services primarily in the areas of information technology, human resource management, governance, research and communications and internal audit. This arrangement generates savings through economies of scale for both organizations. The revenue related to the provision of these services for the year ended March 31 is included in fees for service as follows:

	2017	2016
PPP Canada Inc.	**$ 625**	$ 563
	$ 625	$ 563

(c) Other Government of Canada departments, agencies and Crown corporations

Commercial trading transactions, fees for service, and sourcing services transactions, arising from the Corporation's facilitation of sales of Canadian goods to foreign customers, and other international activities include the following transactions with related party entities for the year ended March 31:

	2017	2016
Global Affairs Canada	**$ 13,646**	$ 9,913
National Research Council Canada	**4,102**	–
National Defence	**380**	–
Environment and Climate Change Canada	**269**	–
Transport Canada	**142**	211
	$ 18,539	$ 10,124

The Corporation also participates in employee interchange programs with Global Affairs Canada.

(d) Transactions with Canadian exporters solely or jointly governed by key management personnel

The Corporation may enter into supply contracts with Canadian exporters whose financial and operating policies are solely or jointly governed by key management personnel of the Corporation. The Corporation enters into transactions with these Canadian exporters in the normal course of business, under the same terms and conditions that apply to unrelated parties, and as such the transactions approximate fair value. The supply contract transactions with related Canadian exporters for the year ended March 31 were as follows:

	2017	2016
Weatherhaven Global Resources Ltd.*	**N/A**	$ 6,230
Blue Drop Performance Learning Inc.	**–**	37
	$ –	$ 6,267

* Not a related party for the year end March 31, 2017

There was no contract portfolio value remaining to be fulfilled involving these related Canadian exporters for the year ended March 31, 2017 (2016 – nil).

No amounts were due from and to these related Canadian exporters as at March 31, 2017 (2016 – nil).

(in thousands of Canadian dollars, unless otherwise indicated)

(e) Key management personnel compensation

IFRS requires disclosure of key management personnel compensation in total and by component. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. The key management personnel of the Corporation are members of the Board of Directors and the Corporate Officers (President and Vice-Presidents).

Components of compensation are defined as short-term benefits, post-employment benefits, other long-term benefits and termination benefits. Short-term benefits include retainers, per diems, salaries, social security contributions, paid annual leave and bonuses (if payable within twelve months of the end of the reporting period). Post-employment benefits include employer contributions relating to pensions, and premiums paid for post-employment life insurance and medical care. Other long-term benefits include sick leave benefits, long-service leave or sabbatical leave, long-term disability benefits and any bonuses or deferred compensation that are not payable within twelve months after the end of the reporting period. No termination benefits were incurred for key management personnel.

Key management personnel remuneration for the year ended March 31 was as follows:

	2017	2016
BOARD OF DIRECTORS		
Short-term benefits	**$ 156**	$ 154
	$ 156	$ 154
CORPORATE OFFICERS		
Short-term benefits	**$ 1,449**	$ 1,198
Post-employment benefits	**359**	346
	$ 1,808	$ 1,544
	$ 1,964	$ 1,698

15. LEASE COMMITMENTS

In November 2014, the Corporation entered into a fifteen-year lease agreement for office space in a new location. The lease payments commenced on December 1, 2016 and the lease expires at the end of November 2031.

Management has applied their best estimates in accounting for future lease commitments subject to inflation per the lease agreement. Management uses the Consumer Pricing Index (CPI) as an estimation of the inflationary rate.

As at March 31 future minimum payments by fiscal year on the operating leases for premises are as follows:

	2017	2016
< 1 year	**$ 1,454**	$ 494
> 1 and < 5 years	**5,965**	6,038
> 5 years	**16,269**	18,235
	$ 23,688	$ 24,767

(in thousands of Canadian dollars, unless otherwise indicated)

16. CONTINGENCIES AND GUARANTEES

(a) Contingencies

In the normal course of business, the Corporation has entered into indemnity agreements with each of its directors and officers to indemnify them, subject to the terms and conditions of these agreements, against claims and expenses incurred by them as a result of serving as a director or officer of the Corporation.

The nature of the indemnification prevents the Corporation from making a reasonable estimate of the maximum amount that it could be required to pay to counterparties. To offset any potential future payments, the Corporation has purchased director's and officer's liability insurance.

No amount has been accrued in the accompanying financial statements with respect to the contingent aspect of this indemnity.

(b) Guarantees

As prime contractor, the Corporation is contractually obligated to complete contracts with foreign customers ensuring that the terms of the contract are fulfilled regardless of the quality of performance by the Canadian exporter. The Corporation also engages in the fulfilment of contractual obligations related to sourcing services for support of international assistance programs.

