University of Waterloo
Board of Governors
Governance Review Committee

Report
April 2006

Approved by the Board of Governors, June 6, 2006
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GOVERNANCE REVIEW COMMITTEE
REPORT AND RECOMMENDATIONS

Executive Summary
The last several years have seen corporations introduce governance infrastructures that are not only legislatively compliant, but also that meet a high moral and ethical standard. While laudable, this development is not enough by itself because an organization's corporate health is largely determined by "the tone at the top." This is also true in universities: whatever the governance structure, whatever the system of checks and balances, the President sets the institution's business and ethical tone.

The UW Governance Review Committee (GRC) was created following an Audit Committee suggestion that it would be timely and in keeping with good governance practices to conduct a review of existing UW governance infrastructure. GRC held its first meeting on May 31/05; simply stated, its mandate (Appendix A, p. 46) was to conduct a general review of UW's governance infrastructure and to make any needed recommendations to ensure that best governance practices were in place.

On the basis of what GRC learned from UW's solicitor and internal/external auditors, and from its own extensive review, which included an examination of best practices as reflected in the literature, in Sarbanes-Oxley legislation and operationally in the private and public sectors, members concluded that no major fixes are required (the UW Act continues to serve well) but that a few areas need to improve, as described below. The recommendations that follow were reviewed by Committees of the Board and incorporate their perceptive suggestions. If these recommendations are adopted, GRC believes UW will have an effective, integrated and lean corporate governance structure, well suited to its needs.

A number of the recommendations are worth highlighting as exemplary of best practice.
- Governance Principles inform the basis on which the Board operates, explicitly setting out the responsibilities of the Board and the roles, responsibilities and expectations of Governors.
- By-law Number 1 sets out the mechanics of how the Board executes its responsibilities. Section "I", Conflict of Interest for Governors, contains substantial revisions including that all Governors must make annual conflict of interest declaration and prescribing (per Sarbanes-Oxley) conditions when Governors may not serve on the Audit Committee.
- Committee terms of reference have been expanded generally to require that members have greater experience/expertise, as appropriate, and for Committees' annual assessment of the adequacy of their terms of reference.
- The Audit Committee's mandate now includes the Sarbanes-Oxley provision regarding when a Governor may not serve as a member of the Committee; it also now explicitly addresses risk.
- A Governance Committee, composed of external members, is proposed to address governance (including orientation/education and assessment), compensation and external nominations to the Board, replacing the existing Senior Officers' Evaluation & Compensation Committee.
- A University Advancement Committee is proposed, reflecting the need both for donor stewardship and continuing efforts to improve UW's competitive position.

The GRC is of the view that creation of advisory or foundation boards would not serve the best interests of UW and does not so recommend; it notes membership provisions in certain Board committees may include non-gubernatorial appointments and the value such appointments can serve in Board recruitment.

As to the need for codes of conduct and "whistle-blowing" provisions, GRC concluded that the suite of UW policies, procedures and guidelines now in place are more than adequate and serve effectively as its code of conduct. UW policies (Policy 33, Ethical Behaviour, in particular) provide that individuals can raise matters of perceived impropriety, with impunity, through various mechanisms. There was,
however, no provision for anonymity and such provision is now included in the recommendations.

GRC gave considerable thought to the question of Board and Governor evaluation, coming to the conclusion that no written instrument it reviewed was likely to yield worthwhile results for the Board as a whole. This led members to recommend that models which provide for personal, one-on-one assessment should be considered at the Board level, and that a written annual evaluation instrument should be introduced at the Committee level to help each Committee identify whether training / education may be required. Whatever the instruments, the GRC notes the importance of providing feedback to the Board.

With respect to orientation and training, GRC is satisfied that Governors receive a good corpus of relevant documentation when they join the Board and annually thereafter. The pre-meeting orientation sessions held over the last year are best suited to Governors’ schedules and worthwhile continuing; the proposed Committee evaluation instrument will identify appropriate training and education needs of each Committee. GRC is keen to suggest that mentoring of new Governors be introduced as an effective way of integrating them and getting them ‘up to speed’.

Finally, GRC recommends that Policy 50, The President of the University, be revised so that the Board Chair, rather than the Chancellor, would serve as Chair of Presidential Nominating Committees. This recommendation is made recognizing that while the Chancellor fulfills a most important titular role, the Board Chair fulfills a direct oversight role with respect to the governance of the University and is likely to be in a more informed position to chair this Committee.

It will be, of course, for the Board to decide whether GRC has fulfilled its mandate as evidenced by this report and recommendations. To assist in this assessment I would refer Governors, following their reading of this report, to the Governance Practices Gap Analysis (pp. 42-44) to gauge UW’s movement to become congruent with best practices.

Bob Harding, Chair

Recommendations
The Governance Review Committee recommends approval of the following:

1. Governance Principles (new) (pp. 7-10)
Governance Principles inform the basis on which the Board operates by setting out the core responsibilities of the Board and the core competencies which the Board as a whole should possess to ensure it can fulfil its mandate. The Principles also articulate characteristics / expectations of Board meetings, responsibilities of the Board Chair and of Governors (specific reference is made to conflict of interest provisions in By-law 1), and personal criteria that Governors are expected to demonstrate.

2. Board By-law Number 1 (including conflict of interest declaration forms) (pp. 11-21)
Unlike most corporations, UW does not have a general Board by-law incorporating provisions relating to how the Board executes its responsibilities, including matters such as membership, meetings, committees, the President’s role, banking, borrowing, conflict of interest, indemnification etc. While some of these matters are covered by the UW Act, Board by-laws and signing authorities, current governance practice is to have a general ‘By-law No. 1’ containing provisions which, although they can be amended or repealed, are likely to remain unchanged for the foreseeable future. Section I, Conflict of Interest, contains major revisions including the requirement that Governors file an annual conflict of interest declaration as well as specific provisions for Governors serving on the Audit Committee (per Sarbanes-Oxley).
3. Committees

Executive (p. 22)
The membership remains the same. All responsibilities, save that of exercising the powers held by the Board between regular Board meetings, have been delegated to other Committees whose terms of reference give them jurisdiction to deal with the responsibilities.

Audit (pp. 24-25)
All members are required to be financially literate; at least one is expected to have risk management expertise, with the Chair expected to have accounting or major financial expertise. Per Sarbanes-Oxley, a Governor cannot serve on the Audit Committee while the Governor or a company with whom the Governor has a business or employee relationship is receiving compensation. Oversight responsibility for UW internal control / management systems and risk assessment has been added explicitly to the Audit Committee’s mandate.

Governance (including the process for appointing external Governors) (pp. 26-27)
The Senior Officers’ Evaluation and Compensation Committee has been reconstituted as the Governance Committee with expanded responsibilities to address governance and governance-related activities, including orientation, evaluation and serving as the Board nominating committee.

Building and Properties (pp. 28-29)
At least two members are expected to have relevant expertise; the scope of the Committee’s responsibilities has been more clearly articulated to address statutory compliance, a multi-site campus and sustainability practices. The Committee will have authority to approve construction projects between $2 million and $5 million and will recommend to the Board on projects over $5 million. Currently the Committee recommends to the Board on all construction projects over $1 million.

Finance and Investment (p. 30)
Established in 2003, the terms of reference reflect current practice, with oversight responsibility for risk assessment transferred to the Audit Committee.

Pension and Benefits (pp. 31-32)
Revisions reflect current practice; its relationship with the Finance and Investment Committee has been clearly articulated.

Signing Committee (p. 33)
No material changes.

University Advancement Committee (new) (p. 34)
Terms of reference address the broad spectrum of matters relating to advancement and enhancing UW’s competitive position.

4. Board Evaluation (pp. 35-36)
Although GRC considered a revised evaluation instrument, members concluded that it would elicit no better response than previous instruments and that metrics (e.g., attendance) were not helpful in assessing a Governor’s performance. Because a conversation can often elicit better responses than a written evaluation, GRC suggests that the Governance Committee take the following under advisement:
• during a Governor’s second year, the Board Chair and Governor meet to share views on a set of questions, provided in advance, that addresses Board performance as well as the Governor’s
• alternatively, or in addition, set up focus groups to discuss Board performance
• the Board Chair conduct exit interviews with the graduate and undergraduate student Presidents
GRC felt it would be useful to introduce an annual committee evaluation and recommends an instrument to be tested over the next year by Board Committees.

Whatever the evaluation/assessment instruments used, GRC notes the importance of providing feedback to the Board.

5. Code of Conduct (p. 37)
As set out below, UW has a suite of by-laws, policies, guidelines and articles in the Memorandum of Agreement [MOA] with the UW Faculty Association which address various aspects of ethical behaviour and, as a collectivity, set out expectations with respect to how UW faculty, staff, students and Governors are to behave as members of the UW community, as well as consequences for non-compliance. Though not referred to as a 'code of conduct', GRC is satisfied that they function as such and sees no reason to recommend changes.

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1 applicable to Governors

6. 'Whistle-blowing' (pp. 38-39)
'Whistle-blower' policies prescribe various aspects of ethical behaviour (addressed in item 5) and usually provide that individuals can 'whistle-blow' anonymously. While UW has not previously entertained anonymous complaints, it strives to preserve the confidentiality of complainants to the extent it can. Persuaded by the power imbalances that may inhibit an employee from self-identifying, GRC concluded that UW policy should provide for anonymous complaints, though it notes such complaints are more difficult to investigate and results may be less satisfactory to complainants. The 'whistle-blower' provision is most appropriately addressed in Policy 33, Ethical Behaviour, and GRC recommends the revisions shown (pp. 38-39). As specified in UW Policy 1, this proposed change will also require the approval of Senate.

7. Orientation / Briefings (p. 40)
GRC is satisfied that Governors receive a good corpus of relevant documentation (Appendix E, p. 57) when they join the Board and annually thereafter, and that the pre-meeting orientation/briefing sessions held over the last year are well-suited to Governors' schedules, allowing those interested to attend. Topics addressed at the June and October 2005 sessions included the mission of the University (including the culture, challenges and opportunities), governance (both corporate and academic), strategic direction, risk and 'financials'. GRC recommends that this practice continue, with the Governance Committee providing advice on the matters to be addressed and on sequencing. GRC also recommends that mentoring of new Governors be introduced so that newcomers can be linked with seasoned Governors; the program would be informal, with activities set by the individuals involved, perhaps to include:
- meeting to discuss agenda items before a Board or Committee meeting
- using the mentor as a sounding board
- occasional informal contacts on Board matters between scheduled meetings to learn more about the mentor's experiences

External Governors interested in a more direct connection with the academic enterprise could be linked with a faculty member in area(s) of interest to the Governor. GRC recommends that the Governance Committee give this consideration.

8. Policy 50, The President of the University (p. 41)
This recommendation would have the Board Chair rather than the Chancellor chair Presidential Nominating Committees. As specified in UW Policy 1, this proposed change will also require the approval of Senate.
RESOLUTIONS

Unless indicated otherwise, revisions to text are underlined.
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting the establishment of Governance Principles of the Board [new]

NOW THEREFORE BE IT RESOLVED to adopt Governance Principles which will inform the operations of the Board.

1. OVERARCHING RESPONSIBILITY
The UW Act [article 14] sets out that “the government of the University and the control of its property and revenues, the conduct of its business and affairs, save with respect to such matters as are assigned by this Act to the Senate, shall be vested in the Board of Governors.” Governance and stewardship are, therefore, principal responsibilities of the Board and, to that end, the Board will ensure: that its governance and stewardship activities are effective; that a competent management team is in place and effecting results congruent with Board-approved direction; and that the University’s reporting and controls are appropriate and functioning effectively.

The Board carries out its mandate directly and through its Committees, which include: Executive, Finance & Investment, Building & Properties, Pension & Benefits, Audit, Governance, Signing, and Advancement and such other Committees as it may appoint from time to time.

It is recognized that most effective governance is dependent upon dedication, energy, time commitment, and skills of the Governors, the quality of their information, the leadership of Board discussions, and the level of openness, transparency, and trust in the relationships among Governors and with senior administration. [Carter and Lorsch, Back to the Drawing Board: Designing Corporate Boards for a Complex World, Harvard Business School Press, 2004, p. 36]

2. CORE RESPONSIBILITIES
The Board’s responsibilities, enumerated in article 14 which Governors are encouraged to read, encompass the following:

- governance including: the operation of and accountability for the Board and its committees; succession (Lieutenant Governor in Council [LGIC] and community at large members [CAL]); training/development/orientation; regular reviews of UW’s governance to assess effectiveness
- appointment of the President and officers of the institution, assessment of their performance and determining their compensation
- strategic planning oversight, including: adoption of a planning process, regular review of the process, and assessment of the University’s performance against the plan
- risk management oversight, including: confirmation of a process to identify principal risks to the University and that appropriate procedures are in place to monitor and mitigate these risks; confirmation that appropriate processes are in place to address and comply with applicable statutory, regulatory and other compliance matters, as appropriate; and confirmation that processes are in place to comply with UW’s policies and procedures
- financial management oversight including: approval of UW’s audited financial statements and its annual operating budget; confirmation of the integrity of the internal controls and management information systems; review of operating performance relative to budgets and objectives; approval of fees and charges
- property management oversight including: approval of acquisition and disposal of property; development of UW lands; and major capital projects
• communication strategy including: ensuring the effectiveness of UW’s internal and external communication systems; reporting annually to the UW community on the Board’s stewardship; and, as Governors, representing UW as champion and ambassador as opportunities present
• granting of faculty tenure
• regulation of conduct of all members of the University community including: adoption of policies and monitoring of compliance
• preservation of institutional autonomy

3. CORE COMPETENCIES OF THE BOARD
To ensure that the Board can fulfil its core responsibilities, the Board as a whole should ensure a diversity of perspectives and possess all the following core competencies, with each Governor contributing knowledge, interest and experience in at least one domain:
• accounting and finance
• business judgement
• management
• leadership
• strategic planning
• risk management
• communication
• information technology
• employment/human resources
• law
• marketing
• fundraising/development
• knowledge of the post-secondary education sector
• capital construction / property development

4. BOARD MEETINGS
The Board meets regularly four times a year with its meetings set for the first Tuesday in February, April and June and the last Tuesday in October. Board meetings are structured to provide maximum opportunity for informed discussion and debate on substantive issues. To that end:
• meetings will focus on oversight and decision-making
• information updates will be in written format, wherever possible, and presented for information rather than discussion
• management reports will demonstrate how strategic and operational issues are congruent or at variance with UW’s mission/purposeategic plan, and how risks are mitigated
• Governors are expected to review agenda portfolios in advance and to participate productively in discussion at the meeting
• Governors bring their variant perspectives to the table, but decisions taken are to be in the best interests of the institution
• Governors are expected to attend all regularly-scheduled Board meetings, in person. These meetings adhere to a prescribed annual schedule. Governors who miss more than one regularly-scheduled meeting annually will be contacted by the Chair to determine their ability to meet future attendance obligations. Governors are expected to make best efforts to attend exceptional meetings of the Board; attendance at such meetings by conference call may be possible.

5. CHAIR OF THE BOARD
The Chair of the Board has the responsibility of providing effective leadership to the Board and fulfills this responsibility by:
ensuring the Board can function independently of management (e.g., ensuring the Board meets regularly without management)

• establishing procedures to govern the Board’s work, including chairing all Board meetings; ensuring full participation and debate; developing the agenda, in consultation with the Vice-Chair, President, Secretary of the Board and others, as appropriate

• ensuring the Board fully exercises its responsibilities and duties

• serving as advisor to the President

• ensuring appropriate committee structures and membership, through the Governance Committee; ensuring orientation and training of Governors; establishing performance criteria for the Board and for Governors and their evaluation against these criteria.

6. ACCOUNTABILITY

UW, through its Board, is accountable not just to government, but to major stakeholders including students, faculty, staff, alumni, donors and the community. Accountability manifests itself beyond reporting requirements to include involvement of stakeholders on decision-making bodies such as the Board and its Committees, as appropriate.

7. EXTERNAL GOVERNORS’ [i.e., CAL and LGIC] PERSONAL CRITERIA

Article 11.6 provides that the 10 CAL members [at least three of which must be alumni] ... “shall represent a broad spectrum of the community....” UW uses the following criteria for evaluating incumbent external Governors and potential candidates for election to the Board. Governors are expected to:

• demonstrate the highest level of personal and professional integrity and accountability

• be committed to UW and its mission; have a general understanding of and bring informed judgement to the broad range of issues that the Board must address

• bring outstanding and relevant business and / or professional experience, including, for example: expertise in finance / investment, law, marketing, fundraising, development

• have governance experience at a senior level, with proven ability to contribute to the effective functioning and decision-making of the Board and its committees

• devote the time necessary to prepare for and attend Board meetings and meetings of any Board committees on which they serve, and to keep abreast of developments that impact these bodies

• support the UW endeavour by attending University functions whenever possible

Note: Elected faculty, staff and student Governors should similarly strive to meet as many of these criteria as possible.

8. GOVERNORS’ RESPONSIBILITIES

By accepting appointment to the UW Board, Governors accept a ‘trust’: stewardship of the University which is to ensure its long-term integrity and viability. Inherent in this trust is a promise to perform one’s duties with prudence and diligence, in the sole interest of the University.

In the conduct of their duties, and congruent with provisions in this document, Governors should apply the ‘O.L.D.’ Standard: Obedience, Loyalty and Diligence.

Obedience: act honestly and in good faith

- obey the statutes, bylaws and applicable laws

- provide good stewardship
Loyalty: act in the best interest of UW, putting UW’s interests above constituency interests
ensure no conflict between duty to UW and self-interest
do not compete with UW to its detriment

Diligence: follow the prudent person rule
use your skill and expertise
use common sense and good judgement
be informed and act responsibly

9. CONFLICT OF INTEREST
Any Governor who has a conflict of interest, or the potential for a conflict of interest, with respect to any matter under consideration by the Board or a Committee of the Board, is to declare the nature and extent of the interest immediately, refrain from taking part in any discussion or vote in relation to the matter, and withdraw from any meeting at which the matter is discussed (see By-law 1, Section 1).

Passed this ______________ day of ________________________, 20____.

__________________________________________  ____________________________
Chair:                                         Secretary:
UNIVERSITY of WATERLOO
BOARD OF GOVERNORS
BY-LAW NO. 1

being a by-law to regulate generally the affairs and the exercise of the powers of the Board of Governors (hereinafter referred to as the Board) as set forth in the University of Waterloo Act 1972 (hereinafter referred to as the Act) and the calling and conduct of its meetings.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of the Board of Governors of the University of Waterloo as follows:

A. ELECTION OF BOARD MEMBERS

1. The election and appointment of members of the Board shall be governed by the provisions of the Act in respect to number, eligibility for election and term of office.

2. The Secretary of the Board shall be the Chief Returning Officer.

3. Elections shall be conducted in accordance with procedures determined by the Board.

B. MEMBERSHIP ON THE BOARD

1. In accordance with the provisions of Section 11 of the Act, the Board of Governors consists of thirty-six members, each of whom shall be a Canadian Citizen, and each of whom shall have voting rights. The membership of the Board is made up as follows:

   - The President and the Chancellor of the University; the Mayors of the Cities of Waterloo and of Kitchener; and the Chair of the Regional Municipality of Waterloo, who are ex-officio members.

   - Seven members appointed by the Lieutenant Governor in Council.

   - Seven members appointed by the Senate from among the members of faculty of the Senate

   - Five members, two of whom shall be graduate students, appointed by the Senate from among the student members of the Senate.

   - Two members of the full-time staff elected by the full-time staff members.

   - Ten members from the community-at-large, at least three of whom shall be alumni, elected by the Board.

2. The Secretary shall maintain a roll showing the names and addresses of each member which may be used for service of any notice. Each member shall maintain current information with the Secretary.
3. Except for the *ex officio* members, the Secretary shall maintain records of the service of members appointed to the Board and shall notify the appointing authority of the expiration of a member's term of office at least two months in advance of the expiration date.

4. In accordance with Section 11.3 of the Act, the seven members of faculty appointed by Senate to the Board are appointed in such rotation and prior to the times their terms expire, by methods approved by Senate from time to time. Members of faculty shall hold office for a period of two years provided they continue to also serve as Senators.

5. In accordance with Section 11.4 of the Act, the five student members of Senate, two of whom shall be graduate students, appointed to the Board are appointed in such rotation and prior to the times their terms expire, by methods approved by Senate from time to time. Student members shall hold office for a period of two years.

