2009 ANNUAL REPORT
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Caseload overview: requests for assistance investigations</td>
<td>Page 3</td>
</tr>
<tr>
<td>2. Top 10 complaints investigated and underlying causes</td>
<td>Pages 4 - 14</td>
</tr>
<tr>
<td>3. Regional breakdown of complaints</td>
<td>Pages 15 - 20</td>
</tr>
<tr>
<td>4. Top 10 complaints by region / by quarter</td>
<td>Pages 21 - 26</td>
</tr>
<tr>
<td>5. Office performance highlights</td>
<td>Pages 27 - 28</td>
</tr>
</tbody>
</table>
CASELOAD OVERVIEW: INTAKE AND INVESTIGATIONS

Fewer requests for assistance received in 2009... BUT higher ratio of cases investigated:

60% requests for assistance = investigation in 2009
41% requests for assistance = investigation in 2008

2009: 3708 INVESTIGATIONS
2008: 3494 INVESTIGATIONS
6% INCREASE

2007: 6921
2008: 8041
23% DECREASE YOY (Year-over-Year)

Volume ratio per point of call (1/10,000)

2009: 3.9
2008: 5.5
29% DECREASE YOY

2009: 6209 REQUESTS FOR ASSISTANCE
2008: 8041 REQUESTS FOR ASSISTANCE
23% DECREASE YOY

2051 recommended resolutions issued to Canada Post:
- 64% additional measures taken by Canada Post
- 36% supported Canada Post’s handling of the complaint
- 9 policy changes
Top 10 Complaints = 3136 cases investigated = 85% of caseload

2008 TOP 10: 2635 INVESTIGATIONS 19% INCREASE YOY

Delivery depot dropped from 2009 top 10:
139 cases in 2008 to 72 in 2009

New category in 2009 top 10 vs. 2008
Total cases investigated: 3708
Lettermail: 612 or 17% of all complaints investigated

- Misdelivery accounts for 39% of all Lettermail complaints.
- In 2008, misdelivery represented 46% of Lettermail complaints.

Outcome of misdelivery investigations:
- 96% resulted in additional measures taken by Canada Post (CPC).
2009 – TOP 10 NATIONAL
2. CUSTOMER SERVICE

Total cases investigated: 3708
Customer Service: 569 or 15% of all complaints investigated

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>155</td>
<td>106</td>
<td>82</td>
<td>226</td>
</tr>
<tr>
<td>2008</td>
<td>147</td>
<td>157</td>
<td>70</td>
<td>135</td>
</tr>
</tbody>
</table>

12% increase YOY

• Unreasonable decision by a Customer Service agent accounts for 50% of all Customer Service complaints that are investigated.
• In 2008, unreasonable decision represented 51% of Customer Service complaints

Outcome of investigations on unreasonable decision:
• 48% resulted in additional measures taken by CPC.
Total cases investigated: 3708
Xpresspost: 321 or 9% of all complaints investigated

18% increase YOY

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>104</td>
<td>62</td>
<td>64</td>
<td>91</td>
</tr>
<tr>
<td>2008</td>
<td>69</td>
<td>61</td>
<td>48</td>
<td>94</td>
</tr>
</tbody>
</table>

• Loss of item accounts for 43% of all Xpresspost complaints.
• In 2008, loss of item represented 41% of all Xpresspost complaints.

Outcome of investigations on lost Xpresspost:
• 63% resulted in additional measures taken by CPC.
Total cases investigated: 3708
Delivery employee: 318 or 9% of all complaints investigated

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>119</td>
<td>65</td>
</tr>
<tr>
<td>Q2</td>
<td>48</td>
<td>87</td>
</tr>
<tr>
<td>Q3</td>
<td>76</td>
<td>38</td>
</tr>
<tr>
<td>Q4</td>
<td>75</td>
<td>90</td>
</tr>
</tbody>
</table>

14% increase YOY

- Poor service provided by delivery agent (Letter Carrier, Motorized Letter Carrier, Mail Service Courier, Rural and Suburban Mail Carrier) accounts for 42% of all complaints in this category.
- In 2008, poor service represented 53% of all complaints in this category.
- No delivery / no delivery attempt account for 34% of these complaints.

Outcome of investigations on poor service:
- 90% resulted in additional measures taken by CPC.
Total cases investigated: 3708
Retail: 276 or 7% of all complaints investigated

119% increase YOY

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>95</td>
<td>32</td>
<td>97</td>
<td>52</td>
</tr>
<tr>
<td>2008</td>
<td>42</td>
<td>35</td>
<td>23</td>
<td>26</td>
</tr>
</tbody>
</table>

• Poor service provided by counter staff accounts for 57% of all complaints in this category.
• In 2008, poor service represented 72% of all complaints in this category.
• The closure of retail offices accounts for 32% of all complaints in this category.