The total prime and sourcing services contract portfolio value remaining to be fulfilled as at March 31 was as follows:

	2017	2016
< 1 year	**$ 2,940,244**	$ 861,011
> 1 and < 3 years	**10,777,469**	6,522,408
> 3 and < 5 years	**4,535,665**	9,244,089
> 5 years	**1,036,032**	1,695,523
Total contract portfolio	**$ 19,289,410**	$ 18,323,031

During the year ended March 31, 2017, the value of contracts and amendments signed and effective, representing contractual amounts to be fulfilled, amounted to $1,615.9 million (2016 – $991.9 million). It is expected that the contract portfolio to be fulfilled will be reduced by up to $3,563.1 million due to anticipated contract amendments.

17. COMPARATIVE FIGURES

To provide more relevant information about the Corporation's cash flows, the Corporation changed the presentation of the Statement of Cash Flows by removing the changes in Progress work by Canadian exporters and Progress work for foreign customers from the change in working capital section of the cash flows provided by (used in) operating activities. This change had no net impact on the total amounts presented in the comparative figures for cash provided by (used in) operating activities in the Statement of Cash Flows as it resulted in removing a cash inflow of $1,483,183 and a cash outflow of the same amount. This change did not impact any other statements or note disclosures.

CORPORATE GOVERNANCE

Established in 1946, CCC is a federal Crown corporation mandated to facilitate international trade on behalf of Canadian industry, particularly with governments of foreign countries. The Corporation's business lines support Canadian companies contracting in a variety of industries and sectors in markets around the world.

CCC's mandate is described in the *Canadian Commercial Corporation Act* as follows:

The Corporation is established for the following purposes:

a. *to assist in the development of trade between Canada and other nations;*
b. *to assist persons in Canada*
   i. *to obtain goods and commodities from outside Canada, and*
   ii. *to dispose of goods and commodities that are available for export from Canada;*
c. *to exercise or perform, on behalf and under the direction of the Minister, any powers or functions vested in the Minister by any other Act that authorizes the Minister to employ the Corporation to exercise or perform them; and*
d. *to exercise or perform any other powers or functions conferred on it by any other Act or for the exercise or performance of which it may be employed under any other Act.*

CCC fulfills this mandate through the establishment of government-to-government contracts with foreign government customers to purchase goods and services available for export from Canada. Once a contract has been signed with a foreign customer, CCC then enters a domestic contract with Canadian exporters to fulfill the requirements of these government-to-government contracts. CCC guarantees that the terms and conditions of the contracts with foreign customers will be met.

In 1956, CCC became the custodian of the DPSA and is responsible for administering the agreement on behalf of the Government of Canada. Under the DPSA, the U.S. DoD requires purchases from Canada be contracted through CCC when their value exceeds $150,000 (USD).

Each year, the Minister of International Trade provides direction to CCC's Board of Directors in the SPA. This direction outlines the Government's trade objectives and requests the Corporation's support in meeting these objectives.

CCC is headquartered in Ottawa, Ontario, and employs approximately 140 people. While CCC regularly seeks skilled contracting and procurement professionals to deliver its unique services, normal attrition and nominal turnover have allowed the Corporation's staff complement to remain relatively stable.

Most of CCC's employees are members of the Professional Institute of the Public Service of Canada's (PIPSC) CCC Group. PIPSC is the only union with members at CCC. The Corporation's workforce is comprised of 102 (74%) unionized employees and 36 (26%) excluded employees and executives. The Corporation's workforce exhibits a diverse set of skills, knowledge and language capabilities that allows CCC to effectively manage contracts with foreign government customers.

The Government of Canada's International Trade Portfolio

The International Trade Portfolio offers services to meet the needs of Canadian companies seeking to do business abroad. These services include the provision of market advice, business contact information, and advocacy through Global Affairs Canada's TCS; financing, guarantees, and insurance through EDC; and government-to-government contracting and procurement through CCC.

Global Affairs Canada and CCC have furthered their collaboration through the development of an MOU. The Government of Canada's trade agenda aims to increase exports through deepening trade ties with traditional partners such as the U.S. and to grow export markets for Canadian companies in fast-growing economies. As Canada's export contracting agency, CCC plays an important role in helping Canadian companies access global procurement markets.

CCC complements the trade promotion and financial services provided by Global Affairs Canada and EDC respectively. The combination of these services with CCC's prime contracting program is an effective tool in winning government-to-government contracts in priority foreign markets. Working collaboratively with partners and stakeholders, CCC enhances the competitiveness of Canadian exporters, including SMEs.