6. In accordance with Section 11.5 of the Act, two members of the full-time staff of the University elected as members of the Board in such rotation and prior to the times their terms expire, in accordance with procedures determined and established by the Board from time to time. Members of the full-time staff shall hold office for a period of three years.

7. In accordance with Section 12.2 of the Act, community-at-large and Lieutenant Governor in Council members shall hold office for a period of three years.

8. Governors shall be eligible for re-election or reappointment for a second consecutive term; and eligible again one year following the completion of two consecutive terms.

9. To accomplish the objectives of Sections 11.2 and 11.6 of the Act, the Board shall ensure that one of its standing committees has responsibility for nominations.

**C. OFFICERS OF THE BOARD**

1. Pursuant to Section 13(1) of the Act, the Board shall elect from the community-at-large members, a Chair and a Vice-Chair who shall take office on the 1st day of May in the year following their election.

2. The Chair shall preside at all meetings of the Board and shall carry out such other duties as the Board may from time to time prescribe. In the case of absence or illness of the Chair, or there being a vacancy in that office, the Vice-Chair shall act and shall have all the powers of the Chair.
3. In case of the absence or illness of the Chair and of the Vice-Chair, the Board pursuant to Section 13(2) of the Act, may appoint one of its members to act as Chair *pro tempore* and the member so appointed shall act as and have all the powers of the Chair.

4. The Secretary of the Board shall be appointed by the Board and shall hold office at the pleasure of the Board.

5. Unless otherwise determined by the Board, in the absence of the Secretary, an Associate Secretary designated by the Secretary to so act shall perform the duties of the Secretary of the Board.

6. The Secretary shall attend all meetings of the Board and shall:
   - record minutes of all proceedings;
   - provide copies of such minutes to all Governors as soon as possible;
   - in consultation with the Chair, Vice-Chair and President, prepare the meeting agenda;
   - give, or cause to be given, all notices required to be given to Governors as well as agenda and related documents as may be necessary for a meeting;
   - be responsible for arrangements for meetings;
   - be the custodian of the minutes, papers, records, documents, and other instruments of the Board;
   - be responsible for the dissemination of decisions or instructions by the Board to all parties concerned unless otherwise ordered by the Board; and
   - perform such other duties as may from time to time be prescribed by the Board or required by law.

D. MEETINGS

1. The Board shall hold a minimum of four regular meetings per year. The dates and times of such meetings shall be established from time to time by the Board and such dates and times shall be published by the University.

2. Notice in writing of each regular meeting will be sent to Board members at least fourteen days in advance of the meeting date. Agenda material for such meeting will be sent by post to all members of the Board at least seven days prior to the date of each such meeting.

3. The dates, times and places of all such meetings will be made available to the University community and the community-at-large by the Secretary.
4. Special meetings of the Board shall be held at the call of the Chair or Vice-Chair of the Board. Normally notice of special meetings shall be given at least seven days in advance of the meeting date.

5. All regular and special meetings of the Board shall be open to members of the University community, the community-at-large, and representatives of the news media.

6. Non-Board members in attendance at meetings may participate at the pleasure of the Chair and shall observe rules of decorum.

7. The Board, notwithstanding the provisions of the preceding paragraphs and provided that all meetings shall begin in open session, shall have the right to hold that part of any meeting in camera where confidential financial matters of the University are being considered, or where intimate financial or personal matters of any person may be disclosed, unless such person requests that such part of the meeting be open to the public.

8. Where any matter is a confidential financial matter of the University or an intimate financial or personal matter of any person, such matter shall be so designated on the agenda for such Board meeting and described in a manner consistent with maintaining the confidentiality of such matter.

9. The Board shall initially deal with any such confidential matter in camera, but, after receiving the pertinent information, relative to the confidential matter, may direct that the matter be thereupon considered in open session.

10. The Secretary of the University or designate shall be the non-voting Secretary of the Board.

11. In accordance with Section 15 of the Act, the quorum of the Board shall consist of not fewer than 12 Board members, at least six of whom shall be from the 17 community-at-large and Lieutenant Governor in Council members. Ex officio members of the Board shall not be counted in the calculation of a quorum.

12. The general conduct of meetings shall follow the rules and procedures as set forth in Bourinot's Rules of Order, latest revised edition.

E. COMMITTEES

1. The Board may from time to time by resolution establish and appoint standing or ad hoc committees as it sees fit and determine the composition, duties and responsibilities of any committees so established. As a minimum, the Board shall establish the following standing committees: Executive, Audit, Governance, Building & Properties, Finance & Investment.
2. The composition, duties and responsibilities of such Committees shall be as determined from time to time by resolution of the Board.

3. Committees of the Board are established primarily to make recommendations to the Board and they may not commit the Board in any matter unless authority to do so has been explicitly delegated by Resolution of the Board. Unless otherwise authorized by the Board, committees of the Board shall report only to the Board.

4. Standing Committees may recommend the establishment of subcommittees as necessary, the composition, duties and responsibilities of which shall be submitted to the Board for approval.

5. The membership of the Board's committees and subcommittees, and the appointment of their Chairs, shall be determined by Resolution of the Board. A list of the Committees and their membership as approved shall be published and distributed to members following the April meeting. Membership on committees and subcommittees of the Board shall expire when the member ceases to be a member of the Board. Continuing membership on committees will be at the pleasure of the Board.

6. The Secretary of the Board may designate another person to act on her/his behalf on such committees or subcommittees.

7. A majority of the membership of each committee or subcommittee shall constitute a quorum at any meeting.

8. Notice of a meeting shall be mailed or otherwise delivered to members by the Secretary of the committee concerned in accordance with established procedures. The accidental failure to give notice to any member or any accidental irregularity in connection with the giving of notice shall not invalidate the proceedings at a meeting.

9. The agenda for a meeting shall be prepared by the Secretary in consultation with the chair.


11. All questions at a meeting shall be decided by a majority of the votes of the members present. Each member of the committee present at a meeting, including the Chair, shall be entitled to one vote and any motion on which there is equality of votes shall be deemed to have been defeated. A resolution approved by electronic mail ballot permitted by the Chair of the committee and passed by a majority of the committee members shall have the same force and effect as if passed at a regularly constituted meeting.

12. The Secretary shall keep a record of the proceedings of every meeting and the minutes of every such meeting shall be submitted at the next meeting of the committee for adoption.
13. Unless explicitly released to the public by the committee concerned or by the Board as a report or in another form, committee minutes, agenda materials and related documents which are discussed in camera shall remain confidential to committee/Board members who shall be responsible for their safe custody.

F. PRESIDENT - CHIEF EXECUTIVE OFFICER

1. The President, shall be the Chief Executive Officer of the University, and shall have the authority and responsibility for administering the affairs of the University as provided for under Section 29(3) of the Act and shall also act in accordance with policies laid down by the Board.

   UW Act, Sect. 29.3

2. The President is empowered under Section 29(4) to delegate his authority, during the period of any temporary absence, to any other officer of the University, provided that, in the absence of such delegation of authority, the senior Vice-President as designated from time to time by the Board shall have the authority to act in the place and stead of the President. In the absence of such designation, the Vice-President, Academic & Provost shall be deemed to be the senior Vice-President.

   UW Act, Sect. 29.4

3. The Board may, in the absence of the President, and shall, in the event of a vacancy in the office of President, appoint an acting President upon such terms and conditions as the Board may prescribe.

   UW Act, Sect. 29.5

G. DELEGATION OF AUTHORITY

1. The Executive Committee is authorized to approve appointments, excluding the appointment of the President or of Board members, on the recommendation of the President, in circumstances where the selection process has been completed but a regular meeting of the Board is not scheduled to be held within a reasonable time.

   Bylaw 1

2. The Board may delegate authority

   • to standing committees and other committees created by the Board. Authority delegated to a committee shall not be further delegated to a subcommittee except as authorized by the Board

   • to the President and other persons by resolution. Further delegation of authority by persons named in such resolutions to other persons, shall be as defined and described in administrative procedures approved by the President

   Signing Resolution #8

3. The banking affairs of the University shall be transacted on behalf of the Board by such persons as the Board may designate by resolution and to the extent therein provided.

4. The Board may from time to time:

   • borrow money upon the credit of the University

   • issue, sell or pledge securities, including bonds, debentures, debenture stock or
other liabilities of the University, for such sums and on such terms as the Board of Governors may deem expedient.

- assign, transfer, convey, charge, mortgage, pledge or give security in any manner upon all or any of the real or personal property of the University, including rights, powers, closes in action, book debts, franchises and undertakings, or other assets, present or future, to secure any such securities or other securities of the University or any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the University, now or hereafter made or incurred directly or indirectly.

All of the foregoing powers may from time to time be delegated by the Board to any one or more members of the Board or officers of the University.

5. The Board may delegate by resolution authority to manage the investments owned or held in the name of the University and to purchase, transfer, exchange, sell or otherwise dispose of securities in accordance with policies approved by the Board.

H. INDEMNIFICATION - BOARD OF GOVERNORS - OFFICERS - EMPLOYEES

1. Every Governor and former Governor and every officer and former officer of the University and each employee of the University and his/her or their heirs, executors and administrators and other legal personal representatives shall, from time to time and at all times, be indemnified and saved harmless out of the funds or other assets of the University, from and against:

- All costs, charges and expenses whatsoever which such Governor, officer or employee sustains or incurs in or about any action, suit or proceeding, whether such proceeding is in respect to any civil, criminal or administrative action which is brought, commenced or prosecuted against him/her, for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him/her, in or about the execution of the duties of his/her office or employment provided;

- He or she acted honestly and in good faith with a view to the best interests of the University; and,

- In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

- All other costs, charges and expenses that they sustain or incur in or about or in relation to the affairs thereof;

except such costs, charges or expenses as are occasioned by his/her own willful neglect or default.

I. CONFLICT OF INTEREST FOR GOVERNORS

1. A Governor shall be considered to have an actual, perceived or potential conflict of
interest, when the opportunity exists for the Governor to use confidential information gained as a Board member for the personal profit or advantage of any person, or use the authority, knowledge or influence of the Board, or a committee thereof, to further her/his personal, familial or corporate interests or the interests of an employee of the University with whom the Governor has a marital, familial or sexual relationship.

2. Every newly elected / appointed Governor and re-elected / re-appointed Governor of the Board must complete and submit a Conflict of Interest Declaration to the Secretary of the Board congruent with his / her appointment / re-appointment / election / re-election to the Board and annually each May thereafter.

Every Governor is further required to submit a supplemental Conflict of Interest Declaration to the Secretary of the Board at such further time throughout the year that an actual, perceived, or potential conflict of interest may arise.

3. Governors who have an actual, perceived or potential conflict of interest, with respect to any matter under consideration by the Board or a committee thereof:

- shall declare the nature and extent of the interest immediately and refrain from taking part in any discussion or vote in relation to the matter, and
- withdraw from the meeting when the matter is being discussed.

The nature and extent of the Governor's interest will be recorded in the minutes of the meeting of the Board.

4. Where the Board or a committee of the Board is of the opinion that a conflict of interest exists that has not been declared, the Board or committee may declare by a resolution carried by two-thirds of its members present at the meeting, that a conflict of interest exists and a Governor thus found to be in conflict shall:

- refrain from taking part in any discussion or vote in relation to the matter, and withdraw from the meeting when the matter is being discussed.

The nature and extent of the Governor's interest will be recorded in the minutes of the meeting of the Board.

5. No Governor may serve on the Audit Committee while that Governor or a company with whom the Governor has a business or employee relationship is receiving consulting, advisory or other fees from UW.

6. It is desirable and appropriate for faculty and staff Governors to participate fully in Board discussions and vote on the issue under consideration unless their personal interest in the issue differs substantively from the general interest of their faculty and staff colleagues, in which event they shall declare a conflict of interest and the provisions of this section shall apply. In particular, such members may take part in discussions and vote upon matters related to global remuneration or benefits, terms of employment, and rights or privileges of UW employees established in a collective fashion for an employee group.
J. FISCAL YEAR

1. The fiscal year of the Board shall be a twelve-month period commencing on the first day of May and ending on the thirtieth day of April in the next succeeding year.

K. USE OF UNIVERSITY NAME AND ARMS

1. No persons shall assume or use the name or the coat-of-arms of the University of Waterloo, or any design in imitation of the same without the authority of the Board.

L. CORPORATE SEALS

1. The Corporate Seal of the Board of Governors, University of Waterloo, shall be in the form impressed hereon.

2. The Corporate Seal of the University of Waterloo shall be in the form impressed hereon.

3. The Corporate Seals shall be in the custody of the Secretary of the Board.

M. AMENDMENT

1. Notice of any motion to enact, amend or repeal any By-Law of the Board shall be given by mail, facsimile, or electronic mail at least 30 days prior to the meeting of the Board preceding the meeting at which the motion is to be presented.

2. A motion to enact, amend or repeal any By-Law of the Board shall not carry unless it receives the affirmative vote of at least 19 members of the Board.

N. EFFECT OF REPEAL OF EXISTING BYLAWS

1. All bylaws and resolutions heretofore passed by the Board relating to matters which are dealt with in this bylaw, except as herein otherwise specifically provided, are hereby repealed, but such repeal shall not affect the previous operation of such bylaws and resolutions or anything duly done or suffered thereunder, or affect any right, privilege, obligation or liability acquired, accrued, accruing or incurred thereunder.

Passed this _____ day of ______________, 20____.

________________________________________  ______________________________
Chair: Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting Conflict of Interest declarations [new]

NOW THEREFORE BE IT RESOLVED that the Board adopt the following processes for Conflict of Interest declarations.

University of Waterloo
Board of Governors
Conflict of Interest Declaration [new]

Consistent with Board By-law I, Section I, Conflict of Interest for Governors, each Governor shall complete this form congruent with his/her (re)appointment / (re)election to the Board and submit it to the Secretary of the Board and annually each May thereafter.

Each Governor is further required to submit a Supplemental Conflict of Interest Declaration to the Secretary of the Board at such further time throughout the year that an actual, perceived, or potential conflict of interest may arise.

Please tick the appropriate box below. If applicable, please provide all information relating to an actual, perceived or potential conflict of interest in the space provided below.

Upon submission of this Declaration to the Secretary of the Board of Governors, the Governor acknowledges and confirms that:

| the Governor does not have any interest, and has not taken any action(s), that may constitute an actual, perceived, or potential conflict of interest. |
| the Governor does have an interest, or has taken an action(s), that may constitute an actual, perceived, or potential conflict of interest as outlined below. |

1
2
3
4
5

Signature: ____________________________ Date: ____________________________

Print Name: __________________________
University of Waterloo
Board of Governors
SUPPLEMENTAL Conflict of Interest Declaration [new]

Consistent with Board By-law 1, Section I, Conflict of Interest for Governors, each Governor is required to submit a Supplemental Conflict of Interest Declaration to the Secretary of the Board at such further time throughout the year that an actual, perceived, or potential conflict of interest may arise.

Please provide all information relating to an actual, perceived or potential conflict of interest in the space provided below.

Upon submission of this Declaration to the Secretary of the Board of Governors, the Governor acknowledges and confirms that the Governor does have an interest, or has taken an action(s), that is now being disclosed, and that may constitute an actual, perceived, or potential conflict of interest as outlined below.

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Signature: ___________________________  Date: ___________________________

Print Name: ___________________________

Passed this _____ day of _____________, 20__.

Chair: ___________________________  Secretary: ___________________________
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting the establishment of the Executive Committee of the Board

NOW THEREFORE BE IT RESOLVED that there be a standing Committee of the Board of Governors called the Executive Committee.

1. MEMBERSHIP
The membership of this Committee shall consist of the following:

- The Chair of the Board of Governors, who shall be Chair of the Committee
- The Vice-Chair of the Board of Governors, who shall be Vice-Chair of the Committee
- The Chair of each standing Committee of the Board of Governors who is a member of the Board
- One member of the Board of Governors from among the seven members appointed by the Lieutenant-Governor-in-Council
- Three other members of the Board of Governors from among the ten community-at-large members of the Board
- One faculty member of Senate appointed by Senate
- One undergraduate student member of Senate appointed by Senate
- One graduate student member of Senate appointed by Senate
- One of the two staff representatives elected to the Board of Governors
- The President of the University
- The Chancellor of the University

2. MEETINGS
Meetings are held at the call of the Chair.

3. TERMS OF REFERENCE
To exercise all the powers held by the Board of Governors, within the limits of the University Act, between regular meetings of the Board except to repeal, amend or modify the University Act or bylaws or to appoint a President or to appoint Governors. At each regular meeting of the Board it shall report on all matters with which it had dealt.

To assess annually the adequacy of the Committee's terms of reference and to propose any needed amendments to the Governance Committee.

Passed this ______ day of ____________, 20__.

_________________________________________  ______________________________
Chair:                                           Secretary:
Note: the following identifies responsibilities deleted from this Committee's terms of reference and how these responsibilities are now / proposed to be fulfilled.

b. To receive reports from all other committees of the Board and prepare the agenda for Board meetings. (Board approved suspending this responsibility in 2002, leaving it to the Chair, Vice-Chair, President and Secretary to set the agenda; in draft Board By-law 1: Secretary does this in consultation with Chair, Vice-Chair and President)

c. To consider and recommend on the actions required to be taken by the Board to adequately finance the programs recommended to the Board, including consideration and recommendation of detailed estimates contained in operating and capital budgets. (Depending on nature of programs to be financed / budget estimates, recommendations come to the Board through Building & Properties or through Finance & Investment.)

d. To recommend such action as it deems necessary to provide itself and the Board with adequate accounts and information and to protect the assets of the corporation. (Audit and Finance & Investment address this.)

e. To serve as the nominating committee of the Board for additions to its membership and appointments to its committees. To consider and recommend on the organization of the Board and / or the University. It shall consider and recommend on all policies, procedures or other matters which affect the terms and conditions of employment, discipline, vacation allowances, hours of work, welfare and benefit and similar programs, of the faculty and staff insofar as such matters come within the jurisdiction of the Board. (Nominating process now handled by Governance; Provost recommends to Board on policies, procedures etc.; Pension & Benefits Committee recommends on welfare / benefit programs.)
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting the establishment of the Audit Committee of the Board

NOW THEREFORE BE IT RESOLVED that there be a standing Committee of the Board of Governors called the Audit Committee.

1. MEMBERSHIP
The membership of this Committee shall consist of the following:

Five external members of the Board of Governors, including at least two members from the Community-at-Large constituency, and at least two members from the Lieutenant Governor in Council constituency. At least one member of the Committee, as well as the Chair, is expected to have accounting or major financial expertise and experience and at least one member is expected to have risk management experience and expertise. All Committee members are to be financially literate.¹

It is desirable that one member of the Committee also serve on the Finance and Investment Committee.

No Governor may serve on the Audit Committee while that Governor or a company with whom the Governor has a business or employee relationship is receiving consulting, advisory or other fees from UW.

¹‘Financially literate’ includes, at a minimum, the ability to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by UW’s financial statements.

2. MEETINGS
The Committee will meet at least three times per year, more often as required.

3. TERMS OF REFERENCE
To review the external auditor’s report with the external auditors prior to the issuance of the annual audited financial statements, and to:

- review contentious issues, including actual or anticipated litigation with material financial impact.
- recommend the financial statements to the Board of Governors for approval
- review reports to management from the auditors and ensure that management has taken the appropriate action
- retain or appoint, at UW’s expense, such experts and advisors as it deems necessary to carry out its duties; the Committee shall advise the Governance Committee of such actions

With respect to the auditors, to:

- review the external audit plan annually re scope of the audit, and the costs
- appraise the overall approach and the related fees
- recommend annually to the Board on the appointment / reappointment of external auditors and on the fees to be paid
- approve what services the external auditors provide in addition to the audit of the financial statements
- approve annually the internal audit plan and report to the Board of Governors
approve the appointment of internal auditors, as required
- ensure that auditors and financial officers have direct access to the Committee re any concerns about matters they feel have not been satisfactorily handled by others; that there are no unresolved issues between management and the auditors that could affect the audited financial statements
- meet with the auditors (both external and internal) in the absence of management, at least once annually
- report to the Board as appropriate on the activities of the auditors and the adequacy of their activities

To monitor the effectiveness of UW's internal controls and management information systems, including:
- that appropriate policies and procedures are in place for internal accounting, financial control and management information
- that appropriate processes are in place to address and comply with applicable statutory, regulatory requirements, as appropriate
- to report to the Board annually on these matters

To monitor the effectiveness of UW's risk management activities, including:
- that appropriate procedures are in place to mitigate risk
- to report to the Board annually on risk management
- to meet with the risk officer in the absence of management, at least once annually

To assess annually the adequacy of the Committee's terms of reference and to propose any needed amendments to the Governance Committee.