Outcome of investigations on retail poor service:
• 88% resulted in additional measures taken by CPC.
Total cases investigated: 3708
Mode Delivery: 275 or 7% of all complaints investigated

- Location of the delivery receptacle accounts for 23% of all complaints in this category.
- In 2008, location represented 25% of all complaints in this category.
- Safety-related complaints (Rural Mailbox / Community Mailbox) account for 14% of all complaints in this category.

Outcome of investigations on location of delivery transfer point:
- 56% resulted in additional measures taken by CPC.
Total cases investigated: 3708
Int’l Parcel: 266 or 7% of all complaints investigated

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>52</td>
<td>57</td>
<td>77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>47</td>
<td>18</td>
<td>102</td>
<td>242</td>
<td></td>
</tr>
</tbody>
</table>

• Loss of item accounts for 45% of all international / USA parcel complaints.
• In 2008, loss of item represented 46% of all international / USA parcel complaints.

Outcome of investigations on lost international / USA parcels:
• 87% resulted in additional measures taken by CPC.
Total cases investigated: 3708
Domestic Parcel: 246 or 7% of all complaints investigated

• Loss of item accounts for 46% of all domestic parcel complaints (expedited / regular).
• In 2008, loss of item represented 51% of all domestic parcel complaints.

Outcome of investigations on lost domestic parcels:
• 74% resulted in additional measures taken by CPC.
2009 – TOP 10 NATIONAL
9. REDIRECTION

Total cases investigated: 3708
Redirection: 131 or 4% of all complaints investigated

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>39</td>
<td>32</td>
</tr>
<tr>
<td>Q2</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td>Q3</td>
<td>36</td>
<td>14</td>
</tr>
<tr>
<td>Q4</td>
<td>30</td>
<td>47</td>
</tr>
</tbody>
</table>

17% increase YOY

- Poor service accounts for 87% of all redirection service complaints.
- In 2008, poor service represented 85% of all complaints in this category.

Outcome of investigations on redirection poor service:
- 90% resulted in additional measures taken by CPC.
Total cases investigated: 3708
Registered mail: 122 or 3% of all complaints investigated

• Loss of item accounts for 53% of all registered mail complaints.
• In 2008, loss of item represented 47% of all registered mail complaints.

Outcome of investigations on lost registered mail:
• 66% resulted in additional measures taken by CPC.
Total cases investigated: 3708
Atlantic: 170 or 5% of all complaints investigated

30% decrease YOY

2009 outcomes: % cases with additional measures taken by CPC
69% 86% 69% 81%
Total cases investigated: 3708
Québec: 708 or 19% of all complaints investigated

3% decrease YOY

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>181</td>
<td>120</td>
<td>129</td>
<td>278</td>
</tr>
<tr>
<td>2008</td>
<td>160</td>
<td>190</td>
<td>121</td>
<td>261</td>
</tr>
</tbody>
</table>

2009 outcomes: % cases with additional measures taken by CPC

- Q1: 72%
- Q2: 82%
- Q3: 72%
- Q4: 79%
REGIONAL DISTRIBUTION – COMPLAINTS INVESTIGATED
3. HURON RIDEAU

Total cases investigated: 3708
Huron Rideau: 889 or 24% of all complaints investigated

17% increase YOY

38 complaints for 1 RPO closure in Kingston

2009 outcomes: % cases with additional measures taken by CPC
- 84%
- 88%
- 72%
- 80%
Total cases investigated: 3708
GTA: 812 or 22% of all complaints investigated

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>251</td>
<td>151</td>
<td>152</td>
<td>258</td>
</tr>
<tr>
<td>2008</td>
<td>176</td>
<td>203</td>
<td>144</td>
<td>120</td>
</tr>
</tbody>
</table>

2009 outcomes: % cases with additional measures taken by CPC

- Q1: 84%
- Q2: 87%
- Q3: 80%
- Q4: 82%

26% increase YOY
Total cases investigated: 3708
Prairie: 653 or 18% of all complaints investigated

7% increase YOY

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>170</td>
<td>145</td>
</tr>
<tr>
<td>Q2</td>
<td>92</td>
<td>165</td>
</tr>
<tr>
<td>Q3</td>
<td>234</td>
<td>101</td>
</tr>
<tr>
<td>Q4</td>
<td>157</td>
<td>199</td>
</tr>
</tbody>
</table>

2009 outcomes: % cases with additional measures taken by CPC

- Q1: 77%
- Q2: 83%
- Q3: 94%
- Q4: 85%
Total cases investigated: 3708
Pacific: 380 or 10% of all complaints investigated