CCC is a parent Crown Corporation under Schedule III Part I of the *Financial Administration Act* (FAA), and reports to Parliament through the Minister of International Trade. Historically, CCC received a Parliamentary appropriation. However, the appropriation was phased out over a three-year period ending in 2016–2017. Going forward, the Corporation's main source of funding will be fees for services generated by its business lines.

The CCC Act governs the Corporation, defining its role and the governance structure of CCC's Board of Directors. The CCC Act also provides the Corporation with a range of powers, including the ability to export goods from Canada either as a principal or as agent.

In addition to the CCC Act and the FAA, the Corporation adheres to the following federal legislation as well as any new legislation, regulation, or policy which is extended to Corporations under Schedule III Part I of the FAA:

- *Privacy Act*
- *Access to Information Act*
- *Federal Accountability Act*
- *Public Servants Disclosure Protection Act*
- *Official Languages Act*
- *Corruption of Foreign Public Officials Act*
- *Canadian Environmental Assessment Act*[1]

CCC maintains a high standard of corporate governance in order to ensure prudent management of resources entrusted to it by the Government of Canada. As a Crown corporation, CCC is wholly owned by the Government of Canada and is governed by an independent Board of Directors. As a public entity, the Corporation strives to continually enhance transparency and improve shareholder and stakeholder involvement. As such, CCC holds annual public meetings to provide an opportunity for the public to engage with and learn more about the Corporation. On December 14, 2016, CCC held its ninth annual public meeting in Ottawa, Ontario.

CCC has publicly disclosed travel and hospitality expenses incurred by its Board of Directors and senior executives on a quarterly basis since April 1, 2004 via CCC's public website. Disclosures have taken the form of aggregate declarations of total travel and total hospitality expenses incurred by the Chair of the Board, Board members, the President and CEO, and members of the Senior Management Committee.

Board of Directors

Pursuant to the CCC Act and Part X of the FAA, the stewardship of the Corporation is the responsibility of the Board of Directors. The Board is accountable for the affairs of the Corporation and ensures the proper delivery of public policy on behalf of the Government of Canada. It provides leadership and guidance to the Corporation's management team, and sets the Corporation's long-term strategic direction in alignment with the Minister of International Trade's annual SPA. The Board reviews the Corporate Plan and the Annual Report, both of which are approved by the Minister of International Trade and tabled in Parliament. The Board also meets quarterly to review the Corporation's overall operations, receive Committee reports and discuss CCC's performance against objectives.

The Board is composed of a Chairperson, the President and CEO, and not more than nine or less than five Directors. The Chairperson and the President and CEO are appointed by the Governor in Council. The remaining Board Directors are appointed by the Minister of International Trade subject to approval by the Governor in Council. Directors hold office for a term not exceeding four years, while the Chair and CEO hold office for such term as the Governor in Council deems appropriate. The Minister of International Trade appoints Board members who represent the Canadian business community and the federal government, striving to balance sector, gender, linguistic and geographical representation.

The Board conducts its oversight function through a number of committees which include: the Operations Committee; the Governance and Human Resources Committee and the Audit Committee. The committees examine matters in their respective areas that come before the Board for consideration.

1 In fulfilment of its legislative mandate of assisting Canadian companies in exporting their goods and services, the CCC facilitates a broad range of international projects including, but not limited to large scale economic capital ventures outside of Canada. CCC has implemented streamlined environmental review processes for capital projects outside Canada that demonstrate due diligence in decision-making under the *Canadian Environmental Assessment Act* (CEAA) 2012 and respect foreign sovereignty and international law.

In fiscal year 2016–2017, CCC undertook a review of an Environmental Impact Assessment Report on one applicable project. The review concluded that, taking into account the implementation of appropriate mitigation measures noted in the Environmental Impact Assessment, the project was not likely to cause significant adverse environmental effects.

Board Skills Composition Matrix

BOARD / MANAGEMENT EXPERIENCE
Corporate Governance, Strategic Planning, Human Resources, Political Acumen, Risk Management, Communications and Government Relations.

FINANCIAL LITERACY
Strong financial literacy skills and knowledge of government financial processes and general accounting practices.

GEOGRAPHIC REPRESENTATION
Representation from across Canada.

INDUSTRY EXPERIENCE
International business experience related to Defence, Aerospace, Security, Infrastructure / Capital Projects, Clean Technologies and Government Procurement. Knowledge related to challenges facing SMEs.

PROFESSIONAL / EDUCATIONAL BACKGROUND
Appropriate skill sets in the areas of Accounting, Governance, Engineering, Information Technology and Security, Insurance and Academia.

VALUES
Respect the Corporation's value system and beliefs and a desire to contribute to the Corporation's mandate.

DIVERSITY
English, French and other languages relevant to CCC business development activities are represented, Visible Minorities, First Nations, Youth and a balanced gender profile.