Passed this ______ day of ____________, 20__.

________________________________________  _________________________________
Chair:  Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting the establishment of the Governance Committee of the Board

NOW THEREFORE BE IT RESOLVED that there be a standing Committee of the Board of Governors called the Governance Committee.

1. MEMBERSHIP
The membership of this Committee shall consist of the following:

- The Chancellor of the University
- Chair of the Board, who shall be Chair of the Committee
- Vice-Chair of the Board
- Two external members of the Board chosen annually by the Chair and approved by the Board

2. MEETINGS
The Committee will normally meet at least three times a year, more often as necessary.

3. TERMS OF REFERENCE
To oversee all UW governance and governance-related activities, including:

- ensuring effective operation of the Board and its Committees, and that Committee mandates remain relevant and effective
- establishing criteria for evaluating incumbent Governors and potential candidates for election to the Board
- nominating prospective Governors to accomplish the objectives of sections 11.2 and 11.6 of the UW Act, and proposing appointments to Board Committees
- ensuring orientation and training of Governors
- assessing Board’s and Governors’ effectiveness
- reporting to the Board on these activities at least annually

To evaluate on behalf of the Board the performance of the Senior Officers of the University and to review and approve their compensation and conditions of employment. For purposes of this resolution, Senior Officers include: the President; the Vice President, Academic & Provost; the Vice-President, Administration and Finance; the Vice-President, University Research; the Vice-President, External Relations; and the Secretary of the University.

Other Senior Officers, including the Deans and Associate Provosts will be evaluated by the President and the Vice-President, Academic & Provost, and reported to the Governance Committee.

Passed this ______ day of ________________, 20__.

______________________________________________  __________________________________________
Chair:                                            Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting Board Appointments [new]

NOW THEREFORE BE IT RESOLVED that the Board adopt the following process for the appointment of external Governors.

Process for the Appointment of External Governors
(community-at-large and recommendations to the Lieutenant Governor in Council)

The nomination/appointment process will be handled confidentially/in camera

April
The Governance Committee:
• reviews the Board-approved core competencies to determine whether adjustments are needed given the University’s strategic direction/external factors
• reviews the Board-approved personal competencies/criteria of Governors to determine whether adjustments are needed
• reviews the personal competencies/criteria of each continuing Governor as well as those Governors stepping down to determine gaps/weaknesses which need to be addressed by new appointees

June
The Governance Committee:
• advises the Board at its June meeting of the vacancies (both Board and Committee) occurring effective April 30th of the following year and identifies any particular strengths being sought in new appointees; encourages nominations to the Governance Committee, particularly over the summer, though nominations can be made at any time to the Governance Committee.

September
The Governance Committee:
• reviews nominations
• prepares slate for approval into ‘the pool’ at the October Board meeting; the rationale for each nominee is provided, based on Board core competencies, personal characteristics/criteria, potential committee service
[Note: the Governance Committee can recommend nominees for approval into ‘the pool’ at any meeting of the Board.]

Nominators
• nomination must identify how the nominee complements Board-approved core competencies, establish that the nominee has the required personal competencies/criteria, and include a bio or CV
• when possible/practicable, indicate whether the nominee is prepared to serve

Nominees
• will not be advised by the Governance Committee/Board if they are being considered
• will be contacted only if they are to be appointed

Passed this ______ day of _____________, 20__.

______________________________  ______________________________
Chair: Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting the establishment of the Building and Properties Committee of the Board

NOW THEREFORE BE IT RESOLVED that there be a standing Committee of the Board of Governors called the Building and Properties Committee.

1. MEMBERSHIP
The membership of this Committee shall consist of the following:

A maximum of seven members, with at least five being external members of the Board of Governors (including at least two members from the Community-at-Large constituency, and at least two members from the Lieutenant Governor in Council constituency); the President of the Federation of Students shall be a member. At least two members should have experience with capital construction / property development.

2. MEETINGS
The Committee will meet at least four times per year, more often as necessary.

3. TERMS OF REFERENCE
To oversee campus planning and development activity in the context of the Campus Master Plan and prudent environmental sustainability practices.

To make recommendations to the Board of Governors on campus planning and development initiatives, with due consideration to the impact on multi-campus sites, including: the acquisition or disposal of land or buildings; the use of land, buildings and facilities; the siting of buildings and roads.

To approve, on behalf of the Board, construction projects between $2,000,000 and $5,000,000 and to make recommendations to the Board of Governors regarding construction projects exceeding $5,000,000, including: the appointment of architects and design consultants; the business plan and budget; the design; and the award of construction contracts.

To ensure that the University has in place appropriate procedures for: cost estimating, competitive tendering of bids, awarding of contracts, contract administration, cost control and payment to contractors for all site work, new construction, alterations and major repair.

To ensure that the University complies with all building codes, fire codes, safety regulations, and statutory and regulatory provisions, as appropriate, in its building and properties program, and to review compliance annually.

To ensure that the University has appropriate maintenance programs in place for buildings and properties.

To review the status of capital construction projects annually.
To report on its activities to the Board of Governors at least annually.

To assess annually the adequacy of the Committee's terms of reference and to propose any needed amendments to the Governance Committee.

Passed this ______ day of ____________, 20__. 

_____________________________    _______________________________
Chair:                                          Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting the establishment of the Finance and Investment Committee of the Board

NOW THEREFORE BE IT RESOLVED that there be a standing Committee of the Board of Governors called the Finance and Investment Committee.

1. MEMBERSHIP
The membership of this Committee shall consist of the following:

Up to seven members, with at least four being external members of the Board of Governors, one of whom is also a member of the Audit Committee.

The Chair shall be chosen from among the external members. At least one member, as well as the Chair, is expected to have major financial expertise and experience.

2. MEETINGS
The Committee will normally meet at least two times a year, more often as necessary.

3. TERMS OF REFERENCE
To exercise general oversight over the financial affairs of the University.

To review the general framework within which UW’s annual operating budget is developed.

To monitor general operating results relative to established budgets.

To review, at least annually, UW’s debt and debt retirement plan.

To review and recommend to the Board, directly or indirectly through the Pension and Benefits Committee, all UW investment policies and guidelines.

To monitor the performance of all external fund managers, to recommend their appointment to the Board, as required¹, and to take actions as may be deemed appropriate.

To report on its activities, at least annually, to the Board of Governors.

To assess annually the adequacy of the Committee’s terms of reference as well as those of the Pension and Benefits Committee, in consultation with the Chair of the Pension and Benefits Committee, and to propose any needed amendments to the Governance Committee.

¹ The Finance and Investment Committee recommends the appointment of all fund managers except those appointments made to the Board through the Pension and Benefits Committee and which are reviewed by the Finance and Investment Committee.

Passed this _______ day of _________________, 20__.

______________________________________________  ________________
Chair:                          Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting the establishment of the Pension and Benefits Committee of the Board

NOW THEREFORE BE IT RESOLVED that there be a standing Committee of the Board of Governors called the Pension and Benefits Committee.

1. MEMBERSHIP
The membership of this Committee shall be appointed by the Board of Governors and shall consist of the following voting members:

- The Vice-President, Academic & Provost
- The Vice-President, Administration & Finance
- Two members of the Board of Governors from among the seventeen (17) Board members appointed by the Lieutenant Governor-in-Council or elected by the Board from the community-at-large.
- Two members appointed on the recommendation of the President of the University of Waterloo.
- Three members of the regular faculty appointed on the recommendation of the President of the UW Faculty Association.
- Two members of the regular University support staff appointed on the recommendation of the President of the UW Staff Association.
- One member of the unionized staff appointed on the recommendation of the President of CUPE Local 793.
- One retiree who is receiving a University of Waterloo pension, appointed on the recommendation of the President of the UW Retirees Association.

In addition, a non-voting member representing the Colleges shall be appointed by the Board of Governors on the recommendation of the College Heads.

The normal term of office shall be three years, renewable once.

The Chair of the Committee shall be appointed from among the committee membership by the Board of Governors on the recommendation of the Governance Committee.

2. MEETINGS
The Committee normally meets monthly from September through June; additional meetings are called as required.

3. TERMS OF REFERENCE
The Committee shall have full power to administer employee pension and benefits plans approved by the Board, such power to include, but not limited to, the following:

- to make and enforce such rules and regulations as it shall deem necessary for the effective and efficient administration of the pension plan and to decide all questions concerning the pension plan, including who is eligible to participate
- to prepare accounts and records showing the detailed operation of the pension plan and to make an annual report to the Board of Governors
- to review the annual audit of the Pension Plan Fund Financial Statements
- to appoint a consulting actuary and to commission research on pension or benefits
• to recommend changes in pension and benefits plans to keep them current with respect to other universities and major employers, being mindful of the financial context in which the University operates
• to make policy decisions relevant to administration of benefits plans and to periodically adjust plans as required to comply with legislation, changes in medical fee schedules, changes in insurance premiums due to changing experience ratings or other causes, creation of new categories of employees and other such changes required to keep benefit plans current
• to recommend to the Board the appointment of custodians/trustees and fund managers
• to recommend to the Board for approval investment policy as described in the Statement of Investment Policies and Procedures

Note: (1) The Finance and Investment Committee will assist, advise and review on matters related to the appointment of the custodians/trustees and fund managers and investment policy.
(2) The Human Resources Department has day-to-day responsibility for administering the benefits plans.

4. GENERAL PROVISIONS
Members of the Committee may participate in the benefits under the pension plan provided they are otherwise eligible to do so. Except as otherwise provided by the Board of Governors of the University, no member of the Committee shall receive any compensation for services. No bond or other security shall be required of any member of the Committee in such capacity in any jurisdiction, except as expressly required by law.

In administering the pension plan neither the Committee, or any member thereof, nor the Board of Governors of the University, or any member thereof, nor the University, or any officer or employee thereof, shall be liable for any acts of omission or commission, except for his or its own individual, willful and intentional malfeasance or misfeasance. The University and its officers and directors, and each member of the Committee shall be entitled to rely conclusively on all tables, valuations, certificates, opinions and reports which shall be furnished by any actuary, accountant, trustee, counsel or other expert who shall be employed or engaged by the University or the Committee.

Whenever, in the administration of the pension plan, any action by the Committee or the University is required, such action shall be uniform in nature as applied to all persons similarly situated.

[Note: section 5, Interpretations, is deleted.]

Passed this ________ day of _______________ , 20___.

______________________________  _________________________
Chair:                                      Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting the establishment of the Signing Committee of the Board

NOW THEREFORE BE IT RESOLVED that there be a standing Committee of the Board of Governors called the Signing Committee.

1. MEMBERSHIP
The President of the University, and the Chair of the Board of Governors (the Vice-Chair in the absence of the Chair) constitute the Signing Committee.

2. MEETINGS
Meetings are convened as required.

3. TERMS OF REFERENCE
The Committee has power and authority to designate or appoint officers or agents of the University as signing officers on behalf of the University as the Committee deems expedient and advisable. This includes the power to define the terms, limits and scope of any signing authority and with further power to revoke, repeal, modify, alter or vary any signing authorities heretofore established under the authority of the Board. The general powers conferred by this Resolution shall be subject always to the power reserved to the Board to specify, by resolution, who the signing officer(s) might be in any specified particular instance.

Any appointment or designation of signing authorities (or revocation, alteration, modification or variation thereof) by the Signing Committee shall be in the form of a resolution in writing executed by the President and the Chair of the Board of the University and under the corporate seal of the University, and shall not be in full force and effect until an executed copy of such resolution under the corporate seal of the University is filed with the Secretary of the Board, the Vice-President, Administration & Finance, the Internal Auditor and the External Auditor of the University. In addition, the President and Chair of the Board shall respectively retain for their separate files executed copies of each resolution.

Notwithstanding the provisions of the foregoing paragraph, any party dealing with the University shall be entitled to rely upon a copy of this Resolution and any resolution by the Signing Committee pursuant thereto (including extracts from any such resolution) upon receipt of such a copy or extract duly certified as such by the Secretary of the Board under the corporate seal of the University and further certifying that it is in full force and effect.

The Committee will assess annually the adequacy of its terms of reference and propose any needed amendments to the Governance Committee.

4. CONTINUED IN FORCE
Any resolutions passed pursuant to Bylaw 7 relating to the signing powers of officers and agents of the University shall continue in full force and effect except insofar as they may be revoked, repealed, altered, modified or varied pursuant to the provisions of this Resolution.

Passed this ________ day of ________________, 20__.

_____________________________  _________________________
Chair:  Secretary
RESOLUTION OF THE BOARD OF GOVERNORS  
UNIVERSITY OF WATERLOO

Respecting the establishment of the University Advancement Committee of the Board [new]

NOW THEREFORE BE IT RESOLVED that there be a standing Committee of the Board of Governors called the University Advancement Committee.

1. MEMBERSHIP
The Committee, with power to add to its membership, will be comprised of at least eight members, four of whom shall be from among the external members of the Board of Governors and with demonstrated advancement experience. The Board will appoint its Chair, normally a sitting Governor, from among its membership.

2. MEETINGS
The Committee will normally meet at least twice per year, more often as necessary.

3. TERMS OF REFERENCE
To provide oversight and to advise the Board of Governors with respect to all aspects of University advancement including, but not limited to, external and internal communications, fund-raising, alumni relations, donor stewardship, development and public relations; this, to enhance the University of Waterloo’s competitive position.

To report on its activities to the Board of Governors at least annually.

To assess annually the adequacy of the Committee’s terms of reference and propose any needed amendments to the Governance Committee.

Passed this ______ day of ________________, 20__.

__________________________________________  ________________________________
Chair:                                          Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting Board Assessment [new]

NOW THEREFORE BE IT RESOLVED that:

1. The Governance Committee consider introducing various instruments both for Board and individual Governor assessment / evaluation, which may include one-on-one conversations, focus groups and exit interviews, as appropriate.

2. The Committees of the Board test the following evaluation instrument over the next year.

University of Waterloo
Board of Governors
Committee Assessment

Please complete the following questions for the Committee(s) of which you are a member. Please indicate clearly the name of the Committee which you are evaluating.

Name of Committee: ___________________________  Your Name: ___________________________

<table>
<thead>
<tr>
<th>Question</th>
<th>Agree Strongly</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Disagree Strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Committee provides members with a thorough orientation that defines members’ responsibilities and provides relevant program and administrative information.</td>
<td></td>
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<tr>
<td>2. Meetings are well-organized, productive, and make good use of members’ time.</td>
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<td>3. Members have opportunity to express their views at meetings.</td>
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<td>4. The number of meetings held per year is sufficient for the Committee to be effective.</td>
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<tr>
<td>5. Members of the Committee receive sufficient information to fulfil their responsibilities.</td>
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<td>6. Documentation for approval items is clear and concise.</td>
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<td>7. Members have received adequate follow-up information on matters raised at the Committee.</td>
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<tr>
<td>8. Sufficient opportunity is provided at meetings of the committee for members to discuss the range of issues with which the Committee must deal.</td>
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<tr>
<td>9. The work of the Committee is communicated effectively to the University community and to the public.</td>
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</tr>
</tbody>
</table>
10. I have the right skills to effectively participate in and add value to the Committee's work.

11. Committee members possess the necessary skills to effectively participate in and add value to the Committee's work.

12. The Committee's terms of reference adequately reflect its appropriate scope of responsibility

Comments (use overleaf as necessary):

[taken, in part, from University of Toronto assessment instruments]

Passed this _____ day of ______________, 20_____.

______________________________  ______________________________
Chair:                         Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting a Code of Conduct

NOW THEREFORE BE IT RESOLVED that the suite of by-laws, policies, guidelines and articles in the Memorandum of Agreement between UW and the UW Faculty Association which, collectively, set out expectations with respect how UW faculty, staff, students and Governors are to behave, continue as the instruments informing such behaviour as well as consequences for non-compliance.

Passed this ______ day of ____________, 20__.

____________________________________  ______________________________________
Chair:  Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting Whistleblowing

NOW THEREFORE BE IT RESOLVED that Policy 33, Ethical Behaviour, be amended as follows to accommodate a mechanism for anonymous allegations.

Policy 33, Ethical Behaviour Excerpts

III. Violations, Redress

1. Members of the University community have the right to lodge complaints and to participate in proceedings without reprisal or threat of reprisal for so doing. Those with supervisory authority (academic or employment) are expected to be proactive in promoting respect for the general principles articulated in Section I and, with assistance and guidance from the Conflict Management and Human Rights Office (CMAHRO), are responsible for dealing with alleged violations of those principles. Such authority shall be taken to include permanent, temporary or delegated supervision of any faculty or staff member or student.

Those who receive complaints or who perceive what they believe to be violations of this policy shall act promptly to notify an appropriate administrative officer, normally one's immediate supervisor, the department Head, Chair or Director, to provide or initiate the appropriate remedial or disciplinary measures. If the complaint pertains to that individual, it should be directed to the next administrative level (Dean, AssociateProvost, Vice-President). Those dealing with alleged violations of this policy shall be guided by principles of fairness and natural justice.

Those dealing with an oral or anonymous allegation may conduct an informal investigation to determine whether the alleged violation has substance, provided that care is taken to ensure that individuals contacted understand that the process is both informal and confidential, and that no inference should be made concerning the validity of the allegation. If there is no evidence that an allegation has substance, all documentation concerning it shall be destroyed.

If there is evidence that an allegation may have substance, the investigator shall inform the individual alleged to have violated the policy promptly in writing of the allegation, the circumstances leading to its receipt and whether the University will launch a formal investigation of the allegation.

Disciplinary measures resulting from alleged infringements of this policy may be appealed under the grievance processes for staff (Policy 36), students (Policies 70/71), faculty (Article 9 of the Memorandum of Agreement). Members of CUPE 793 should refer to Article 15 of their Collective Agreement.

Individuals who believe they have been treated in violation of the Ontario Human Rights Code have the right to proceed directly to the Ontario Human Rights Commission. If taken, such a step does not relieve or alter UW's responsibility to take appropriate administrative action to address the alleged violation.
IV. Advice and Support

Any member of the University community who has reason to believe that he/she has been treated in violation of a principle stated in this policy is urged to contact one of the primary on-campus resources identified below for information or advice. Anonymous allegations will be addressed as described above, although such allegations are more difficult to investigate and results may be less satisfactory to complainants.

Passed this ______ day of ______________, 20___.

____________________________________  _________________________________
Chair:                                                   Secretary:

[Note: this proposed change will require approval of the Senate.]
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting Orientation / Briefings

NOW THEREFORE BE IT RESOLVED that:

1. The Governance Committee continue the practice of pre-meeting briefings, adjusting as may be required, and investigate new instruments including mentoring.

2. Committees of the Board assess members' need and advise the Governance Committee on these needs.

Passed this ______ day of ____________, 20__.  

______________________________  ________________________________
Chair: Secretary:
RESOLUTION OF THE BOARD OF GOVERNORS
UNIVERSITY OF WATERLOO

Respecting The President of the University

NOW THEREFORE BE IT RESOLVED that Policy 50, The President of the University, be amended as follows to provide that the Chair of the Board serve as Chair of the Nominating Committee.

Policy 50, The President of the University Excerpt

4. Appointment and Reappointment Procedures

A. Appointment of a Nominating Committee

When nominations for the President of the University are required, as through notice of resignation, death or the approaching end of a term, a nominating committee shall be formed by the Chancellor of the University, the Chair of the Board of Governors. The nominating committee shall normally be formed no earlier than 18 months and no later than one full calendar year prior to the end of the term of office of the incumbent.

The nominating committee shall consist of:

The Chancellor of the University The Chair of the Board of Governors, who shall chair the committee.

The Vice-Chairman of the Board of Governors, who shall serve as Vice-Chairman.

The following members to be appointed by the Board:

Two community-at-large members of the Board.

One member of the Board from among those appointed by the Lieutenant-Governor-in-Council.

One member of the Board who is a faculty member on Senate.

One alumnus/a who may or may not be a member of the faculty, staff or student body.

One member of the Board who is a graduate student.

One member of the Board who is an undergraduate student.

A senator of professorial rank from each Faculty, elected by a vote within the Faculty.

Two regular faculty members, elected from and by the faculty-at-large of the University.

One staff member, elected by and from the regular ongoing staff of the University.

One faculty member from and appointed by the Federated & Affiliated Colleges.

Passed this ______ day of _____________, 20__.