9% decrease YOY

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>140</td>
<td>115</td>
</tr>
<tr>
<td>Q2</td>
<td>84</td>
<td>77</td>
</tr>
<tr>
<td>Q3</td>
<td>50</td>
<td>82</td>
</tr>
<tr>
<td>Q4</td>
<td>106</td>
<td>143</td>
</tr>
</tbody>
</table>

2009 outcomes:
% cases with additional measures taken by CPC
- Q1: 81%
- Q2: 93%
- Q3: 28%
- Q4: 75%
TOP 10 COMPLAINTS BY REGION / BY QUARTER
ATLANTIC REGION

Q1 TOP 10: 61 INVESTIGATIONS
95% of all ATL complaints

Q2 TOP 10: 26 INVESTIGATIONS
93% of all ATL complaints

Q3 TOP 10: 31 INVESTIGATIONS
89% of all ATL complaints

Q4 TOP 10: 39 INVESTIGATIONS
93% of all ATL complaints
### Top 10 Complaints by Region / By Quarter

**Québec Region**

**Q1 Top 10: 165 Investigations**
- 91% of all Québec complaints

**Q2 Top 10: 106 Investigations**
- 88% of all Québec complaints

**Q3 Top 10: 111 Investigations**
- 86% of all Québec complaints

**Q4 Top 10: 237 Investigations**
- 85% of all Québec complaints
TOP 10 COMPLAINTS BY REGION / BY QUARTER
HURON RIDEAU REGION

Q1 TOP 10: 215 INVESTIGATIONS
87% of all Hur Rid complaints

Q2 TOP 10: 136 INVESTIGATIONS
83% of all Hur Rid complaints

Q3 TOP 10: 181 INVESTIGATIONS
90% of all Hur Rid complaints

Q4 TOP 10: 228 INVESTIGATIONS
83% of all Hur Rid complaints
TOP 10 COMPLAINTS BY REGION / BY QUARTER
GTA REGION

Q1 TOP 10: 224 INVESTIGATIONS
89% of all GTA complaints

Q2 TOP 10: 141 INVESTIGATIONS
93% of all GTA complaints

Q3 TOP 10: 137 INVESTIGATIONS
90% of all GTA complaints

Q4 TOP 10: 235 INVESTIGATIONS
91% of all GTA complaints
TOP 10 COMPLAINTS BY REGION / BY QUARTER
PRAIRIE REGION

Q1 TOP 10: 142 INVESTIGATIONS
84% of all Prairie complaints

Q2 TOP 10: 83 INVESTIGATIONS
90% of all Prairie complaints

Q3 TOP 10: 202 INVESTIGATIONS
86% of all Prairie complaints

Q4 TOP 10: 139 INVESTIGATIONS
89% of all Prairie complaints
TOP 10 COMPLAINTS BY REGION / BY QUARTER PACIFIC REGION

Q1 TOP 10: 129 INVESTIGATIONS
92% of all Pacific complaints

Q2 TOP 10: 74 INVESTIGATIONS
88% of all Pacific complaints

Q3 TOP 10: 43 INVESTIGATIONS
86% of all Pacific complaints

Q4 TOP 10: 89 INVESTIGATIONS
84% of all Pacific complaints
CUSTOMER INSIGHT:
A process to define VALUE from the customer’s experience

- Telephone survey of our customers by a market research firm after the outcome of our investigation is communicated to the customers;

- Sample size of survey in 2009: 277 respondents – 13.5% of investigations that resulted in a formal recommendation to Canada Post;

- Three customer touch points measured on a scale of 1 (poor) to 10 (excellent) supplemented by actual customer verbatim:
  
  **INTAKE** 8.4
  - Being courteous and professional;
  - Clearly understanding customer’s needs;
  - Showing a sincere interest in purpose of call;
  - Being able to answer all questions; and
  - Listening carefully to the customer’s explanations.

  **CASE MANAGER** 9.0
  - Taking the time to understand the details of the complaint;
  - Caring and showing a sincere interest;
  - Clearly explaining the next steps in process; and
  - Making customer feel comfortable talking about the issues.

  **OFFICE OVERALL** 7.3
  - Ease of submitting a complaint;
  - Timeliness of final response;
  - Clearly explaining the reasons for the outcome;
  - Being thorough in investigation;
  - Providing an objective investigation;
  - Treating customers with respect; and
  - Being open, honest and straightforward in all dealings with customer.

LIKELIHOOD TO RECOMMEND: 7.5
OFFICE PERFORMANCE HIGHLIGHTS

CUSTOMER TOUCH POINTS:

Access: Security breach of online complaint process in September
Expanded hours of operation for telephone contact

Communications: Proactive customer contact implemented on
launch of all investigations

Simplification: Investigation report and telephone resolution

Timeliness of final response: 4% improvement YOY in cycle time
- 82% case outcomes finalized < 30 days (77% in 2008)
- 8% case outcomes finalized > 40 days (13% in 2008)