Committee Mandates

OPERATIONS COMMITTEE

The Operations Committee oversees the Corporation's sourcing and international contracting business. All capital projects and all projects valued in excess of $100M or significant amendments to these projects, as well as any other projects that are referred by management to the Committee for consideration, are reviewed. The Committee then recommends the project to the Board of Directors for approval. The Committee also reviews on-going risk profiles of projects, approves proposed new business lines and products and, in conjunction with the Audit Committee, monitors operating processes.

GOVERNANCE AND HUMAN RESOURCES COMMITTEE

This Governance and Human Resources Committee develops and implements practices and procedures that ensure the Board of Directors and the Corporation operate effectively and in accordance with a high standard of corporate governance. It oversees the governance strategy and processes for the development of corporate priorities including the communications strategy, corporate performance management, Human Resources (HR), and CSR. In this regard, on an annual basis, the Committee ensures that Directors are made aware of their responsibilities pursuant to the *Ethical Guidelines for Public Office Holders* and *Guidelines for Political Activities of Public Office Holders*, including signing an annual Conflict of Interest Certificate. In addition, the Committee ensures that all employees are aware of and annually sign a certificate attesting to their compliance with the *Corporation's Code of Conduct and Business Ethics*.

The Committee engages a third party to conduct an annual Board self-assessment, which helps to strengthen the Board of Director's governance and effectiveness. The Committee reviews and makes recommendations on corporate officer appointments and compensation. The Committee, together with the Board Chairperson, reviews the performance of the President and CEO and makes recommendations to the Minister of International Trade on compensation. Finally, the Committee examines and makes recommendations on HR policies to ensure the well-being of the Corporation and its employees.

The Committee believes that CCC's Board should be comprised of directors with a broad set of experience and expertise and utilizes the above skills matrix to identify those areas, which are necessary for the Board to carry out its mandate effectively.

AUDIT COMMITTEE

The Audit Committee's primary function is to ensure the Corporation is adhering to sound financial and risk management practices, that appropriate audit functions and accurate reporting processes are in place, and to oversee financial conduct of the Corporation. The Committee oversees the annual financial audit, the internal audit function, and the requirements of the Office of the Auditor General (OAG). The Director of Internal Audit and representatives from the OAG attend all Audit Committee meetings.

The Board undertakes regular assessments of its own effectiveness and the contributions of each Director by means of an annual peer-review exercise designed to improve individual and collective performance. In addition, CCC's Internal Audit Group reports to the Audit Committee of the Board of Directors.

COMMITTEE MEMBERSHIP

As of March 31, 2017

BOARD MEMBER	AUDIT	OPERATIONS	GOVERNANCE AND HUMAN RESOURCES
Stephen Sorocky (Interim Chair)	*ex officio*	*ex officio*	Chair
Dwayne Lucas			X
Martin Gagné		Chair	
Claude Robillard	X		
Scott Player	Chair		
Derrick Rowe		X	
Andrew Saxton	X		X
Daniela Bassan		X	
Nicole Verkindt	X		
Martin Zablocki (President and CEO)		*ex officio*	*ex officio*

MEETING ATTENDANCE

As of March 31, 2017

BOARD MEMBER	MAY 2016	SEPTEMBER 2016	JANUARY 2017	MARCH 2017
Stephen Sorocky (Interim Chair)	X	X	X	X
Scott Player	X		X	X
Martin Gagné	X	X	X	X
Claude Robillard	X	X	X	X
Derrick Rowe	X	X	X	X
Andrew Saxton	X	X	X	X
Dwayne Lucas	X	X	X	X
Daniela Bassan	X	X	X	X
Nicole Verkindt	X	X	X	X
Martin Zablocki (President and CEO)	X	X	X	X

President and Chief Executive Officer
MARTIN ZABLOCKI

- Vice-President Business Development and Sales — **CAMERON McKENZIE**
- Vice-President Defence and Contract Management — **JACQUES GREFFE**
- Vice-President Legal Services, General Counsel, and Corporate Secretary — **TAMARA PARSCHIN-RYBKIN**
- Vice-President Corporate Services and Chief Financial Officer — **ERNIE BRIARD**
- Vice-President Business Diversification — **CARL MARCOTTE**

SENIOR MANAGEMENT COMMITTEE

As the CEO, the President is accountable for the direction and management of the Corporation's business. With the approval of the Board of Directors, the Senior Management Committee, comprised of the President and five Vice-Presidents, sets corporate priorities to achieve strategic objectives consistent with the corporate mandate. Bound by CCC's *Code of Conduct and Business Ethics*, the Senior Management Committee adheres to the highest ethical standards of professional conduct. All senior executives, with the exception of the CEO, are paid within salary ranges which are aligned with the Public Service of Canada Executive salary bands for positions classified at EX-1 to EX-5 levels. Executive compensation policies are approved by the Board of Directors. CEO compensation is governed by the Performance Management Program for Order in Council appointees and approved by the Governor in Council on recommendation of the Board.