_____________________________        ______________________________
Chair:                                      Secretary:

[Note: This proposed change will require approval of the Senate.]
GOVERNANCE PRACTICES
GAP ANALYSIS

‘Best practices’ are derived from the NACUBO’s Advisory Report: Sarbanes-Oxley Act of 2002, University of Texas System Audit Office’s Implementing the Spirit of the Sarbanes-Oxley Act of 2002 in the University of Texas System, and Ernst & Young’s ‘Key to Effective Governance,’ as presented in their Effective Governance Model, An Operating Framework [works are referenced in Appendix D] and seem to capture, generally, the essence of what’s being put forward as key to good governance practices.

Underlining represents practices which UW has in place, or will have in place, if proposed revisions to governance practices are accepted.

Best Practices
1. Sarbanes-Oxley – as applied to post secondary institutions
   (a) independent auditors
      • audit committee should receive the audit engagement letter and take direct responsibility for appointing, compensation and overseeing the audit
      • independent auditors should be prohibited from providing non-audit services (e.g., actuarial, book-keeping, internal audit outsourcing, system implementation) except in extenuating circumstances where prior approval must be given by the audit committee
      • lead audit partner should be rotated every seven years with a two year timeout
   (b) senior management
      • adopt a code of ethics (and sign-off by senior administrators acknowledging receipt) which would address:
        • honest and ethical conduct, including actual or apparent conflicts of interest
        • compliance with applicable statutes, rules and regulations
        • prompt reporting of code violations as provided in the code
        • accountability for adherence to the code
      • inventory current policies/procedures to ensure coverage/appropriateness
      • determine how policies are enforced and consistency of enforcement across the institution
      • ensure and publicize confidential / anonymous complaint mechanism re: accounting, internal controls, auditing matters [UW provides for this for any unethical behaviour]
      • CEO and CFO certify that the financial statements have no material misstatements or omissions
      • (management to provide assertions and testing as to the adequacy of the systems of internal control – as of 2003, this hadn’t been implemented by any post-secondary institution in the U.S.)
   (c) audit committees
      • to be responsible for appointing, compensation and overseeing the external auditors
      • pre-approve all services
      • committee must be comprised of independent members
      • committee members must not receive consulting, advisory or other fees from the institution
      • at least one member of the committee is expected to possess financial expertise (i.e., understand generally accepted accounting principles and financial statements; ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves; experience in preparing, auditing, analysing or evaluating financial statements; understanding of internal controls and procedures for financial reporting; understanding of audit committee functions)
2. Ernst & Young – Key to Effective Governance

(a) effective, independent board
- needs to have an effective mechanism, appropriate competence, adequate experience and sufficient information to play a meaningful role
- needs to oversee the implementation of the strategy and operation and provide advice, counsel and feedback to the CEO
- needs to be adequate mechanisms, appropriate rigour, independence of mind and sufficient interaction to allow the board to effectively evaluate the performance of the CEO
- directors need access to sufficient developmental resources to ensure their personal skills are well aligned with the needs of the University as it evolves

(b) proactive audit committee
- committee needs the time, capabilities, understanding and correct reporting relationships to assess and evaluate risk from a comprehensive point-of-view
- needs to possess financial acumen and independence of mind to properly oversee the accounting and financial reporting process and audit of the financial statements
- needs to manage the relationship with the company's independent auditor, including the selection of the firm and monitoring the adequacy of their performance and ongoing independence

(c) compensation committee
- an independent committee [i.e., a committee comprised of external governors] to determine senior management and CEO compensation

(d) nominating/governance committee
- an independent committee to monitor the independence and effectiveness of the board
- to define the corporate governance framework for the university as a whole, including setting corporate governance principles, information requirements, evaluation mechanisms

(e) sound internal control framework
- system of internal controls should be effective in ensuring: compliance with statutes and regulations; that all transactions are properly accounted for and allow for proper preparation of financial statements; that assets are safeguarded against improper or unauthorised use
- internal control frameworks should be embedded across the entire university, clearly understood, and reinforced by management
- control framework should be documented and regularly reviewed re effectiveness
- control frameworks should be incorporated into the work of the internal audit function that can validate underlying controls
[all this now comes under terms of reference for the Audit Committee]

(f) relevant code of ethical behaviour
- should be well-communicated, easily understood and comprehensive, setting out which behaviours are considered right or wrong [see policies, guidelines, by-laws and the MOA]
- should have mechanisms whereby employees and others can anonymously alert management or the board to allegations of misconduct without fear of retribution
- management and the board should regularly review the operation of the code, including mechanisms to ensure compliance and punitive actions for non-compliance

(g) clear, enforced policies and procedures
- should be established and properly communicated policies and procedures re tasks, controls and policies
- policies and procedures should cover areas of high risk and the preparation of financial information for internal and external use
(h) effective management of risk
  • should be a clear understanding of the risk profile from strategic, operational and transaction perspective, communicated effectively to the board and executive management and regularly reviewed and updated
  • sufficient management resources should be allocated to the identification, assessment and treatment of business risks
  • there should be a clear focus for, and alignment of, each business risk function to ensure each addresses areas of most significant risk in its area without overlapping other functions

(i) objective, well-resourced internal audit function
  • internal audit function should provide objective advice to senior administration and the board, covering the university’s management of business risk, validation of the design and operation of its controls, and adherence to policies and procedures and codes of conduct
  • should have sufficient resources, experienced staff, appropriate methods, tools and techniques, and sufficient access, to effectively provide assurance over all areas considered to be of higher risk and importance to the University

(j) independent, effective external audit
  • should devote sufficient time, resources, and skill to understand the business process and transactions
  • should provide timely information to the audit committee on critical accounting policies and practices and highlighting potential issues relating to or requiring disclosure
  • all points raised in the management letter should be addressed by management on a timely basis

(k) transparent disclosure, effective communication, and systems that ensure effective measurement and accountability
  • clear disclosure guidelines should be in place and operating effectively to promote transparency and accuracy of all communications
  • there should be an efficient and effective communication system that allows dissemination of governance principles throughout the organization and the free flow of information relating to risk and controls from business and operating units up to the board if necessary
  • should be an effective management system that clearly establishes roles and responsibilities, sets out and agrees to expectations, measures successful attainment of achievable goals, and holds manager accountable for, and rewards their contribution to success
# Current Practice

<table>
<thead>
<tr>
<th>Board By-laws</th>
<th>Proposed Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Executive Committee (p. 75) current By-law 1, parts:</td>
<td>Executive Committee Resolution (p. 22), and</td>
</tr>
<tr>
<td>b) (p. 75)</td>
<td>new Board By-law 1 – C.6 (p. 13)</td>
</tr>
<tr>
<td>c) (p. 75)</td>
<td>Building and Properties Resolution (p. 28); Finance and Investment Committee Resolution (p. 30)</td>
</tr>
<tr>
<td>d) (p. 75)</td>
<td>Audit Committee Resolution (p. 24); Finance and Investment Committee Resolution (p. 30)</td>
</tr>
<tr>
<td>e) (p. 75)</td>
<td>Governance Committee Resolution (p. 26); Pension and Benefits Resolution (p. 31)</td>
</tr>
<tr>
<td>2. Pension and Benefits Committee (p. 75)</td>
<td>Pension and Benefits Resolution (p. 31)</td>
</tr>
<tr>
<td>3. quorum (p. 77)</td>
<td>new Board By-law 1 – D.11 (p. 14)</td>
</tr>
<tr>
<td>4. indemnification of Members of the Board of Governors, every officer of the University of Waterloo, and other persons employed by the University of Waterloo (p. 77)</td>
<td>new Board By-law 1 – H. (p. 17)</td>
</tr>
<tr>
<td>5. borrowing of money, the issuing of securities and the securing of liabilities (p. 78)</td>
<td>new Board By-law 1 – G.4 (p. 16)</td>
</tr>
<tr>
<td>6. official Corporate Seals of the Board of Governors and the University of Waterloo (p. 78)</td>
<td>new Board By-law 1 – L.1 &amp; L.2 (p. 19)</td>
</tr>
<tr>
<td>7. Signing Committee of the Board of Governors (p. 79)</td>
<td>Signing Resolution (p. 33)</td>
</tr>
<tr>
<td>8. election of persons to membership on the Board of Governors (p. 79)</td>
<td>new Board By-law 1 – B.4, B.5, &amp; B.6 (p. 12), and</td>
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<td></td>
<td>Governance Committee Resolution (p. 26), and</td>
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<td></td>
<td>Governance Principles Resolution (pp. 8 &amp; 9)</td>
</tr>
<tr>
<td>9. meetings of the Board of Governors (p. 80)</td>
<td>new Board By-law 1 – C.4, D.1-D.10 (pp. 13-14), and</td>
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<tr>
<td></td>
<td>Governance Principles Resolution (pp. 8 &amp; 9)</td>
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<tr>
<td>10. A By-law respecting Bylaws Numbers 1 to 12, both inclusive, of the Board of Governors of the University of Waterloo, enacted by the said Board pursuant to the provisions of The University of Waterloo Act, 1959 and amendments thereto. (p. 81)</td>
<td>Repealed by new Board By-law 1– N.1 (p. 19)</td>
</tr>
<tr>
<td>11. conflict of interest (p. 81)</td>
<td>new Board By-law 1 – I. (p. 17)</td>
</tr>
</tbody>
</table>

# Resolutions

<table>
<thead>
<tr>
<th>Resolutions</th>
<th>Proposed Disposition</th>
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<tbody>
<tr>
<td>Audit Committee (p. 97)</td>
<td>Audit Committee Resolution (p. 24)</td>
</tr>
<tr>
<td>Finance and Investment Committee (p. 98)</td>
<td>Finance and Investment Committee Resolution (p. 30)</td>
</tr>
<tr>
<td>Buildings and Properties Committee (p. 99)</td>
<td>Building and Properties Resolution (p. 28)</td>
</tr>
<tr>
<td>Senior Officers’ Evaluation and Compensation Committee (p. 99)</td>
<td>Governance Committee Resolution (p. 26)</td>
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<td></td>
<td>new – University Advancement Committee Resolution (p. 34)</td>
</tr>
</tbody>
</table>

*(Note: Page numbers reflect the page on which you will find that item in this report.)*
1. To review best governance practices, taking into consideration the Sarbanes-Oxley Act.

2. Taking into account current best governance practices,
   
   (a) to review the Committee structure of the Board of Governors to:
       - ensure the necessary committee structure
       - amend terms of reference as necessary
       - ensure congruence among the committees
   
   (b) to review the Board By-laws to:
       - ensure the necessary By-laws
       - amend the By-laws as necessary
   
   (c) to review Board evaluation/Governor self-evaluation, instruments and frequency
   
   (d) to develop the components of an effective board orientation program

3. To make recommendations to the Board of Governors specifically on the above and broadly on best governance practices.
APPENDIX B
COMMITTEE MEMBERSHIP

Bob Harding, Chair
   Chair, Board of Governors (until April 30, 2005, May 1, 2006)

Lois Claxton, Secretary
   Secretary of the University

Rob Caldwell
   Chair, Audit Committee

Geoff Guy
   Chair, Finance and Investment Committee

David Johnston
   President

Paul Koenderman
   Chair, Board of Governors (May 1, 2005 to April 30, 2006)

Douglas Stebila
   Senator

Jud Whiteside
   Governor
APPENDIX C

Canadian Securities Administrators Policy on Effective Corporate Governance and UW: A Comparison

1 from *The Effective Not-for-Profit Board: Governance of Not-for-Profit Organizations*, Deloitte, 2004

This comparison, reflecting UW’s governance structure/practices as of June 2005, indicates considerable congruence between UW’s practices and those recommended by Canadian Securities Administrators.

<table>
<thead>
<tr>
<th>Canadian Securities Administrators’ Policy</th>
<th>UW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Composition of the Board</strong></td>
<td></td>
</tr>
<tr>
<td>1. The board should be composed of a majority of independent directors.</td>
<td>It is 36 members prescribed by the UW Act [attached], 21 are external (10 community-at-large; 7 LGIC; two mayors and one regional chair; Chancellor) and 15 internal (7 faculty, 2 staff, 5 students, President)</td>
</tr>
<tr>
<td>2. The independent board members should hold separate, regularly scheduled meetings at which members of management are not in attendance.</td>
<td>To date independent Board members have never held such formal meetings. The full Board meets independent of management annually when the Senior Officers Evaluation and Compensation Committee [SOECC] reports.</td>
</tr>
<tr>
<td>3. The chair of the board should be an independent director. Where this is not appropriate, an independent director may be appointed to act as “lead director”. However, either the independent chair or independent lead director should act as the effective leader of the board and ensure that the board’s agenda will enable it to successfully carry out its duties.</td>
<td>He/she is. The UW Act prescribes that the Board Chair must be from the community-at-large constituency.</td>
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<tr>
<td><strong>Board Mandate</strong></td>
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<tr>
<td>4. The board should adopt a written mandate in which it explicitly assumes responsibility for the stewardship of the issuer, including responsibility for:</td>
<td>The UW Act sets out the role of the Board, the preamble which addresses stewardship and reads as follows: “The government of the University and the control of its property and revenues, the conduct of its business and affairs, save with respect to such matters as are assigned by this Act to the Senate, shall be vested in the Board of Governors and the Board...shall have all powers necessary or convenient to perform its duties and to achieve the objects of the University....” Objects of the University [UW Act, section 3] “...are the pursuit of learning through scholarship, teaching and research within a spirit of free enquiry and expression.”</td>
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<tr>
<td>(a) to the extent feasible, satisfying itself as to the integrity of the chief executive officer (the CEO) and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the organization;</td>
<td>The performance of the President and his direct reports (the VPs and the Secretary of the University) are evaluated annually by the SOECC.</td>
</tr>
<tr>
<td>(b) adopting a strategic planning process and approving,</td>
<td>The UW Act [14.1.c] gives the Board authority “to plan and implement the physical and operational development of the University and to exercise all the powers to control and achieve a planned rate and scope of such development.” Governors participate in/are informed of/approve both the process of creating the strategic plan and the plan itself. Reports are made annually to the Board, either through committees on which Governors serve, or through the senior administration, on progress implementing such plans.</td>
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<tr>
<td>on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;</td>
<td></td>
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<tr>
<td>(c) identifying the principal risks of the issuer’s business, and ensuring the implementation of appropriate systems to manage these risks;</td>
<td>At UW, formal risk management was introduced in 2001 when E&amp;Y assumed the role as internal auditors and UW undertook its first risk assessment exercise, initially to provide a sound basis for the internal audit plan. Since 2001, risk assessments and risk refreshes have been carried out annually and overseen by a subset of the Executive Council, including the Vice-Presidents, the Associate Provost, at least one Dean and the Corporate Secretary. Internal audit plans are developed based on the risks identified in these exercises and senior administration have extended this exercise into risk management: identifying management processes and initiatives with respect to major risks; identifying residual risks and actions; and identifying two or more administrators at the executive level (known as risk owners) with responsibility for action to mitigate each of the major risks. Reports on risk management activity are made regularly to the Audit Committee.</td>
</tr>
<tr>
<td>(d) succession planning (including appointing, training and monitoring senior management);</td>
<td>By Policy, there is Board representation on Nominating/Reappointment Committees for the President and Provost. The Board gives final approval to all decanal appointments/renewals as well as all VP and Presidential appointments.</td>
</tr>
<tr>
<td>(e) adopting a communication policy for the issuer;</td>
<td>Dates of Board and Senate meetings are publicized; meetings of Board and Senate as well as meetings of their committees are open to the public (with few exceptions); on major issues, the President speaks for the University, the Chair for the Board; town hall meetings are held from time to time</td>
</tr>
<tr>
<td>(f) ensuring the integrity of the issuer’s internal control and management information systems; and</td>
<td>The role of both External and Internal Audit, whose annual plans are approved by the Audit Committee and whose reports are circulated to the Committee (the audited financial statement is referred by the Audit Committee to the Board for approval) is to provide the necessary oversights/assurances to both administration and the Board of such integrity</td>
</tr>
<tr>
<td>(g) developing the issuer’s approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer.</td>
<td></td>
</tr>
</tbody>
</table>
The written mandate of board should also set out:

(i) the decisions requiring prior approval of the board,

(ii) measures for receiving feedback from security holders, and

(iii) the board’s expectations of management.

Position Descriptions
5. The board should develop clear position descriptions for directors, including the chair of the board and the chair of each board committee. In addition, the board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management’s responsibilities. The board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.

Orientation and Continuing Education
6. The board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the issuer expects from its directors). All new directors should also fully understand the nature and operation of the issuer’s business.

The UW Act prescribes, in the first instance [see above], what the Board has authority over and, by extension, what kinds of decisions the Board approves. By-laws, terms of reference for Board committees, and established policies and practices (e.g., Board approves all tuition fees appearing on the student’s statement) congruent with Board authority set out what decisions require Board approval.

Board meetings, as prescribed by the UW Act, are open, unless certain kinds of confidential matters (as set out in the UW Act) are being discussed.

As part of the annual review process of senior administration (SOECC), Governors are invited to comment on performance of senior administration to members of the SOECC.

UW does not have a document which is called a position description for Governors. [develop a charter of expectations]

[re: position description for Board/Committee chairs: develop agenda, preside over meetings of committee, ensure committee operating consistent with terms of reference; report to the Board]

Policy 50, the President of the University, approved by the Board, sets out the responsibilities of the President.

With respect to corporate goals, these are set as part of the strategic planning process (see above). The President’s objectives for the coming year are reviewed and approved by the SOECC and presented in open session, annually, at a Board meeting. The SOECC also reviews annually how the President and other officers have met their objectives of the past year.

All new Board members receive a comprehensive orientation package which includes: the UW Act, UW’s Policies, Procedures and Guidelines, the UW/FAUW MOA, the latest audited financial statements, the UW Board Handbook, UW Funding and COU Briefing Notes [for Governors]. In sum, these publications make clear the role of the Board and its Committees (terms of reference for all Board committees are included) as well as the issues facing Ontario universities, the scope of UW’s activities and operations, and the management structure of UW.

New directors are briefed, usually by the President and the Corporate Secretary. The Corporate Secretary has, in the past, done a one-on-one orientation with Governors who have expressed interest. A formal orientation program is planned for implementation beginning June 2005.
7. The board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current. Education / development occurs at each meeting of the Board (environmental scan, background to committee reports, committee reports themselves, presentations), but it occurs especially in the committees.

<table>
<thead>
<tr>
<th>Code of Business Conduct and Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. The board should adopt a written code of business conduct and ethics (a Code). The Code should be applicable to directors, officers and employees of the issuer. The Code should constitute written standards that are reasonably designed to deter wrongdoing and address the following issues:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(a) conflicts of interest;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board By-law 11 addresses conflict of interest for Governors (though has not been tested against Sarbanes-Oxley prescriptions); similarly, UW Policy 69, Conflict of Interest, approved by the Board, addresses this matter with respect to faculty/staff/students.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(b) protection and proper use of corporate assets and opportunities;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various UW policies and guidelines (e.g., Contract Research, Extra-University Activities, IP Rights, Private Corporations, Travel, Signing Procedures, Use of Computing and Network Resources) provide protections and prescribe proper use.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(c) confidentiality of corporate information;</th>
</tr>
</thead>
<tbody>
<tr>
<td>UW Policies and Guidelines prescribe what is confidential and how such information is to be handled.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(d) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair dealing is addressed by UW Policy and procedure (e.g., Quotations and Tendering, IP, Staff Employment, Vacation, MOA)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(e) compliance with laws, rules and regulations; and</th>
</tr>
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<tbody>
<tr>
<td>UW operates with a culture and expectation that there is compliance with applicable statues and regulations. UW personnel responsible for institutional adherence to various statutes sign off to indicate whether [or not] UW is materially in compliance and such report is made annually to the Audit Committee and reported by the Audit Committee to the Board.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(f) reporting of any illegal or unethical behavior.</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Ethical Behaviour, above.</td>
</tr>
</tbody>
</table>

9. The board should be responsible for monitoring compliance with the Code. Any waivers from the Code that are granted for the benefit of the issuer's directors or senior officers should be granted by the board (or a board committee) only.
<table>
<thead>
<tr>
<th>Nomination of Directors</th>
<th>Three UW documents relate to nominating procedures for external Governors: Board Bylaw Number 8 (election of persons to membership on the Board of Governors), provides for the constitution of a Nominating Committee (membership of five, including Board Chair who would Chair, the President, and three other members of the Board at least one of whom should be an alum and one a CAL member) which I don’t believe was ever struck since the Bylaw also provides that the Executive Committee (Board Bylaw 1, establishment of the Executive Committee) can also serve as the Nominating Committee for appointments to Board and to Committees. Further, in 1994 the Board approved a Protocol for the Appointment of External Board Members which we have been adhering to, with the adjustment that, in the absence of regular Board Executive Committee meetings, proposed nominees as Governors are circulated to the Board Executive Committee for comment before being recommended to the Board. The Executive Committee is large (~18, and comprised of both “independent” (external) and internal governors, as contrasted to the 5-member (above) Nominating Committee set out in Bylaw 8.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. The board should appoint a nominating committee composed entirely of independent directors.</td>
<td>The terms of reference with respect to the Board Executive Committee’s serving as Nominating Committee is set out, as is the process for bringing external nominations to the Board for approval. Internal Governors are appointed to the Board in the manner prescribed by the UW Act: seven members appointed by the Senate from among the members of faculty of the Senate; five members appointed by the Senate from among the student members of Senate; two members of the full-time staff to be elected by the full-time staff members of the University....</td>
</tr>
<tr>
<td>11. The nominating committee should have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the board. In addition, the nominating committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties. If an issuer is legally required by contract or otherwise to provide third parties with the right to nominate directors, the selection and nomination of such directors need not involve the approval of an independent nominating committee.</td>
<td>Protocol for the Appointment of External Board Members (see above) lists the competencies which the Board as a collectivity should possess.</td>
</tr>
<tr>
<td>12. Prior to nominating or appointing individuals as directors, the board should adopt the following two step process:</td>
<td>Step One. Consider what competencies and skills the board, as a whole, should possess. In doing so, the board should recognize that the particular competencies and skills required for one issuer may not be the same as those required for another.</td>
</tr>
</tbody>
</table>
**Step Two.** Assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the board. Instead, the board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic.

The board should also consider the appropriate size of the board, with a view to facilitating effective decision making.

In carrying out each of these functions, the board should consider the advice and input of the nominating committee.

The UW Act prescribes the size of the Board: 36 members.

13. The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders.

In making its recommendations, the nominating committee should consider: (a) the competencies and skills that the board considers to be necessary for the board, as a whole, to possess;

It does. See Step 1 above.

(b) the competencies and skills that the board considers each existing director to possess; and

It does.

(c) the competencies and skills each new nominee will bring to the boardroom.

CVs / skills / competencies of potential nominees are reviewed by the Executive/Nominating Committee before recommending.

**Compensation**

15. The board should appoint a compensation committee composed entirely of independent directors.

The Senior Officers Evaluation and Compensation Committee is comprised entirely of independent directors.

16. The compensation committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the board.

The SOECC terms of reference addresses these matters.

In addition, the compensation committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.
17. The compensation committee should be responsible for:
(a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and making recommendations to the board with respect to the CEO's compensation level based on this evaluation;
(b) making recommendations to the board with respect to non-CEO compensation, incentive compensation plans and equity based plans; and
(c) reviewing executive compensation disclosure before the issuer publicly discloses this information.

See above. The SOECC, as part of its terms of reference, reviews and approves the President's goals (which are at least in part corporate goals), evaluates the CEO's performance in light of these goals, and establishes the CEO's compensation level based on these and other factors (the authority to establish compensation has been delegated by the Board to the SOECC).
Names of all those with UW calendar year earnings exceeding $100,000 are published annually.

The SOECC, also on delegated authority from the Board, "reviews and approves their (Senior Officers) compensation and conditions of employment. Senior Officers include: the President, the Vice-Presidents, and the Secretary of the University.

See 17 (a) above.

Regular Board Assessments
18. The board should regularly assess its own effectiveness, as well as the effectiveness and contribution of each board committee and each individual director. An assessment should consider:
(a) the board's written mandate,
(b) the charter of each board committee, and
(c) the position description(s) applicable to each individual director, as well as the competencies and skills each individual director is expected to bring to the board.

Board assessments have been done annually for the last decade or so but with low participation.
APPENDIX D

BIBLIOGRAPHY [SELECTIVE]

Association of Governing Boards [U.S.]
Board Basics: The Finance Committee, 2004
Assessing Individual Trustee Performance, 2001
The Audit Committee, 2004
Committee on Trustees, 2001


Canadian Securities Administrators. Policy on Effective Corporate Governance [in Deloitte, The Effective Not-for-Profit Board [see below].


Deloitte. The Effective Not-for-Profit Board: Governance of Not-for-Profit Organizations, 2005?

Ernst & Young.
Strengthening Corporate Governance; Effective Governance Worksheet, 2003.


Ontario Securities Commission.
Corporate Governance Disclosure, Form 58-101F1, 58-101F2 (April 15, 2005)
Corporate Governance Guidelines, National Policy 58-201 (April 15, 2005)

Princess Margaret Hospital Foundation. Reaching for Excellence: Governance and Performance Reporting at The Princess Margaret Hospital Foundation, 2001.

Toronto Stock Exchange [all current as of 2005]
Corporate Governance Guidelines
Charters for Board and the following committees: Finance and Audit, Governance, Human Resources
Board Code of Conduct
Employee Code of Conduct
Torys LLP

Canada's Corporate Governance Disclosure Rule Finalized (No, 2005-19, April 21, 2005)
Independence of Directors Under Canadian Securities Law (No. 2005-20, April 21, 2005)


University of Waterloo.

University of Waterloo Act
Board Bylaws
Nominating Process
Policies, Selected Procedures & Guidelines, 2005, including
Policy 33: Ethical Behaviour
Policy 62: Conflict of Interest
Signing Procedures (selected):
Procedure 1: Contracts and Agreements – Excluding Research
Procedure 1A: Contracts and Agreements – Research
Procedure 6: UW Pension Plan and Insured Benefit Plans for Faculty and Staff
Procedure 8: Banking
Procedure 9: Investments
Procedure 12: Contracts and Agreements – Zero or Unspecified Dollar Amount

[See Appendix F, pp. 58-99, for the text of these UW documents.]

Other: select documentation from the following universities: McMaster, Queen’s, Toronto and Western Ontario
APPENDIX E
BRIEFING PACKAGE

The following documentation is provided to each Governor when joining the Board and annually thereafter, as applicable.

Campus Map
University of Waterloo Annual Report
Maclean's Ranking
Building on Accomplishment, September 1997, and Progress Report #4, October 2002
Funding at the University of Waterloo
Operating Budget
Financial Statements
Campaign Waterloo
Office of Research Annual Report
Strategic Research Plan
Campus Master Plan
Guidance Statement for the Development of UW Lands
Research & Technology Park
University of Waterloo Act
Policies, Procedures & Guidelines
Board of Governors Handbook
Council of Ontario Universities Briefing Notes
Memorandum of Agreement between the Faculty Association of the University of Waterloo and the University of Waterloo
APPENDIX F
SELECT CURRENT GOVERNANCE INSTRUMENTS

UW Act p. 59
Board of Governors Bylaws p. 75
Nominating Procedures to the Board p. 82
Protocol for the Appointment of External Board Members p. 82
UW Policy Index p. 84
UW Procedures Index p. 85
UW Guidelines Index p. 85
UW Policy 33 - Ethical Behaviour p. 85
UW Policy 69 - Conflict of Interest p. 88
UW Procedure 1 - Contracts and Agreements, Excluding Research p. 91
UW Procedure 1A - Contracts and Agreements, Research p. 94
UW Procedure 6 - Signing Authorities: Contracts and Agreements,
UW Pension Plan and Insured Benefits Plans for Faculty and Staff p. 96
UW Procedure 8 - Banking p. 96
UW Procedure 9 - Investments p. 97
UW Procedure 25 - Contracts and Agreements,
Zero or Unspecified Dollar Amount p. 97
Audit Committee Terms of Reference p. 97
Finance & Investment Committee Terms of Reference p. 98
Buildings & Properties Committee Terms of Reference p. 99
Senior Officers’ Evaluation and Compensation Committee Terms of Reference p. 99

1several collateral administrative instruments are also included
University of Waterloo Act

November 1, 1972
UNIVERSITY OF WATERLOO ACT 1972

An Act Respecting The
University of Waterloo

Assented to May 26th, 1972

Preamble

WHEREAS The University of Waterloo and The Board of Governors, The University of Waterloo, hereby represent that they were incorporated and established under the terms and provisions of The University of Waterloo Act, 1959, which Act has been from time to time amended; that The Board of Governors, The University of Waterloo and the Senate of The University of Waterloo, recognizing the necessity for institutional reform to achieve more fully the objects of the University, this reform to embody the broadening of the bases of membership in the bodies within the University structure, have agreed to broaden the representation on the said governing bodies to include student, staff, faculty and external representation, and have agreed to effect other changes in the University structure; that The University of Waterloo is a party to agreements of affiliation and federation with various colleges and intends herein to continue and to give full force and effect to the terms of such agreements; and whereas The University of Waterloo and The Board of Governors, The University of Waterloo, hereby apply for special legislation to effect such purpose including the repeal of The University of Waterloo Act, 1959; and whereas it is expedient to grant the application;

Therefore, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario enacts as follows:

Interpretation

1. In this Act,
   (a) affiliated college means a college affiliated with the University;
   (b) alumni means the persons who have received degrees from the University or from a university or college federated or affiliated with the University;
   (c) Board of Governors means the Board of Governors, University of Waterloo;
   (d) college means a school or other institution of higher learning;
   (e) faculty means any academic division of the University either so designated by the Board of Governors, or, as determined by the Board of Governors, having status comparable to that of a faculty but being otherwise designated;
   (f) federated college means a university or college federated with the University;
(g)  *full-time staff* means those members of staff employed by the University on regular appointments to work the regular time, on a continuing basis, as scheduled by the University for the category in which such persons are employed;

(h)  *full-time student* means a student registered as such by the Registrar of the University either for the payment by the student of full-time fees, or for the claiming by the University of full-time Provincial grants or for such other purposes as shall be determined by the Board of Governors, from time to time;

(i)  *graduate student* means a full-time student or a part-time student registered as such by the Registrar of the University;

(j)  *members of faculty* means those members of personnel employed by the University or employed by a federated or affiliated college, whose duties are basically those of performing and administering the teaching and research functions of the University, or as the case may be, of a federated or affiliated college, and who are included in the lecturer and professorial ranks;

(k)  *part-time student* means a student other than a full-time student, registered in a course leading to an academic degree;

(l)  *property* includes all property, both real and personal;

(m)  *real property* includes messages, lands, tenements and hereditaments, whether corporeal or incorporeal and any undivided share thereof and any estate or interest therein;

(n)  *regular members of faculty* means those members of faculty employed by the University, or, as the case may be, employed by a federated or affiliated college, in tenured, probationary term appointments, or, full-time definite term appointments;

(o)  *Senate* means the Senate of the University;

(p)  *staff* means that group of personnel employed by the University other than members of faculty;

(q)  *student* means all persons who are registered as such by the University;

(r)  *undergraduate student* means a full-time student or a part-time student registered as such by the Registrar of the University;

(s)  *University* means the University of Waterloo;

(t)  *year* means the Board of Governors and Senate membership year, which shall be any twelve-month period established by the Board of Governors, from time to time, save that for the first Board of Governors and the first Senate the membership year shall be from the 1st day of November of the first year to the 30th day of April of the succeeding year.
CORPORATION

2. (1) The corporation, The University of Waterloo, is hereby continued as a body corporate with perpetual succession under the name University of Waterloo and, subject to the provisions of this Act, shall have, hold, possess and enjoy all the property, rights, powers and privileges which it now has, holds, possesses or enjoys.

By-laws, etc., continued in force

(2) Subject to this Act, all by-laws, orders and regulations of The University of Waterloo, of The Board of Governors, The University of Waterloo and of the Senate, now in force, shall continue in force until amended or repealed.

OBJECTS

3. The objects of the University are the pursuit of learning through scholarship, teaching and research within a spirit of free enquiry and expression.

General powers

4. The University has all powers necessary and incidental to the satisfaction and furtherance of its objects as a University.

Proceedings in University name

5. All proceedings by or against the University may be had and taken in the name of University of Waterloo.

Power to deal with realty and personalty

6. The University has, in addition to the powers, rights, and privileges mentioned in section 26 of The Interpretation Act, power to purchase or otherwise acquire, take or receive, by deed, gift, bequest or devise, and to hold and enjoy any estate or property whatsoever and to sell, grant, convey, mortgage, lease or otherwise dispose of the same or any part thereof from time to time and as occasion may require and to acquire other estate and property in addition thereto, or in the place thereof, without licence in mortmain and without limitation as to the period of holding.

PROPERTY

7. All property hereafter granted, conveyed, devised or bequeathed to; or to any person in trust for or for the benefit of, the University or any faculty, school or department of the University, subject to any trusts affecting the same, shall be vested in the University.

Application of statute of limitations

8. All property vested in the University, so far as the application thereto of any statute of limitations is concerned, shall be deemed to have been and to be real property vested in the Crown for the public use of Ontario.

Investment of funds

9. The funds of the University not immediately required for its purposes and the proceeds of all property which comes to the hands of the Board of Governors, subject to any trusts affecting the same, may be invested and reinvested in such investments as the Board of Governors shall deem suitable.
BOARD OF GOVERNORS

10. The corporation, The Board of Governors, The University of Waterloo, is hereby continued as a body corporate with perpetual succession under the name Board of Governors, University of Waterloo.

Composition of Board of Governors

11. The Board of Governors shall consist of thirty-six members, each of whom shall be a Canadian citizen and each of whom shall have voting rights, such membership to be made up as follows:

1. The President of the University, the Chancellor of the University, the Mayor of the City of Waterloo, the Mayor of the City of Kitchener, and the Warden of Waterloo County, who shall be ex-officio members.

2. Seven members to be appointed by the Lieutenant Governor in Council.

3. Seven members to be appointed by the Senate from among the members of faculty of the Senate.

4. Five members, two of whom shall be graduate students, to be appointed by the Senate from among the student members of the Senate.

5. Two members of the full-time staff to be elected by the full-time Staff members of the University in such manner and in accordance with such procedures as shall be determined and established by the said Board of Governors.

6. Ten members from the community-at-large, at least three of whom shall be alumni, to be elected by the Board of Governors in such manner and in accordance with such procedures as shall be determined and established by the said Board of Governors, provided that such members shall represent a broad spectrum of the community, and provided further that such members shall not be members of faculty, or members of the staff or student body of the University or of any federated or affiliated college, or members of the faculty, staff, student body or governing body of any other Ontario university.

TERM OF OFFICE

12. The term of membership of the members of the Board of Governors shall be as follows:

1. The members of faculty referred to in paragraph 3 of section 11 and the student members referred to in paragraph 4 of section 11 shall hold office for a period of two years, save that with respect to such members to be first appointed and in order to effect approximately equal annual rotation of office, the Senate shall determine, and select, in such manner as it shall determine and prescribe, so far as is reasonably practicable, a number thereof who shall serve for a period of one year and a number thereof who shall serve for a period of two years.
UNIVERSITY OF WATERLOO ACT 1972

2. All other non ex-officio members shall hold office for a period of three years save that with respect to such members to be first elected or appointed and in order to effect approximately equal annual rotation of office, the Board of Governors shall determine, and select, in such manner as it shall determine and prescribe, so far as is reasonably practicable, a number thereof who shall serve for a period of one year, a number thereof who shall serve for a period of two years, and a number thereof who shall serve for a period of three years.

CHAIRMAN OF BOARD OF GOVERNORS

<table>
<thead>
<tr>
<th>Chairman and Vice-Chairman</th>
<th>13. 1. The Board of Governors shall elect from among the community at-large members thereof, a chairman and a vice-chairman and, in the event of the absence or illness of the chairman, or, in the event of a temporary vacancy of that office, the vice-chairman shall act as and have all the powers of the chairman.</th>
</tr>
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<tbody>
<tr>
<td>Absence</td>
<td>2. In case of the absence or illness of the chairman and of the vice-chairman, the Board of Governors may appoint one of its members to act as chairman pro tempore and the member so appointed shall act as and have all the powers of the chairman.</td>
</tr>
<tr>
<td>Term of Office</td>
<td>3. The term of office of the chairman and of the vice-chairman shall be three years, provided that each of them shall be eligible for re-election for one additional term.</td>
</tr>
</tbody>
</table>

POWERS OF THE BOARD OF GOVERNORS

<table>
<thead>
<tr>
<th>Powers of the Board of Governors</th>
<th>14. 1. The government of the University and the control of its property and revenues, the conduct of its business and affairs, save with respect to such matters as are assigned by this Act to the Senate, shall be vested in the Board of Governors and the Board of Governors shall have all powers necessary or convenient to perform its duties and to achieve the objects of the University, and without intending to restrict the generality of the foregoing, this shall include the power,</th>
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<tbody>
<tr>
<td></td>
<td>a. to appoint, promote and remove the President and all other officers of the University, heads and associate heads of the faculties, or of any other academic unit, the members of faculty, or staff of the University, and all other agents and servants of the University;</td>
</tr>
<tr>
<td></td>
<td>b. to grant tenure to members of faculty, and to terminate tenure;</td>
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<tr>
<td></td>
<td>c. to plan and implement the physical and operational development of the University and to exercise all the powers to control and achieve a planned rate and scope of such development;</td>
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</tbody>
</table>
d. to borrow money for the purpose of the University and to give security therefor on such terms and in such amounts as the said Board of Governors may consider advisable, or as from time to time may be required;

e. to regulate the conduct of the students, faculty and staff and of all other persons coming upon and using the lands and premises of the University;

f. to establish and collect fees and charges for academic tuition and for services of any kind which may be offered by the University and to collect such fees and charges, approved by the Board of Governors, on behalf of any entity, organization, or element of the University;

g. to levy and enforce penalties and fines, suspend or expel from student membership or from employment with the University or deny access to the lands and premises of the University;

h. to establish and enforce rules and regulations with regard to the use and occupancy of its buildings and grounds or other operations;

i. to enter into agreements for the federation or affiliation of the University with any university or college of higher learning;

j. to provide for the appointment and discharge of committees and for the delegation to and the conferring upon any such committees, authority to act for the Board of Governors with respect to any matter, and

k. to enact by-laws and regulations for the conduct of its affairs.

2. In order to maintain a non-denominational University, no more than two colleges of the same denominational control shall be affiliated or federated with the University.

3. No college affiliated or federated with the University shall be affiliated with any other college, school or institute of higher learning without the approval of the Board of Governors.

4. Any agreement entered into by the University for federation or affiliation with a college shall be subject to the approval of the governing body of each institute then federated or affiliated with the University, which approval shall not be unreasonably withheld.

15. The quorum of the Board of Governors, to be designated by by-law of the said Board, shall consist of not fewer than twelve members, at least one-half of whom shall consist of community-at-large members of the Board elected under paragraph 6 of section 11 and members of the said Board appointed by the Lieutenant Governor in Council under paragraph 2 of section 11 and at least one-half of whom shall consist of other elected or appointed members of the Board.
**UNIVERSITY OF WATERLOO ACT 1972**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
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<tbody>
<tr>
<td>16.</td>
<td>The governing bodies of the federated and affiliated colleges shall, respectively, have jurisdiction over, and entire responsibility for, the regulation of the conduct of all persons in respect of all matters arising or occurring in, or upon, their respective buildings and grounds.</td>
</tr>
<tr>
<td>17.</td>
<td>The Board of Governors shall determine the proper body within the University to exercise jurisdiction in any matter of discipline that may arise wherein there is a question as to the proper body under which it should come, and the decision of the Board of Governors in such matters shall be final.</td>
</tr>
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**SENATE**

<table>
<thead>
<tr>
<th>Senate</th>
<th>Description</th>
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<tbody>
<tr>
<td>18.</td>
<td>There shall be a Senate of the University composed as follows:</td>
</tr>
<tr>
<td></td>
<td>DATE AMENDED</td>
</tr>
<tr>
<td></td>
<td>President, Federation of Students May 20, 1975</td>
</tr>
<tr>
<td></td>
<td>President, Graduate Club (President, Graduate Club) January 19, 1981</td>
</tr>
<tr>
<td></td>
<td>President, Graduate Student Association January 16, 1984</td>
</tr>
<tr>
<td>a.</td>
<td>The following ex-officio members:</td>
</tr>
<tr>
<td>1.</td>
<td>The Chancellor.</td>
</tr>
<tr>
<td>2.</td>
<td>The President.</td>
</tr>
<tr>
<td>3.</td>
<td>The Vice-President, Academic and the Vice-President, Finance and Operations.</td>
</tr>
<tr>
<td>4.</td>
<td>The Dean of each faculty of the University and the Dean of Graduate Studies.</td>
</tr>
<tr>
<td>5.</td>
<td>The Librarian of the University.</td>
</tr>
<tr>
<td>6.</td>
<td>The Registrar of the University.</td>
</tr>
<tr>
<td>7.</td>
<td>The principal or head of each federated or affiliated college.</td>
</tr>
<tr>
<td>8.</td>
<td>The chairman of the Board of Governors.</td>
</tr>
<tr>
<td>9.</td>
<td>Such other ex-officio members as the Senate by by-law may, from time to time, designate</td>
</tr>
<tr>
<td>10.</td>
<td>President, Federation of Students May 20, 1975</td>
</tr>
<tr>
<td>11.</td>
<td>President, Graduate Club (January 19, 1981)</td>
</tr>
<tr>
<td></td>
<td>President, Graduate Student Association January 16, 1984</td>
</tr>
</tbody>
</table>
12. (Vice-President, University Services) (January 16, 1984)  
Associate Provost, Academic Affairs February 19, 1990  
13. Treasurer January 16, 1984  
14. (Dean of Computing and Communications) (January 16, 1984)  
Dean of Research January 16, 1989  
15. President, Faculty Association June 15, 1987  

b. The following elected members who shall be elected in such manner and in accordance with such procedures as are determined and established by the Senate:

1. Four members of the Board of Governors other than the chairman thereof, such members to be elected from the community-at-large members of the Board of Governors. May 20, 1975  

2. Members of faculty equal in number to one more than the total number of all other members of the Senate, provided that,  

(i) three members of faculty shall be elected from each faculty of the University, provided that such minimum number to be elected from each faculty may by by-law be increased from time to time by the Senate.  