The Corporation has four operational business units and one corporate business unit. The four operational business units include: Business Development and Sales, Defence and Contract Management, Legal Services and a new Business Diversification unit. This team will redesign approaches to building and enhancing customer relationships that will grow and diversify CCC into new industry verticals. The other operational business units position the Corporation to proactively assist Canadian exporters in generating sales and enhance the provision of its core contract management services.

CCC's single corporate business unit is the Corporate Services team. It ensures an ongoing focus on CCC's strategy, the effective stewardship of the Corporation's resources and that corporate systems and CCC's risk management regime continue to support the operational and strategic needs of the business.

Each of the five business units is led by a Vice-President accountable for corporate performance and results.

RISK AND OPPORTUNITIES COMMITTEE (ROC)

This Committee was established as an advisory body to the CEO to address matters impacting on the overall management and direction of the Corporation through a broad consultative process. The ROC reviews opportunities facing the Corporation against the Strategic, Operational and Transactional risks defined in CCC's Enterprise Risk Management (ERM) Framework. The Committee has the following roles and responsibilities:

- Promote an appropriate balance between risk management and the pursuit of opportunities in the context of CCC's risk appetite, largely through the review and assessment of project pursuits at various stages.
- Make recommendations regarding project pursuits including fees, and ensure resources are aligned with approved strategies.
- Assess and ensure alignment of corporate business objectives with CCC's ERM Framework.

INTEGRITY COMPLIANCE COMMITTEE (ICC)

The ICC was established to ensure best practices are reflected within CCC's due diligence process related to bribery and corruption. The Committee's membership includes all business units within the Corporation. The Committee's roles and responsibilities are to:

- Promote and uphold the highest ethical practices in all the Corporation's business dealings.
- Ensure alignment of the Corporation's due diligence framework with international efforts to combat bribery and corruption of foreign government officials.
- Review the ethical and integrity profiles of Canadian companies in the context of specific export opportunities, and make recommendations to ROC.

BOARD OF DIRECTORS

Stephen J. Sorocky

CEO
SkyTrac Systems Ltd.
Toronto, Ontario

Mr. Stephen Sorocky is CEO of SkyTrac Systems Ltd., an avionics and data services company. He served previously as President & CEO and Board Director of LxData Inc., Virtek Vision International Inc. [TSE:VRK] and Dynacon Inc. He was Vice-President and General Manager, Space Robotics Division, Spar Aerospace Ltd., Vice-President, Manufacturing Industry Division of Electronic Data Systems, and founded Exigent Innovations Inc., a technology company development consultancy. Mr. Sorocky is an accomplished senior technology executive with broad experience in venture capital backed and public company environments. He has extensive senior management and business development experience in the technology and aerospace industry. He is a member of the Board of SkyTrac Systems and the Ontario Telemedicine Network. Mr. Sorocky was appointed to the Board of Directors of CCC in December 2007 and re-appointed in May 2015.

Andrew Saxton

CHAIRMAN
King George Financial Corporation
Vancouver, British Columbia

Mr. Andrew Saxton has served as Executive Vice-President and Director of Laurentide Financial Corporation Ltd., President of Elite Insurance Company, Chairman of Grouse Mountain Resorts Ltd., Director of BC Television Broadcasting System Ltd., President of the Granville Island Hotel and Marina Ltd. and Chairman of King George Development Corporation. It is notable that he was a founding member of all these companies. His extensive private sector experience and business accomplishments have led to several appointments to the boards of federal and provincial Crown corporations and agencies including the Canadian Forces Liaison Council and the Insurance Corporation of British Columbia, where he was a Director and Chairman of the Investment Committee. Mr. Saxton was most recently appointed to CCC's Board of Directors in December 2010 and re-appointed in April 2015.