(ii) three members of faculty shall be elected from each of the federated colleges and one member of faculty shall be elected from each of the affiliated colleges, and  

(iii) the remaining members of faculty to be elected shall be elected from the members of faculty of the University.
3. One undergraduate student from each faculty of the University (plus one at-large) plus two at-large. (May 20, 1975)

4. Four graduate students, who shall not be members of faculty or members of the full-time staff of the University or of any federated or affiliated college. May 20, 1975

5. Four members from the alumni of the University, who shall not be members of faculty or members of the staff or members of the student body of the University. May 20, 1975

c. Upon the designation and addition, from time to time, by the Senate, under paragraph 9 of clause a, of any additional ex-officio members, the number of persons to be elected under paragraphs 1, 4 and 5 of clause b and the total of the number of persons to be elected under paragraph 3 of the said clause shall each be deemed to be increased by whatever number may be necessary in order to retain the ratio established by the said clause b, of the number of persons to be elected pursuant to each of the paragraphs 1, 3, 4 and 5 of the said clause b to the number of members of faculty to be elected pursuant to paragraph 2 thereof, provided that the additional undergraduate students to be elected in accordance with paragraph 3 shall be elected from the undergraduate students generally of the University in such manner and in accordance with such procedures as are determined and established by the Senate.

CHAIRMAN OF THE SENATE

Chairman of the Senate

19. The President of the University shall be chairman of the Senate, and the Vice-President, Academic, shall be the vice-chairman thereof.

TERM OF OFFICE OF SENATE MEMBERS

20. The term of membership of the members of the Senate shall be as follows:
1. The undergraduate student and graduate student members respectively referred to in paragraphs 3 and 4 of clause b of section 18 shall hold office for a period of two years, save that with respect to such members to be first elected and in order to effect approximately equal annual rotation of office, the Senate shall determine, and select, in such manner as it shall determine and prescribe, so far as is reasonably practical, a number thereof who shall serve for a period of one year and a number thereof who shall serve for a period of two years.

2. All other non ex-officio members shall hold office for a period of three years save that with respect to such members first elected and in order to effect approximately equal annual rotation of office, the Senate shall determine, and select, so far as is reasonably practical, a number thereof who shall serve for a period of one year, a number who shall serve for a period of two years and a number who shall serve for a period of three years.

Eligibility of members

21. No person shall be eligible for election or appointment as a member of the Senate who is a member of the faculty or a member of the governing body or of the Senate of any degree-granting university, college or institution of higher learning, other than the University and its federated or affiliated colleges, unless such person is a regular member of faculty.

Powers of the Senate

22. The Senate has the power to establish the educational policies of the University and to make recommendations to the Board of Governors with respect to any matter relative to the operation of the University and without restricting the generality of the foregoing, this includes the power,

a. to make recommendations to the Board of Governors relative to the creation, establishment, maintenance, modification, or removal of organizational structures such as faculties, schools, institutes, departments or chairs within the University;

b. subject to the approval of the Board of Governors, in so far as the expenditure of funds is concerned, to establish, maintain, modify or remove, curricula of all courses of instruction including extension courses;

c. to determine policies concerning the qualifications of faculty members within the University with respect to appointments or promotions in rank, or to the granting of tenure, in connection with research or teaching or academic administration;

d. to determine standards of admission of students to the University;

e. to consider and determine the conduct and results of examinations in all faculties or academic units;
f. to hear and determine appeals from the decisions of the faculty councils on applications and examinations by students;

g. to confer degrees, diplomas and certificates or other awards in any and all branches of learning and in any subject taught in the University or its federated or affiliated colleges;

h. to confer honorary degrees in Divinity, without fees, upon the recommendation of any theological college federated or affiliated with the University;

i. to confer honorary degrees in any department of learning;

j. to undertake, consider and co-ordinate long-range academic planning;

k. to consider and to recommend to the Board of Governors policies concerning the internal allocation or use of University resources;

l. to consider and to recommend to the Board of Governors the federation or affiliation of the University with any college for teaching any branch of learning;

m. to create councils and committees to exercise its powers;

n. to provide, if considered necessary, for an executive committee which shall act in the name and on behalf of the Senate between regular meetings of the Senate; and

o. to enact by-laws and regulations for the conduct of its affairs.

**RE-ELECTION TO AND TERM OF MEMBERSHIP ON BOARD OF GOVERNORS AND SENATE**

23. Members of the Board of Governors and of the Senate shall be eligible for re-election or reappointment, as the case may be, save that an elected or appointed member shall serve for no more than two consecutive terms, provided that any such elected or appointed member shall be again eligible for election or appointment after the expiration of one year following the completion of two consecutive terms, and provided further that there shall be no limitation with respect to the term of service on the Board of Governors and on the Senate of any ex-officio member thereof.

24. 1. If, within any year, a member of the Board of Governors or of the Senate, not having been granted permission to be absent by such body, attends less than 50 per cent of the regular meetings of such body, his office shall ipso facto be vacated and a confirmatory resolution shall be passed by the Board of Governors or by the Senate, as the case may be, declaring the membership vacant.

2. A resolution passed under this section and entered in the minutes of the pertinent meeting of the Board of Governors or of the Senate, as the case may be, shall be conclusive evidence of the vacancy declared therein.
Membership of the Senate and Board of Governors shall be ipso facto vacated and a confirmatory resolution shall be passed by the Board of Governors or by the Senate, as the case may be, declaring the membership vacant, save that a student member of the Board of Governors or of the Senate, as the case may be, who graduates during his term of office shall be entitled to serve for the remainder of such year.

Where a vacancy on the Board of Governors or on the Senate, as the case may be, occurs before the term of office for which a member has been appointed or elected has expired, the vacancy shall be filled in the same manner and by the same authority as the member whose membership is vacant was appointed or elected, as the case may be, and the member so appointed or elected shall hold office for the remainder of the term of office of the member whose membership is vacant.

MEETINGS AND BY-LAWS

Subject to subsection 2, the meetings, including committee meetings of the Board of Governors and of the Senate shall be open to the public, prior notice of the meetings of the Board of Governors and of the Senate shall be given to the members and to the public in such manner as the Board of Governors and the Senate by by-law shall determine, and no person shall be excluded from the meeting except for improper conduct, but where confidential financial matters of the University are being considered that part of the meeting may be held in camera.

Where intimate financial or personal matters of any person may be disclosed at a meeting the part of the meeting concerning such person shall be held in camera unless such person requests that such part of the meeting be open to the public.

The by-laws of the Board of Governors and of the Senate shall be open to examination by members of the University community and by the public-at-large during normal business hours.

The Board of Governors and the Senate shall publish their by-laws from time to time in such manner as they may respectively consider proper.

President of the University.

The President shall be appointed by the Board of Governors in such manner and for such term or terms as shall be determined, from time to time, by agreement of the Board of Governors and the Senate.
### UNIVERSITY OF WATERLOO ACT 1972

#### Powers of President

3. The President shall be the chief executive officer of the University, and without limiting the generality of the foregoing, the President shall have the authority and responsibility for administering the affairs of the University and accordingly shall act on behalf of the Board of Governors with respect to the operational management and control of the University.

#### Delegation of authority

4. The President is hereby empowered to delegate his authority, during the period of any temporary absence, to any other officer of the University, provided that, in the absence of such delegation of authority, the senior Vice-President as designated from time to time by the Board of Governors shall have the authority to act in the place and stead of the President and in the absence of such designation, the Vice-President, Academic, shall be deemed to be the senior Vice-President.

5. The Board of Governors may, in the absence of the President and shall in the event of a vacancy in the office of President, appoint an acting President upon such terms and conditions as the Board of Governors may prescribe.

#### CHANCELLOR AND VICE-CHANCELLOR

1. There shall be a Chancellor of the University who shall be elected by the Senate in such manner as the Senate shall determine.

2. The term of office of the Chancellor shall be three years, provided that he shall be eligible for re-election for one additional term.

3. The Chancellor shall preside at all Convocations and shall admit to degrees, diplomas and certificates such candidates including the recipients of honorary degrees, as may be designated by the Senate.

4. The President of the University shall be the Vice-Chancellor thereof and shall assume the duties of the Chancellor in his absence or during a temporary vacancy of that office.

5. Notwithstanding anything in this section contained, the incumbent Chancellor of The University of Waterloo, as of the date that this Act comes into force, shall continue as Chancellor of the University until such time as his successor shall be elected by the Senate, provided that such election shall be held within three years of the date that this Act comes into force.

#### AUDITORS

31. The Board of Governors shall appoint one or more auditors licensed under The Public Accountancy Act to audit the accounts and transactions of the Board of Governors at least once a year.
### ANNUAL FINANCIAL REPORT

<table>
<thead>
<tr>
<th>Annual financial report</th>
<th>32. 1.</th>
<th>The Board of Governors shall make a financial report annually to the Minister of Colleges and Universities in such form and containing such information as the Minister may require.</th>
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<tbody>
<tr>
<td></td>
<td>2.</td>
<td>The Minister shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the Assembly if it is in session, or, if not, at the next ensuing session.</td>
</tr>
</tbody>
</table>

### ANNUAL REPORT

| Annual Report | 33. | The Board of Governors shall make available to students, faculty and staff of the University an annual report which shall include an annual financial report. |

### GENERAL

| Agreements of affiliation and federation to continue | 34. | This Act shall not be deemed to alter, modify or affect the rights and obligations of the University or of any affiliated or federated college arising out of the terms of agreements of affiliation or federation presently existing between the University and such affiliated and federated colleges. |
| Degree-granting powers to remain dormant | 35. | If any college, federated or affiliated with the University, has the right to grant degrees, such right, except for degrees in theology, shall remain dormant during the time that such college remains federated or affiliated with the University. |

### First election and appointment of Board of Governors and Senate

| 36. 1. | Notwithstanding anything in this Act, for the purpose of permitting the election or appointment, as the case may be, prior to the 1st day of November, 1972, of the members of the first Board of Governors and the first Senate to be established and constituted under the provisions of this Act, The Board of Governors, The University of Waterloo and the Senate of The University of Waterloo are hereby respectively authorized and empowered forthwith after this Act receives Royal Assent to act in the place and stead of the first Board of Governors and the first Senate to be established and constituted under the provisions of this Act to do all things necessary as expressed in, or implied by or contemplated by or required by reason of this Act to form and constitute the first such Board of Governors and Senate, and without restricting the generality of the foregoing, The Board of Governors, The University of Waterloo and the Senate of The University of Waterloo, are hereby respectively authorized and empowered to pass such by-laws, make such findings, establish such election procedures, arrange for the carrying out of such elections and to hold and carry out such elections as may be necessary for the formation and constitution of the said first Board of Governors and Senate. |

| 2. | The Board of Governors, The University of Waterloo, and the Senate of The University of Waterloo, are respectively hereby authorized and empowered to arrange for and call, after completion of the election and appointment of the members of the first Board of Governors and first Senate to be established and constituted under the terms and provisions of this Act, the first meeting of the Board of Governors and Senate. |
UNIVERSITY OF WATERLOO ACT 1972

the first meeting of the Senate, such meetings to be held on or after the 1st day of November, 1972, the members of the said Board of Governors and the members of the said Senate to be given such notice of the said meetings as shall be deemed reasonable.

Term of office to run from May 1, 1972

3. The term of office of the members of the first Board of Governors and of the first Senate, notwithstanding the matters hereinbefore set out, shall be deemed to run from the 1st day of May, 1972.

Repeals

37. The following are repealed:

1959 Act repealed
1. The University of Waterloo Act, 1959.

1960-61 Act repealed
2. The University of Waterloo Act, 1960-61.

1962-63 Act repealed

Commencement
38. This Act comes into force on the 1st day of November, 1972.

Short title
39. This Act may be cited as The University of Waterloo Act, 1972.
Bylaw Number 1
A bylaw respecting the establishment of the Executive Committee of the Board of Governors of the University of Waterloo.

BE IT ENACTED as a bylaw of the Board of Governors of the University of Waterloo, as follows: Executive Committee

There shall be a standing committee of the Board of Governors called the Executive Committee. Committee Membership

The membership of this Committee shall consist of the following:
1. The Chair of the Board of Governors, who shall be Chair of the Committee.
2. The Vice-Chair of the Board of Governors, who shall be Vice-Chair of the Committee.
3. The Chair of each standing Committee of the Board of Governors who is a member of the Board.
4. One faculty member of Senate appointed by Senate to membership on the Board of Governor
5. One undergraduate student member of Senate appointed by Senate to membership on the Board of Governors.
6. One graduate student member of Senate appointed by Senate to membership on the Board of Governors.
7. One of the two staff representatives elected to the Board of Governors.
8. The President of the University.
9. One member of the Board of Governors from among the seven members appointed by the Lieutenant-Governor-in-Council.
10. Three other members of the Board of Governors from among the ten community-at-large members of the Board.
11. The Chancellor of the University.

Powers and Duties of the Executive Committee
a To exercise all the powers held by the Board, within the limits of the University Act, between regular meetings of the Board except to repeal, amend or modify the University Act or bylaws or to appoint a President or to appoint Board members.
b To receive reports from all other committees of the Board and prepare the agenda for Board meetings. At each regular meeting of the Board it shall report on all matters with which it had dealt.
c To consider and recommend on the actions required to be taken by the Board to adequately finance the programs recommended to the Board, including consideration and recommendation of detailed estimates contained in operating and capital budgets.
d To recommend such action as it deems necessary to provide itself and the Board with adequate accounts and information and to protect the assets of the corporation.
e To serve as the nominating committee of the Board for additions to its membership and appointments to its committees. To consider and recommend on the organization of the Board and/or the University. It shall consider and recommend on all policies, procedures or other matters which affect the terms and conditions of employment, discipline, vacation allowances, hours of work, welfare and benefit and similar programs, of the faculty and staff insofar as such matters come within the jurisdiction of the Board.

Interpretation
In this Bylaw, where the title “President” appears, an Acting President or President pro tem, so designated by the Board of Governors, shall serve in the place of the President, with the latter’s full rights and responsibilities.

Approved -- December 13, 1972.

Bylaw Number 2
A bylaw respecting the establishment of the Pension & Benefits Committee of the Board of Governors of the University of Waterloo.

BE IT ENACTED as a bylaw of the Board of Governors of the University of Waterloo as follows: Pension & Benefits Committee

There shall be a standing committee of the Board of Governors called the Pension & Benefits Committee, hereafter called the Committee.
Committee Membership
In view of the provisions of Article 15 of the University of Waterloo Pension Plan (1992), the membership of this Committee shall be appointed by the Board of Governors and shall consist of the following voting members:

a Ex officio members:
- The Vice-President, Academic & Provost
- The Vice-President, Administration & Finance

b Two members of the Board of Governors from among the seventeen (17) Board members appointed by the Lieutenant-Governor-in-Council or elected by the Board from the community-at-large.

c Two members appointed on the recommendation of the President of the University of Waterloo.

d Three members of the regular faculty appointed on the recommendation of the President of the UW Faculty Association.

e Two members of the regular non-union staff appointed on the recommendation of the President of the UW Staff Association.

f One member of the unionized staff appointed on the recommendation of the President of CUPE Local 793.

g One retiree who is receiving a University of Waterloo pension, appointed on the recommendation of the President of the UW Retirees Association.

In addition, a non-voting member representing the Colleges shall be appointed by the Board of Governors on the recommendation of the College Heads.

The normal term of office shall be three years, renewable once.

The Chair of the Committee shall be appointed from among the committee membership by the Board of Governors on the recommendation of the President.

Functions, Powers and Responsibilities of the Committee

a The Committee shall have full power to administer the Plan as this directly affects employees and members, such power to include, but not to be limited to, the following:

i To make and enforce such rules and regulations as it shall deem necessary or proper for the efficient administration of the Plan;

ii To interpret the Plan, its interpretation thereof in good faith to be final and conclusive;

iii To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

iv To compute the amount of benefits or other payments which shall be payable to any member, retired member, contingent annuitant, or beneficiary, in accordance with the provisions of the Plan, and to determine the person or persons to whom such amount shall be paid;

v To authorize all payments to be made for such purposes;

vi To prepare accounts and records showing the detailed operation of the Plan;

vii To arrange for the audit of such records and accounts by independent auditors;

viii To make an annual report to the Board of Governors;

ix To appoint the consulting actuary and to commission actuarial studies as required by law, as required as a basis for recommending changes in pension or benefits plans, or as required for effective administration of pension or benefits plans;

x To commission research on pension or benefits through appropriate consultants, subject to appropriate financial approval, or to conduct such research using University resources;

xi To recommend changes in pension and benefits plans to keep them current with respect to other universities and major employers;

xii To make policy decisions relevant to administration of established benefits plans and to periodically adjust plans as required to comply with legislation, changes in medical fee schedules, changes in insurance rates due to changing experience ratings or other causes, creation of new categories of employees and other such changes required to keep benefit plans current;
To recommend trustees or investment counsel;

To recommend overall investment policy with respect to the needs of the fund in order to meet the costs of pension and benefits on the advice of the consulting actuary and investment counsel

Note: Day-to-day responsibility for the administration of benefits plans will be delegated to the Human Resources Department.

General Provisions

a Members of the Committee may participate in the benefits under the Plan provided they are otherwise eligible to do so. Except as otherwise provided by the Board of Governors of the University, no member of the Committee shall receive any compensation for his services as such. No bond or other security shall be required of any member of the Committee in such capacity in any jurisdiction, except as expressly provided by law.

b In administering the Plan neither the Committee, or any member thereof, nor the Board of Governors of the University, or any member thereof, nor the University, or any officer or employee thereof, shall be liable for any acts of omission or commission, except for his or its own individual, willful and intentional malfeasance or misfeasance. The University and its officers and directors, and each member of the Committee shall be entitled to rely conclusively on all tables, valuations, certificates, opinions and reports which shall be furnished by any actuary, accountant, trustee, counsel or other expert who shall be employed or engaged by the University or the Committee.

c Whenever, in the administration of the Plan, any action by the Committee or the University is required, such action shall be uniform in nature as applied to all persons similarly situated.

Interpretation

a In this bylaw, where the title “President” appears, an Acting President or President pro tem, so designated by the Board of Governors, shall serve in the place of the President, with the latter’s full rights and responsibilities.

b In this bylaw, where the title “Vice-President, Academic & Provost” appears, an Acting Vice-President, Academic & Provost or Vice-President, Academic & Provost pro tem, so designated by the President or Acting President or, President pro tem and/or the Board of Governors, shall serve in the place of the Vice-President, Academic & Provost, with the latter’s full rights and responsibilities.

c In this bylaw, where the title “Vice-President, Administration & Finance” appears, an Acting Associate Provost, Vice-President, Administration or Vice-President, Administration & Finance pro tem, so designated by the President or Acting President or President pro tem and/or the Board of Governors, shall serve in the place of the Vice-President, Administration & Finance with the latter’s full rights and responsibilities.


Bylaw Number 3
A bylaw respecting the quorum of the Board of Governors of the University of Waterloo.

BE IT ENACTED as a bylaw of the Board of Governors, University of Waterloo that:

In accordance with Section 15 of the University of Waterloo Act, 1972, the quorum of the Board of Governors shall consist of not fewer than 12 Board members, at least one-half of whom shall be community-at-large members, and members appointed by the Lieutenant-Governor-in-Council, and one-half of whom shall be other elected or appointed members of the Board. Ex officio members of the Board shall not be counted in the calculation of a quorum.


Bylaw Number 4
A bylaw respecting the indemnification of Members of the Board of Governors, every officer of the University of Waterloo, and other persons employed by the University.
BE IT ENACTED as a bylaw of the Board of Governors, University of Waterloo, as follows:

That every Member of the Board of Governors, and every officer and employee of the University of Waterloo, and his/her or their heirs, executors and administrators and other legal personal representatives shall, from time to time and at all times, be indemnified and saved harmless out of the funds or other assets of the University, from and against:

a All costs, charges and expenses whatsoever which such Governor, officer or employee sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office or employment; and

b All other costs, charges and expenses that he sustains or incurs in or about or in relation to the affairs thereof;

except such costs, charges or expenses as are occasioned by his own willful neglect or default.


Bylaw Number 5
A bylaw respecting the borrowing of money, the issuing of securities and the securing of liabilities by the University of Waterloo.

BE IT ENACTED as a bylaw of the Board of Governors, University of Waterloo as follows:

THAT the Board of Governors of the University of Waterloo may from time to time:

a Borrow money upon the credit of the University of Waterloo;

b Issue, sell or pledge securities, including bonds, debentures, debenture stock or other liabilities of the University of Waterloo, for such sums and on such terms as the Board of Governors may deem expedient;

c Assign, transfer, convey, charge, mortgage, hypothecate, pledge or give security in any manner upon all or any of the real or personal property of the University of Waterloo, including rights, powers, choses in action, book debts, franchises and undertakings, or other assets, present or future, to secure any such securities or other securities of the University of Waterloo or any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the University of Waterloo, now or hereafter made or incurred directly or indirectly.

THAT any or all of the foregoing powers may from time to time be delegated by the Board of Governors to any one or more of the Board of Governors or officers of the University of Waterloo.

THAT in relation to financing arranged through the Universities Capital Aid Corporation for projects approved by the Board of Governors that one of the Chair of the Board or the Vice-Chair, or the President or the Vice-President, Administration & Finance and one of the Director of Finance or Associate Director of Finance be and is hereby delegated and authorized to act in the place and stead of the Board to perform and fulfill the authority given to the Board under this bylaw.

Approved - October 2, 1973
Last Amended - February 7, 1984

Bylaw Number 6
A bylaw relating to the official Corporate Seals of the Board of Governors, University of Waterloo and the University of Waterloo.

BE IT ENACTED as a bylaw of the Board of Governors, University of Waterloo:

That the Corporate Seal of the Board of Governors, University of Waterloo, shall be in the form impressed hereon.

That the Corporate Seal of the University of Waterloo shall be in the form impressed hereon.

Bylaw Number 7
A bylaw relating to the Signing Committee of the Board of Governors, University of Waterloo.

BE IT ENACTED as a bylaw of the Board of Governors, University of Waterloo, that:

The persons holding the office of the President of the University of Waterloo, and the Chair of the Board of Governors or in his absence, the Vice-Chair of the Board of Governors of the University of Waterloo, are hereby constituted as a standing committee of the Board of Governors (hereinafter called the “Signing Committee”) with power and authority to designate or appoint such officers or agents of the University as signing officers on behalf of the University as the said Signing Committee may from time to time deem expedient and advisable for all or any purposes of the University, including power to define the terms, limits and scope of any such signing authority and with further power to revoke, repeal, modify, alter or vary any signing authorities heretofore established pursuant to the Bylaws of the Board of Governors and the resolutions thereunder and/or subsequently established by the Signing Committee pursuant to the foregoing powers. The general powers conferred by this Bylaw shall be subject always to the power reserved to the Board of Governors during the tenure of the Signing Committee to specify by resolution who the signing officer or officers might be in any specified particular instance.

Any appointment or designation of signing authorities (or revocation, alteration, modification or variation thereof) by the Signing Committee shall be in the form of a resolution in writing executed by the incumbent President of the University and Chair of the Board of Governors (or Vice-Chair of the Board of Governors) of the University and under the corporate seal of the University, and shall not be in full force and effect until an executed copy of such resolution under the corporate seal of the University is filed with the Secretary of the Board of Governors, the Vice-President, Administration & Finance, the Internal Auditor of the University and the External Auditor of the University. In addition, the incumbent President and Chair of the Board of Governors shall respectively retain for their separate files executed copies of each such resolution.

Notwithstanding the provisions of the foregoing paragraph, any party dealing with the University of Waterloo shall be entitled to rely upon a copy of this Bylaw and any resolution by the Signing Committee pursuant thereto (including extracts from any such resolution) upon receipt of such a copy or extract duly certified as such by the Secretary of the Board of Governors under the corporate seal of the University and further certifying that it is in full force and effect.

All Bylaws presently in force (and any resolutions passed pursuant thereto) relating to the signing powers of officers and agents of the University shall continue in full force and effect except insofar as they may be revoked, repealed, altered, modified or varied pursuant to the provisions of this Bylaw.


Bylaw Number 8
A bylaw relating to the election of persons to membership on the Board of Governors, University of Waterloo.

BE IT ENACTED as a bylaw of the Board of Governors, University of Waterloo, hereinafter referred to as the University:

That in accordance with Section 11.3 of the University of Waterloo Act, 1972, the seven members of faculty appointed by Senate to the Board be so appointed in such rotation and prior to the times their terms expire, by methods approved by Senate from time to time.

That in accordance with Section 11.4 of the University of Waterloo Act, 1972, the five student members of Senate appointed to the Board be so appointed in such rotation and prior to the times their terms expire, by methods approved by Senate from time to time.

That in accordance with Section 11.5 of the University of Waterloo Act, 1972, two members
of the full-time staff of the University be elected as members of the Board in such rotation and prior to the times their terms expire in accordance with procedures approved by the Board from time to time.

That to accomplish the objectives of Sections 11.2 and 11.6 of the University of Waterloo Act, 1972, the Board may establish each year at its first meeting a Nominating Committee which shall have the following membership and terms of reference:

Membership
The Chair of the Board.
Three other members of the Board, at least one of whom shall be an alumnus and at least one of whom shall be a community-at-large member of the Board.
The President.

Terms of Reference
a Following the establishment of a Nominating Committee as hereinbefore provided for, the said Committee shall arrange for notification to be sent to each community-at-large member of the Board whose term of office expires during the then calendar year. If the member or members whose term(s) so expire(s) is eligible for a further term of office, the Committee shall determine whether the member wishes to be considered for such further term.
b Where a Board member's term of office is expiring and who is eligible for and indicates a willingness to serve a further term, the Nominating Committee may so report to the Board with a recommendation that the Board reappoint such member or members. If it wishes, the Nominating Committee may recommend more names for consideration by the Board than there are seats to be filled, in which case the Board shall determine by secret ballot or by such other means as it shall establish, which of the names received shall be appointed. The Board may also receive nominations from any member of the Board, verbally or in writing.
c In all instances where names are considered for Board membership, those submitting the names for consideration (including the Nominating Committee) are required to assure the Board at the time of presentation of the name(s) that the individual(s) will accept appointment.
d In the event a Nominating Committee is established by the Board as provided for herein, the powers and duties of the Executive Committee of the Board of Governors under Section 3(f) of Bylaw Number 1 with respect to additions to Board membership by way of appointment or re-appointment of community-at-large members shall stand in abeyance during the life of the said Nominating Committee.
e The Committee shall arrange that notification be forwarded to the Lieutenant-Governors-in-Council of the expiry of terms of appointees referred to in Section 11.2 and request that the Board be notified of re-appointments or new appointments.


Bylaw Number 9
A bylaw respecting the meetings of the Board of Governors, University of Waterloo.

BE IT ENACTED as a bylaw of the Board of Governors, University of Waterloo, that:

Regular Meetings
The Board of Governors shall hold a minimum of four (4) regular meetings per year. The dates and times of such meetings shall be established from time to time by the Board of Governors and such dates and times shall be published in the University calendar.

Notice of Meeting and Agenda Distribution
Notice in writing of each regular meeting will be sent to Board members at least fourteen (14) days in advance of the meeting date. Agenda material for such meeting will be sent by post to all members of the Board at least seven (7) days prior to the date of each such meeting. The dates, times and places of all such meetings will be made available to the University community and the community-at-large through the Office of the Secretary of the University.
**Special Meetings**
Special meetings of the Board of Governors shall be held at the call of the Chair or Vice-Chair of the Board of Governors.

**Persons Entitled to be Present**

a. All regular and special meetings of the Board shall be open to members of the University community, the community-at-large, and representatives of the news media. The Board will make every effort to hold its meetings in a room sufficiently large to accommodate those who indicate, two full working days in advance of the meeting, their desire to attend.

b. Non-Board members in attendance at meetings shall observe the rules of decorum established by the Board.

c. i. The Board, notwithstanding the provision of the preceding paragraphs, and provided that all meetings shall begin in open session, shall have the right to hold that part of any meeting in camera where confidential financial matters of the University are being considered, or where intimate financial or personal matters of any person may be disclosed, unless such person requests that such part of the meeting be open to the public.

   ii. The Executive Committee shall determine for purposes of the agenda, whether any matter is a confidential financial matter of the University or an intimate financial or personal matter of any person, and such matter shall be so designated on the agenda for such Board meeting and shall be designated and described in a manner consistent with maintaining the confidentiality of such matter.

   iii. The Board shall initially deal with any such confidential matter in camera, but, after receiving the pertinent information, relative to the confidential matter, may direct that the matter be thereupon considered in open session.

**Secretary of the Board of Governors**
The Secretary of the University or his designate shall be the non-voting Secretary of the Board of Governors.

Approved -- October 2, 1973.

**Bylaw Number 10**
A bylaw respecting Bylaws Number 1 to 11, both inclusive, of the Board of Governors, the University of Waterloo, enacted by the said Board pursuant to the provisions of the University of Waterloo Act, 1959, and amendments thereto.

WHEREAS the Board of Governors, University of Waterloo, has pursuant to the powers granted to it by the University of Waterloo Act, 1972, enacted certain bylaws and regulations for the conduct of its affairs;

AND WHEREAS the said Board has power pursuant to the provisions of the said Act to amend or repeal all bylaws, orders and regulations of the University of Waterloo, and of the Board of Governors, The University of Waterloo, passed pursuant to the powers contained in the University of Waterloo Act, 1959, and amendments thereto;

NOW THEREFORE BE IT ENACTED as a bylaw of the Board of Governors, University of Waterloo, that:

Bylaws Numbers 1 to (11), both inclusive, passed by the Board of Governors, the University of Waterloo, pursuant to the provisions of the University of Waterloo Act, 1959, and amendments thereto, be and the same are hereby repealed.

Approved -- October 2, 1973.

**Bylaw Number 11**
A Bylaw respecting Conflict of Interest for Members of the Board of Governors of the University of Waterloo.
BE IT ENACTED as a Bylaw of the Board of Governors, University of Waterloo that:

A member* of the Board of Governors shall be
considered to have a conflict of interest, or the potential for a conflict of interest, when the opportunity exists for the member to use the authority, knowledge or influence of the Board, or a committee thereof, to further her/his personal, familial or corporate interests or the interests of an employee of the University with whom the member has a marital, familial or sexual relationship.

Members of the Board of Governors who have direct or indirect business dealings with the University are expected to disclose such interests to the Secretary of the Board of Governors on an annual basis.

On an ongoing, day-to-day basis members of the Board of Governors who have a conflict of interest, or the potential for a conflict of interest, with respect to any matter under consideration by the Board or a committee thereof:

a shall declare the nature and extent of the interest immediately and refrain from taking part in any discussion or vote in relation to the matter, and

b may be required to withdraw from any meeting at which the matter is discussed.

Where the Board or a committee of the Board to which the Board has delegated authority is of the opinion that a conflict of interest exists that has not been declared, the Board or committee may declare by a resolution carried by two-thirds of its members present at the meeting, that a conflict of interest exists and a member of the Board thus found to be in conflict shall:

a refrain from taking part in any discussion or vote in relation to the matter, and withdraw from the meeting when the matter is being discussed.

(*Given that the UW Act provides for faculty and staff members of the Board, it is desirable and appropriate for such members to participate fully in Board discussions and votes unless their personal interest in a topic under discussion differs substantively from the general interest of their UW faculty and staff colleagues. In particular, such members may take part in discussions and vote upon matters related to global remuneration or benefits, terms of employment, and rights or privileges of UW employees directly related to compensation established in a collective fashion for an employee group.)


Nominating Procedures to the Board
April, 2005

The nominating process for external governors is addressed by two Board By-laws (8 and 1, see below) and one “Protocol” (Protocol for the Appointment of External Board Members (attached)) all of which have been approved by the Board and which UW has followed, with one minor adjustment.

When the regular, agenda-setting meetings of the Executive Committee were discontinued a couple of years ago, there was no longer a venue for “formal” discussion of nominees (which were put forward by a subset of the Executive Committee, principally members of the Senior Officers Evaluation and Compensation Committee) by the Executive Committee before they went to the Board for approval. However, what we continued to do, was to circulate the nominees to members of the Executive Committee before we finalized the Board agenda, indicating that any Governor on the Committee who had concerns was to contact the Board Chair, the President or the Secretary. Within the last year, however, we have started to have a conference call among members of the Executive Committee to discuss nominees, and through this mechanism are replicating the process we had in place when the Executive Committee met regularly to set the Board agenda.

Protocol for the Appointment of External Board Members
March 15, 1994 (titles and footnote updated, 2006)

• The Board Bylaw which governs the establishment of the Executive Committee of
the Board delegates to the Executive Committee the power to "serve as the nominating committee of the Board for additions to its membership and appointments to its committees." This responsibility has been informally assumed by members of the Senior Compensation Committee, a subset of the Executive Committee, comprised of the Chair, Vice-Chair and Chancellor, who, following consultations and deliberations, put forward to the Executive Committee nominees for community-at-large appointments. After consideration of these nominees, the Executive Committee refers them to the Board to approve their appointments. In recent years, in response to requests from the Premier's Office, the Senior Compensation Committee has prepared a slate of nominees for consideration as Lieutenant Governor-in-Council appointees.

All discussions concerning appointments to the Board are done in camera, in keeping with the UW Act which provides that meetings can be held in camera where personal matters may be disclosed (section 27, subsection 2); it has been judged this practice is important given that many prospective board members would not allow their names to stand if their credentials were subjected to public debate. The recommendations of the Executive Committee to the Board are also done in camera.

- Identification of potential board members occurs through an informal but effective process, one which allows the Board sufficient flexibility in its appointments to be responsive to the changing needs of the University/society. The Senior Compensation Committee consults broadly both internally and externally, including the President, the Vice-President, Academic & Provost, the Vice-President, External Relations and the Secretary of the University. As well, recommendations for potential members are sought from a broad range of constituencies including current and past Board members, members of advisory committees, the alumni office, and university staff which allows for broad representation from the constituencies which UW serves.

- Consistent with its need for skills, knowledge, and expertise required to advance its institutional mission, and as is provided by section 11.6 of the UW Act ([community-at-large] members shall represent a broad spectrum of the community), the University of Waterloo is committed to seeking representation reflective of the changing demography of its internal and external communities.

- All members of the Board of Governors are responsible for:
  - exercising the powers and duties as defined by section 14 of the University of Waterloo Act, 1972 and bylaws established by the Board
  - attending to the quality of the presidency, and the review and support of the president
  - attending to long-range plans and mission statements, to the overall review of performance, and to the renewal of the institution
  - attending to the quality of staff services to the Board and in the orientation of new members
  - providing a mechanism to protect the autonomy of the institution and the freedom of expression of its members, while ensuring that the University serves the public welfare

- The Board as a whole must possess the skills, knowledge and experience necessary to govern a complex institution. It should be comprised of members who have:
  - experience at governance at a senior level
  - knowledge of the University of Waterloo
  - expertise in finance/investment, law, marketing, fund-raising, or major construction
  - commitment to the ownership of UW and its mission
  - propensity to think in terms of systems and context
  - ability to deal with values, vision and the long term
  - willingness to participate in deliberation
  - willingness to delegate, to allow those responsible to make management decisions

6. Individuals appointed to the Board should
complement the experience and skills of the existing Board so that the candidates add significantly to the overall competence of the full Board. They should be able to perform effectively the responsibilities described in paragraph 4. Members are required:

- to make a strong personal commitment to protect and advance the broad interests of the University
- to have relevant skills, knowledge and expertise
- to devote sufficient time to the service of the Board
- to put the interests of the University above the interests of their constituency

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POLICY 33 - Ethical Behaviour
Established: May 19, 1982
Last Updated: May 31, 1999
Class: FS

I. General Principles
The University is an autonomous community which exists to further the pursuit and dissemination of knowledge and understanding through scholarship and teaching. The University aims to ensure an environment of tolerance and respect and believes that the right of individuals to advance their views openly must be upheld throughout the University. The realization of these intentions requires respect for the following general principles:

- That each member of the University endeavour to contribute to the existence of a just and supportive community based on equality and respect for individual differences.

- That the University of Waterloo is committed to providing an environment which supports and rewards its members on the basis of such relevant factors as work performance and achievement. Harassment, discrimination and the abuse of supervisory authority, for example, are inimical to this environment. Further, as required by the Ontario Human Rights Code, the University has a responsibility to provide an environment free
from harassment and discrimination, and accordingly must deal effectively, quickly and fairly with any situation involving claims of harassment or discrimination that come to its attention.

- That services, benefits, opportunities, and facilities offered by the University be compatible with its purposes and be provided to all persons in the University community with the relevant qualifications. Thus, such provisions shall not be denied wholly or partly on irrelevant or prohibited grounds.

[Note: Under the Ontario Human Rights Code, a person has the right to equal treatment in a number of areas (i.e., services, goods and facilities, accommodation/housing, employment, contracts, membership in trade unions and vocational associations), free from discrimination based on the following prohibited grounds: race; ancestry; place of origin; colour; ethnic origin; citizenship; creed/religion; sex; sexual orientation; age; record of offences; marital status; same-sex partnership status; family status; receipt of public assistance; mental or physical handicap.]

- That the University supports academic freedom for all members of the University community. Academic freedom carries with it the duty to use that freedom in a manner consistent with the scholarly obligation to base teaching and research on an honest and ethical quest for knowledge. In the context of this policy, ‘academic freedom’ refers to academic activities, including teaching and scholarship, as is articulated in the principles set out in the Memorandum of Agreement between the FAUW and the University of Waterloo, 1998 (Article 6). The academic environment which fosters free debate may from time to time include the presentation or discussion of unpopular opinions or controversial material. Such material shall be dealt with as openly, respectfully and sensitively as possible.

- That no member of the University community (faculty, staff, student) unduly interfere with the study, work or working environment of other members of the University or any aspect of another’s University activity. This shall be taken to apply to the campus of the University and to official off-campus functions of the University, such as course- or program-related field trips and co-op employment.

- That those with supervisory authority (academic or employment) use such authority, both on campus and off, solely for the purposes explicitly stated or implied in University policies and with regard to the overall aims and purposes of the University.

2. Specific Principles: Human Rights

Without limiting the generality of Section 1 above, the following shall be taken as violations of this policy, and may also be in contravention of the Ontario Human Rights Code:

- Discrimination is defined as any action or behaviour that results in adverse or preferential treatment related to those grounds prohibited under the Ontario Human Rights Code.

- Harassment is defined as engaging in a course of vexatious comment or conduct that is known, or ought reasonably to be known, to be unwelcome.

- Sexual Harassment includes comment or conduct where acceptance of sexual advances is a condition of education or employment, or where rejection of sexual advances negatively impacts decisions that concern the recipient (e.g., grades, performance evaluation or any academic or employment decisions) or where unwelcome sexual advances, comment, conduct or communications interfere with the recipient’s work or study.

- A ‘poisoned environment’ (or one that is intimidating, hostile or offensive) can be created based on any of the prohibited grounds under the Ontario Human Rights Code, and can be described as comment or conduct that is contrary to the aims of
maintaining a supportive, respectful and tolerant environment.