Derrick Rowe

CHAIRMAN AND CEO
Name 3 Capital Inc.
St. John's, Newfoundland and Labrador

Mr. Derrick Rowe is Chairman and CEO of Name 3 Capital Inc., a private investment firm he owns. He also serves as Executive Chairman of Bluedrop Performance Learning Inc., an award-winning e-learning company and training and simulation provider to the defence sector. Mr. Rowe serves on the boards of directors for CADSI and Tennis Canada. Mr. Rowe was named Chairman of FPI Limited in 2001 and served as CEO from 2002–2005. He served as Chairman and CEO of Stratos Global Corporation until 1999, building the company from its startup to a successful public corporation. Mr. Rowe has also served on a number of economic and social organizations, including the Northwest Atlantic Fisheries Organization (NAFO) and various International Trade Advisory Committees for the Government of Canada. In the business community, Mr. Rowe has been honoured with significant recognition for his leadership, including Canada's original "Top 40 Under 40" by the Globe and Mail's Report of Business Magazine, "Entrepreneur of the Year" by Ernst & Young, and a Newfoundland and Labrador Export Award. Mr. Rowe was appointed to CCC's Board of Directors in December 2012.

Martin Gagné

PRESIDENT
Martin Gagné Consulting Inc.
Laval, Quebec

Mr. Martin Gagné is a senior consultant for Strategy and Business Development in the field of Defence. Mr. Gagné spent 17 years at CAE, a global leader in modelling, simulation and training for civil aviation and defence. At CAE, he has occupied various roles such as: Vice-President of Visual Systems, where he led the development of a new visual system based on Commercial "Off the Shelf" technology; Vice-President of Military Marketing and Sales, where he led a comprehensive strategic plan for growth which included a new business pursuit model; and Executive Vice-President of Civil Simulation and Training, where he was responsible for the business development, strategic planning, sales and marketing functions for the civil business segment of CAE. In 2009, Mr. Gagné was promoted to Group President for Military Simulation and Training, with full responsibility for profit and loss of CAE's worldwide military division, retiring from that role in 2012. Mr. Gagné serves on the Board of Directors for CADSI and is a member of the Independent Review Panel for Defence Acquisition to the Minister of National Defence.

Scott Player

London, Ontario

Mr. Scott Player, now retired, is a former financial executive with Chief Financial Officer experience from 1997–2006, prior to which he acted in an international capacity as a European based Managing Director within the Molson Group. His corporate career spanned over 30 years with major international organizations, including Enbridge from 1999 to 2007, and previously with Unilever in the United States, The Molson Companies Limited, the Canadian arm of British based Rio Tinto Zinc, and the Bank of Montreal. He is a Certified Director (McMaster), with diverse Board experience of over 20 years, including profit and not-for-profit organizations, representing multiple industries, as well as domestic and international geographies. Mr. Player was appointed to CCC's Board of Directors in February 2013.

Dwayne Lucas

PRESIDENT
Lucas Aero Strategies Inc.
Abbotsford, British Columbia

Until June 2014, when he started his own company, Mr. Dwayne Lucas, P.Eng, OMM, CD2, BGen (ret), was the Executive Vice-President and Chief Operating Officer of Cascade Aerospace, a specialty aerospace and defence contractor focused on providing long-term integrated aircraft support programs for original equipment manufacturers, military, government and commercial buyers. Mr. Lucas joined Cascade in 2006 as the Vice-President and General Manager of the Engineering and Products Group and was promoted to Senior Vice-President, Government and Military Programs and Strategic Business Development in 2009. Mr. Lucas was instrumental in the development of Cascade's military, government and business development programs, recently leading the winning bid for the C130 Hercules Avionics Program and the Mexican Air Force C130 Hercules aircraft upgrade program contributing to Cascade's long-term growth and profitability. Prior to joining Cascade, Mr. Lucas was a Brigadier General in the Canadian Armed Forces, serving a distinguished 36-year career in various roles, such as the Director General, Aerospace Equipment Program Management, where he led and implemented the new optimized weapon system support program, which is now one of the foundational initiatives for the government's in-service support acquisition programs. Mr. Lucas was integrally involved in the preparation of the Aerospace Review led by the Honourable David Emerson. He also led the inaugural 2013 Aerospace Defence and Security Exposition. Mr. Lucas has been highly involved in international sport and was Vice-President, Americas, for the International Military Sports Council and led the Sport and Peace initiative. Currently, he leads Lucas Aero Strategies Inc., a specialty consulting group focusing on aerospace development, planning and innovation. He is the executive lead for research and development for the Consortium of Aerospace Research in Canada (CARIC) for BC and Alberta. Mr. Lucas was appointed to CCC's Board of Directors in June 2013.

Daniela Bassan

PARTNER AND TRADE-MARK AGENT
Stewart McKelvey, Barristers & Solicitors
Halifax, Nova Scotia

Ms. Daniela Bassan is a litigation partner and trade-mark agent (Canada) at Stewart McKelvey, Barristers & Solicitors, and a full-service law firm with offices throughout Atlantic Canada. Ms. Bassan works with clients in a variety of business disputes, including intellectual property disputes, cross-border proceedings, construction claims, and technology-based actions. She is also certified as a legal project manager. Prior to joining Stewart McKelvey, Ms. Bassan worked as a litigation associate at a large firm in Toronto, ON, where she practiced corporate commercial litigation at trial and appellate levels. During her training, she was a law clerk at the Supreme Court of Canada and research assistant at both Osgoode Hall Law School and Harvard Law School. During her career, she has been invited to sit on legal advisory boards for organizations in Canada and the United States, as well as participating in law reform initiatives in Canada and Europe. Ms. Bassan was appointed to CCC's Board of Directors in December 2013.

Nicole Verkindt

DIRECTOR AND PRESIDENT
OMX
Toronto, Ontario

Ms. Nicole Verkindt is President of OMX (theomx.com), an international software platform for government contractors to manage offset commitments in the defence, aerospace and security industries, a company she founded in 2011. The company also tracks and reports on economic impacts from government procurements through its data analytics business. Prior to OMX, Ms. Verkindt held several positions at a Canadian defence SME: GMA Corp., including Vice-President of Sales and Marketing, Vice President of Business Development, and as President and CEO responsible for all operations, sales and finance of the company. Ms. Verkindt was the Founder and President of Tiburon, in Santo Domingo, Dominican Republic, a manufacturing business that serviced the U.S. DoD. She has also worked as a project manager for Big Media Group of Overpelt, Belgium, where she met with public and private sector leaders to produce economic reports for numerous international media agencies, and advised on attracting foreign direct investment through PR campaigns. Ms. Verkindt is the Founder of the Southern Ontario Defence Association and an active member of the CADSI SME & Industrial Participation committees, Global Offset and Countertrade Association, the Canadian Space Commerce Association and the Ontario Aerospace Council. She is also on the Advisory Board for the Munk School of Foreign Affairs MGA Program. Ms. Verkindt was appointed to CCC's Board of Directors in December 2013.

Claude Robillard

MANAGING DIRECTOR, INVESTOR RELATIONS
West Face Capital
Toronto, Ontario

Mr. Claude Robillard is the Managing Director of Investor Relations at West Face Capital, a leading Canadian-based alternative asset manager, where he engages with sovereign wealth funds, pension funds, endowments, funds of funds, and family offices in domestic and international markets. Prior to joining West Face Capital, Mr. Robillard was with CIBC World Markets where he oversaw CIBC's Capital Introduction Group, and contributed to the bank's cross-asset capabilities while managing key relationships. Prior to joining CIBC, he was Managing Director of Artemis Investment Management, a multi-strategy alternative asset manager. In 2007, he co-founded a European-based real estate investment group focused on development and infrastructure projects in Eastern Europe. Formerly, Mr. Robillard was a founding partner of an asset management company launched in New York that subsequently expanded to Hong Kong and Toronto, and previously held senior roles within HSBC Securities, RBC Royal Bank, and CIBC World Markets, with a focus on alternative asset classes, equity structured products, equity finance and commodity products. He is a frequent guest speaker and lecturer on alternative asset classes, and is co-chairman of the Sales Practices Committee at the Alternative Investment Management Association (Canada) and a member of McGill University's Expert Panel in Investment Management. Mr. Robillard was appointed to CCC's Board of Directors in June 2014.

SENIOR MANAGEMENT

Martin Zablocki
PRESIDENT AND CEO

Mr. Martin Zablocki was appointed as President and CEO in April 2014. Prior to this appointment, Mr. Zablocki held various senior-level executive positions within the Corporation, including Executive Vice-President and Chief Operating Officer (COO), Vice-President, Risk and Finance and Chief Financial Officer, and Vice-President, Strategy and Organizational Development. Throughout his extensive career, Mr. Zablocki has amassed a wealth of leadership experience, which includes more than 25 years with the Government of Canada, leading regional and national operations within the Canada Revenue Agency, Fisheries and Oceans Canada, and Industry Canada. Mr. Zablocki is a Chartered Business Valuator, Certified Management Accountant, and Chartered Professional Accountant. He proudly serves on a variety of volunteer boards and committees.

Ernie Briard
VICE-PRESIDENT, CORPORATE SERVICES AND CFO

Mr. Ernie Briard joined CCC in January 2016 as Vice-President of Corporate Services and CFO where he is responsible for developing and implementing corporate policies, strategies, initiatives, and new technologies. Mr. Briard brings with him a wealth of management experience and achievements, having led financial teams in both the private and public sectors. Most recently, Mr. Briard led the Standards Council of Canada as the Vice-President, Corporate Services and CFO, where he was responsible for financial management, human resources, investment planning and business analytics, information management and information technology, corporate administration and contracting, translation and travel. Prior to that, Mr. Briard had a successful career with Nortel and as an independent consultant.

Cameron McKenzie
VICE-PRESIDENT, BUSINESS DEVELOPMENT AND SALES

Mr. Cameron McKenzie joined CCC in October 2015 as Vice-President of Business Development and Sales where he is responsible for working with Canadian exporters and foreign customers to grow sales to governments around the world and for increasing CCC's customer facing presence internationally. Mr. McKenzie has over two decades of extensive experience in systems engineering, program management and business development with CAE, Canada's largest training, modeling and simulation company. Following success leading CAE's Military Systems Engineering Group, Mr. McKenzie gravitated into successively more senior business development and management roles. His most recent position was Vice-President and General Manager, Defence and Security for the Middle East Region.

Jacques Greffe

VICE-PRESIDENT, DEFENCE PROCUREMENT AND CONTRACT MANAGEMENT

Mr. Jacques Greffe joined CCC in November 2009 as Vice-President, Defence Contract Management and Procurement. Prior to his appointment at CCC, he was the Director General, Commercial Acquisitions and Supply Management Sector at Public Works and Government Services Canada. Mr. Greffe has over 27 years procurement and contracting experience with the Canadian federal government, largely with the Department of National Defence and Public Works and Government Services Canada, and has been a special advisor on a number of departmental and inter-departmental procurement initiatives due to his extensive experience in procurement.

Tamara Parschin-Rybkin, Q.C.

VICE-PRESIDENT LEGAL SERVICES, GENERAL COUNSEL AND CORPORATE SECRETARY

Ms. Tamara Parschin-Rybkin was appointed Vice-President, Legal Services, General Counsel and Corporate Secretary in September 2006. Prior to this appointment, Ms. Parschin-Rybkin was a Senior Counsel with the Department of Justice, where her numerous responsibilities included being Lead Counsel for CCC from 1996–2006, and, prior to that, Lead Counsel for the Department of Transport during the commercialization of the Canadian Civil Air Navigation System to Nav Canada, General Counsel to the Internal Trade Negotiating Team at Industry Canada and at Natural Resources Canada, lead counsel on the Hibernia Development Project and on the negotiations of the Newfoundland and Nova Scotia Offshore Petroleum Accords.

Carl Marcotte

VICE-PRESIDENT, BUSINESS DIVERSIFICATION

Mr. Carl Marcotte was appointed Vice-President, Business Diversification in January 2017. Mr. Marcotte previously held senior-level executive positions including Senior Vice-President Marketing & Business Development at SNC Lavalin Nuclear and Vice-President, Commercial Ventures & Business Development at AECL and Canadian Nuclear Labs where he provided strategic and operational leadership on all aspects of SNC's nuclear business growth and AECL/CNL's transformation from Crown Corporation to private enterprise. Mr. Marcotte has held the positions of Vice-President and Sector Head for numerous industry sectors as well as Vice-President, Small Business Development at Export Development Canada over a career that spanned more than 20 years in international trade, risk management and structured finance.

GLOSSARY OF TERMS

ABP	Armored Brigades Program
ACCBP	Anti-Crime Capacity Building Program
AIAC	Aerospace Industry Association of Canada
BCP	Business Continuity Planning
BDC	Business Development Bank of Canada
CCC	Canadian Commercial Corporation
CCCA	*Canadian Commercial Corporation Act*
CEAA	*Canadian Environmental Assessment Act*
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRM	Client Relationship Management
CSR	Corporate Social Responsibility
CTT	Commercial Trading Transaction
DDQ	Due Diligence Questionnaire
DND	Department of National Defence
DPSA	Defence Production Sharing Agreement
EDC	Export Development Canada
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
FAA	*Financial Administration Act*
GDS	Global Defence and Security
GPHA	Ghana Ports and Harbour Authority
HR	Human Resources
IASB	International Accounting Standards Board
ICB	International Commercial Business
ICC	Integrity Compliance Committee
IFRS	International Financial Reporting Standards
ISED	Innovation, Science and Economic Development Canada
LAV	Light Armored Vehicles
MOU	Memorandum of Understanding
NPS	Net Promoter Score
NRC	National Research Council
OAG	Office of the Auditor General of Canada
PIPSC	Professional Institute of the Public Service of Canada
PPP Canada	Public-Private Partnerships Canada
PSPC	Public Services and Procurement Canada
RDP	Reciprocal Defence Procurement
ROC	Risk and Opportunities Committee
SDTC	Sustainable Development Technology Canada
SMEs	Small and Medium-Sized Enterprises
SPA	Statement of Priorities and Accountabilities
TCS	Trade Commissioner Service
USD	United States Dollars
U.S. DoD	United States Department of Defense
VCS	Value of Contracts Signed