It is recognized that harassment is often context-dependent and that, while sexual harassment typically takes place in a situation of power differential between the persons involved, it may occur between peers.

3. Violations, Redress
Members of the University community have the right to lodge complaints and to participate in proceedings without reprisal or threat of reprisal for so doing. Those with supervisory authority (academic or employment) are expected to be proactive in promoting respect for the general principles articulated in Section I and, with assistance and guidance from the Conflict Management and Human Rights Office (CMAHRO), are responsible for dealing with alleged violations of those principles. Such authority shall be taken to include permanent, temporary or delegated supervision of any faculty or staff member or student.

Those who receive complaints or who perceive what they believe to be violations of this policy shall act promptly to notify an appropriate administrative officer, normally one’s immediate supervisor, the department Head, Chair or Director, to provide or initiate the appropriate remedial or disciplinary measures. If the complaint pertains to that individual, it should be directed to the next administrative level (Dean, Associate Provost, Vice-President). Those dealing with alleged violations of this policy shall be guided by principles of fairness and natural justice. Complaints that are found after investigation to be of a frivolous and/or vexatious nature will not be pursued.

Disciplinary measures resulting from alleged infringements of this policy may be appealed under the grievance processes for staff (Policy 36), students (Policies 70/71), faculty (Article 9 of the Memorandum of Agreement). Members of CUPE 793 should refer to Article 15 of their Collective Agreement.

Individuals who believe they have been treated in violation of the Ontario Human Rights Code have the right to proceed directly to the Ontario Human Rights Commission. If taken, such a step does not relieve or alter UW’s responsibility to take appropriate administrative action to address the alleged violation.

[Note: Complainants may find it helpful to consult the University Secretariat (Needles Hall) or refer to organization charts on its website (www.adm.uwaterloo.ca/infosec/orgcharts/orgindex.htm) for assistance in identifying the immediate supervisor of a particular individual. Regarding courses taught at, or programs, facilities and residences administered by the Federated & Affiliated Colleges, faculty, staff and students should consult the individual designated by the appropriate College.]

4. Advice and Support
Any member of the University community who has reason to believe that he/she has been treated in violation of a principle stated in this policy is urged to contact one of the primary on-campus resources identified below for information or advice.

Conflict Management and Human Rights Office. The CMAHRO serves as the focal point and primary resource to all members of the University community on matters involving ethical behaviour and human rights issues. That Office sponsors the University Conflict Resolution Support Program, comprised of the:

- Resolution Support Program (RSP), which provides one-on-one support and advice by trained volunteers to those considering or initiating a complaint under UW policies;
- Conflict Intervention Program (CIP), whose members work with parties to a dispute, in an attempt to mediate and resolve problems informally and as close to source as possible.

University Police Services. In situations involving unwanted touching or aggressive and threatening behaviour, complainants are strongly advised to consider contacting UW Police Services (ext 4911; Commissary), preferably at the outset.
A person of responsibility (e.g., Head, Chair or Director) within one's own department or school. Members of the University community may also wish to consult the organizations that represent their interests: the Faculty Association; the Staff Association; CUPE Local 793; the Federation of Students; the Graduate Student Association. A comprehensive list of on-campus resources, including contact names, locations and telephone numbers, is available from the University Secretariat and posted on the CMAHRO website (http://www.adm.uwaterloo.ca/~infocmahro/).

Policy 69 - Conflict of Interest
Established: April 2, 1991
Class: FS

1. Preamble
A conflict of interest, or a potential conflict of interest, exists when a member of the University is or may be in a position to use research, knowledge, authority or influence for personal or family gain or to benefit others to the detriment of the institution.

2. General Philosophy and Procedures
The University acknowledges a commitment, as part of its overall mandate, to transfer knowledge, discoveries and technology to society for its benefit. Interaction of members of the University with external entities is desirable and encouraged when the activity is beneficial to the professional standing of the individual, the reputation of the University or provides a community or professional service. Whatever the nature of the external activities or relationships, the University expects each of its members B faculty, staff, student or officer B to act in a manner consistent with a high standard of integrity and ethical behaviour. Accordingly, the University of Waterloo obligates its members and officers acting on its behalf to avoid ethical, legal, financial or other conflicts of interest which may impede or compromise their University responsibilities or the mission of the institution.

This policy is meant to protect both the individual and the institution. Its fundamental tenet is that members should, of their own volition, take the initiative in disclosing conflicts or potential conflict of interest situations. The mere existence of a conflict or a potential conflict does not necessarily imply that the activity concerned should cease. Indeed, conflicts may cover a broad spectrum from those that are minor and easily controlled to those whose consequences could be very serious. There are situations sufficiently complex that judgments may differ as to whether a conflict exists. Accordingly, any member of the University community with a conflict or potential conflict should seek the counsel and advice of her/his immediate supervisor and disclose the details to that individual. A disclosure form (see next page) is available for this purpose.

The immediate supervisor (in consultation with her/his supervisor, when appropriate) will determine whether a conflict, real or potential, exists. In the event that a conflict exists or will exist, the immediate supervisor and the member will agree on a course of action to monitor or avoid the conflict, after which written documentation of the agreement will be held by both the member and her/his immediate supervisor. In the event that agreement cannot be reached, the case will be referred through the appropriate line management channels for resolution, up to and including the Vice-President, Academic & Provost, if necessary.

It is assumed that those with academic or employment supervisory authority who detect what they believe to be violations of this policy will act promptly to provide or initiate the appropriate remedial or disciplinary measures as set out in other University policies, procedures and agreements (including 18, 33, 36, 62, 71 and the Memorandum of Agreement).

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1Statements pertaining to conflict of interest situations are contained in other UW policies, including: 33 (Ethical Behaviour); 40, 44, 45, 48, 50 and 68 (re Academic Administrators); 41 (Contract Research); 49 (Extra-University Activity); 52 (Private Corporations); 62 (Conflict of Interest in Employment & Supervision of Personnel); 66 (Use of University Resources and Affiliation); 77 (Tenure and Promotion).
3. Examples
The following list of examples, while not comprehensive, is illustrative of situations which may lead to an indirect or direct conflict of interest:

**Favoring of Outside Interests for Personal Gain:**
Entering into a research contract with a company in which the faculty or staff member, or a member of her/his immediate family, has a financial or other interest.

Directing the faculty member’s government sponsored research program to serve the research or development needs of a private firm in which the faculty member has a financial or other interest.

Influencing the purchase of equipment or materials for the University from a company in which the faculty or staff member has a financial or other interest.

Accepting significant gifts or special favors for personal gain from private organizations with which the University does business.

Entering into a licensing agreement for the development of intellectual property, generated as a result of University research, with a company in which the faculty or staff member has a financial or other interest.

**Inappropriate Use of University Personnel, Resources or Assets:**
When a supervising faculty or staff member uses University students or staff on University time to carry out work on her/his own behalf for a company in which he/she has a financial or other interest.

Unauthorized and non-reimbursed use of University resources or facilities to benefit a private concern in which the faculty or staff member has a financial or other interest.

**Inappropriate Use of Information:**
Using for personal gain, or other unauthorized purposes, privileged information acquired as a result of the faculty or staff member’s University-supported activities; such information might include knowledge of forthcoming developments requiring contractor or sub-contractor selection, bulk purchases, etc.

Unreasonably delaying publication of research results (e.g., thesis research) or premature announcement of research results to secure personal gain.

**Conflict of Commitment:**
Undertaking external consulting, professional or other activities which, by virtue of their time commitment, prevent the faculty or staff member from fulfilling her/his obligations to the University.

Involvement in external organizations which bring a faculty or staff member into a position of divided loyalty between the mission of the University and the interests of the external organization.

**Inappropriate Involvement in Appointment Processes:**
Participating in the appointment, promotion or hiring of a person with whom the faculty or staff member has a marital, familial or sexual relationship.

**Disclosure Forms**
[Disclosure forms are available at the end of this document, from the Secretariat, or at http://www.adm.uwaterloo.ca/infosec/forms/conflict_disclosure.html.]

**Background re: development of guidelines and procedures on conflict of interest**

**Preamble**
The potential for conflict of interest has always existed in university communities because of the diverse interactions of faculty, staff and graduate students with external organizations. However, the increasing complexity of society and the changing role of universities in that society, the multiplicity of interuniversity, university-industry and university-community relations have created a new awareness of the need for guidelines concerning conflict of interest. Few will argue that while the basic mandate of universities B education, research
and scholarship, and public service B remains, each institution is struggling to define its own distinctive role and to cope with the reality of a new financial environment. Rapid developments in science and technology over the past two decades, and the realization that transfer of technology from universities to the private sector can contribute significantly to international competitiveness, have generated pressures and financial incentives to engage in cooperative research ventures, consulting or external business relationships. More than ever before, faculty, staff, graduate students and administrators are being asked to engage in a diverse range of economic development activities which carry the potential for conflict of interest. Unless such conflicts are identified and monitored, the very essence of the university mission may be compromised.

Defining Conflict of Interest

Conflicts of interest may be individual or institutional. An individual conflict can be defined as any external activity or undertaking which places an individual in a position which:

A. influences University research, education or business for personal gain, or
B. interferes with or prevents the discharge of her/his University responsibilities, as defined by the individual’s employment contract; this is, in reality, a conflict of commitment.

The overall thrust of this definition is that the best interests of the University may be compromised to the personal benefit of the individual employee.

Individual conflicts of interest often derive directly or indirectly from opportunities to participate in externally funded research and in a subsequent interplay between the results of the research and a faculty member’s personal or financial interests. Such situations frequently place faculty and staff members in a position to manage contracts, select equipment and supplies, involve graduate students in sponsored research or play administrative roles which demand the utmost in integrity and honesty. Even the appearance of an apparent conflict can have a negative impact on the University and the individual in the eyes of the community.

Institutional conflicts of interest may occur when the University enters into contractual relationships with external bodies, usually private corporations but sometimes government agencies, which bring it into potential conflict with its mandate, with the personal activities of its Board of Governors or even its status as an educational institution. These potential institutional conflicts must be monitored by its governing bodies.

Ethical Principles

In drafting a conflict of interest policy for the University, the Committee was cognizant of both the positive and negative aspects of that part of the University’s mission which can be described as “service to society”. On the one hand, the University has an implicit obligation to transmit knowledge and the results of research to society for its benefit. On the other hand, the financial incentives and pressures to contribute to economic and societal well-being have, in the minds of some, distorted University priorities and led to an erosion of autonomy and independence. In this changing environment, it is of paramount importance that the institution have in place a code of ethics which obligates its faculty, staff, students and officers acting on its behalf to avoid ethical, financial or legal conflicts which prejudice the best interests of the University. Thus, a policy on conflict of interest should be an integral component of an entire matrix of policies on ethical behaviour in general at the University of Waterloo.

Policy Type

Clearly, defining the entire spectrum of potential conflict of interest situations, both individual and institutional, would be a daunting task. Furthermore, the generation of an exhaustive list of restrictions designed to eradicate conflicts would most certainly compromise the ability of the University to create an environment conducive to the discovery and dissemination of knowledge, the search for truth and understanding, the quality of life and the needs of society. The Committee became convinced that the best interests of the institution would not be
served by a restrictive “do not” policy. Such a rigid approach would run counter to the freedom to innovate and the spirit of entrepreneurship which have characterized the University of Waterloo throughout its brief history. Accordingly, the Committee opted for the disclosure route in defining a conflict of interest policy.

Identifying Potential Conflict Situations
One of the keys to any conflict of interest policy relying on disclosure is the ability of individual employees in the institution to recognize possible conflict of interest situations so that they can, in good faith, be recorded and managed. The Committee felt that it would be very useful to provide a list of situations which may be of concern in order to alert employees to potential problem areas. This list can be found in the “Examples” section of the policy on Conflict of Interest.

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE &amp; RANK</td>
<td>ACADEMIC YEAR</td>
</tr>
</tbody>
</table>

1. Compensated External Professional Activity (Consulting, Board Memberships, Teaching, etc.)

<table>
<thead>
<tr>
<th>Company or Organization</th>
<th>Description of Relationship, Form of Compensation and Conflict or Potential Conflict of Interest</th>
</tr>
</thead>
</table>

2. Business Interests and Relationships (Personal, Family or Other)

<table>
<thead>
<tr>
<th>Company or Organization</th>
<th>Description of Relationship, Form of Compensation and Conflict or Potential Conflict of Interest</th>
</tr>
</thead>
</table>

3. Other External Activities

<table>
<thead>
<tr>
<th>Company or Organization</th>
<th>Description of Relationship, Form of Compensation and Conflict or Potential Conflict of Interest</th>
</tr>
</thead>
</table>

SIGNATURE | DATE

Procedure 1 - Contracts and Agreements - Excluding Research
Established: November 1994
Last Updated: October 2005

The level of authority required to enter into contracts and agreements relating generally to the operation and development of the University and to bind the University to the terms thereof shall depend on the dollar amount of such contracts and agreements as set out below; those in excess of $10,000,000 require the approval of the Board of Governors. Where such approval is required between regular meetings of the Board, the Board authorizes the Board Executive Committee to act on its behalf. Persons designated or appointed under this resolution are expected not to exercise their signing authority in circumstances where conflicts of interest exist or could be seen to exist; in addition, they are expected to inform their immediate supervisor when such circumstances exist.

A. Up to $10,000,000
One of:
the Chair or Vice-Chair of the Board of Governors

and One of:
President
Vice-President, Academic & Provost

B. Up to $5,000,000
One of:
President
Vice-President, Administration & Finance
Director of Finance

C. Up to $2,000,000
One of:
Vice-President, Administration & Finance
Director of Finance
D. Up to $100,000
University personnel identified above may delegate their signing authority to other University employees. Any such delegation shall not be in full force and effect until the Secretary of the Board of Governors is informed in writing of the names and job titles of the people involved and the conditions under which such authority may be exercised and, in turn, the Secretary has provided such information to the President, the Vice-President, Administration & Finance, and the University's Internal and External Auditors in a document under the corporate seal of the University.

Appendix A
According to the provisions of Procedure 1 - Contracts and Agreements - Excluding Research, Section C, signing authority to enter into contracts and agreements and to bind the University to the terms thereof, has been delegated as follows:

1. GENERAL
Relating to the general operation and development and expansion of the University except as otherwise provided for in this Appendix:

A. Up to $100,000:
The Director of Finance

2. PROCUREMENT AND CONTRACT SERVICES
Relating to goods and services in general, except as otherwise provided for in this Appendix:

A. With respect to a single transaction of up to $100,000:
One of:
The Manager of Procurement and Contract Services
The Director of Finance
The Vice-President, Administration & Finance

B. With respect to a single transaction of up to $50,000:
The Senior Buyer

C. With respect to a single transaction of up to $25,000:
A Buyer

D. With respect to a single transaction of up to $5,000:
An Assistant Buyer

E. With respect to a maximum commitment with respect to any single transaction of up to $2,500:
Requisitioners authorized by the Manager of Purchasing Services under a systems contracting agreement.

3. FOOD SERVICES
Relating to food and other expendable supplies for Food Services operations:

A. With respect to a single transaction of up to $100,000:
The Director of Food Services

B. To approve and accept orally or otherwise, delivery of food and expendable supplies committed by contract:
One of:
The Director of Food Services
Assistant Director of Food Services
Unit Managers/Supervisors

C. To approve the purchase to a limit of $25,000 per transaction (normally and usually by oral agreement) and to accept delivery of food and expendable supplies not committed by contract:
Assistant Director of Food Services

4. UNIVERSITY RETAIL SERVICES
Relating to the purchase of books, computers and other items for resale in Retail Services which includes the Bookstore, Computer Store, Techworx, UW Shop and Artworx:

A. With respect to a single transaction of up to $100,000:
One of:
The Director of Retail Services
The Manager, Computer Store

B. With respect to a single transaction not exceeding $50,000, purchased for resale of books or computers:

Textbook Manager, General Books Buyer, Techworx Manager
Unix Buyer, Hardware and Software Buyer

C. With respect to a single transaction not exceeding $20,000 of general merchandise (non-book products):

UW Shop Manager

D. With respect to the purchase of general merchandise for resale to a maximum commitment to any single transaction up to $2,000:

Techworx Sales Assistant
UW Shop Buying Assistant

5. HOUSING & RESIDENCES
Relating to agreements for the provision of Housing & Residence services:

A. With respect to a single transaction of up to $100,000:

One of:
The Director of Housing & Residence Administration
The Director of Residence Life

6. UW GRAPHICS
Relating to agreements for the provision of printing, reprographic and design services:

A. With respect to a single transaction of up to $100,000:

The Director of UW Graphics

7. LIBRARY
Relating to the acquisition of library materials and the provision of services:

A. With respect to a single transaction of up to $100,000:

One of:
The University Librarian
The Associate Librarian
The Director, Library Resources Management
The Assistant University Librarian, Information Resources
The Assistant University Librarian, Information Services

8. COMPUTING, INFORMATION PROCESSING, AND COMMUNICATIONS NETWORKS
Relating to the acquisition, or the sale or distribution of software or hardware owned by or held under agreement by the University of Waterloo:

A. With respect to contracts, licences and agreements for the acquisition of software systems or computer programs, and contracts, agreements and licenses for the acquisition or maintenance of computer and/or computer communications equipment or for computer consulting agreements for which the cost or licence fee exceeds $10,000 in any one year; but excluding acquisitions or contracts which are part of a research activity:

The Associate Provost, Information Systems & Technology

and One of:
The Group Director, Administrative Support, Information Systems & Technology
The Group Director, Production Support, Information Systems & Technology

B. With respect to contracts, licences, and agreements for the acquisition of software systems or computer programs, and contracts, agreements and licenses for the acquisition or maintenance of computer and/or computer communications equipment or for computer consulting agreements for which the cost or licence fee will not exceed $10,000 in any one year; but excluding acquisitions or contracts which are part of a research activity:
One of:
The Associate Provost, Information Systems & Technology
The Group Director, Administrative Support, Information Systems & Technology
The Group Director, Production Support, Information Systems & Technology

C. With respect to contracts, agreements and licences to establish the University of Waterloo as an authorized dealer, distributor, maintenance facility, or licensor of computer equipment, supplies and/or software:

One of:
The Associate Provost, Information Systems & Technology
The Director, University Business Operations
and One of:
The Director of Retail Services
The Manager, University of Waterloo Computer Store
The Group Director, Administrative Support, Information Systems & Technology

9. PLANT OPERATIONS
Relating to the maintenance and operation of buildings and grounds; the purchase of utilities; the construction of new buildings and for additions, alterations or renovations to existing buildings as well as to site services and landscaping:

A. With respect to a single transaction not exceeding $100,000:

One of:
The Vice-President, Administration & Finance
A Director of Plant Operations

B. With respect to Short Form Contracts not exceeding $20,000:

The Director of Design & Construction Services/University Architect may delegate signing authority along with responsibility for Short Form Contracts not exceeding $5,000 to appropriate people within the Design and Construction Services Section of Plant Operations.

10. INTERNATIONAL TRAINING AND EXCHANGE
Relating to international training and exchange:

A. With respect to a single transaction of up to $100,000:

The Associate Vice-President, Academic

Procedure 1A - Contracts and Agreements - Research
Excised from Procedure 1
Established: June 2003
Last Updated: October 2005

The level of authority required to enter into contracts and agreements relating to the research enterprise of the University and to bind the University to the terms thereof shall depend on the dollar amount of such applications and proposals. Persons designated under this resolution are expected not to exercise their signing authority in circumstances where conflicts of interest exist or could be seen to exist; in addition, they are expected to inform their immediate supervisor when such circumstances exist. (Refer to Policy 69 - Conflict of Interest.)

A. RESEARCH CONTRACTS, AGREEMENTS, GRANTS & LICENCES:
SINGLE TRANSACTION OF MORE THAN $5,000,000:

One of:
The President
The Vice-President, Academic & Provost
and:
The Vice-President, University Research

B. RESEARCH CONTRACTS, AGREEMENTS, GRANTS & LICENCES:
SINGLE TRANSACTION OF UP TO $5,000,000:

The Vice-President, University Research
and:
The Dean(s)*

C. LICENCES AND AGREEMENTS WITH RESPECT TO TECHNOLOGY TRANSFER: SINGLE TRANSACTION OF UP TO $1,000,000:

The Vice-President, University Research
and:
The Vice-President, Administration & Finance

D. RESEARCH CONTRACTS AND AGREEMENTS: SINGLE TRANSACTION OF UP TO $100,000:

University personnel identified above may delegate their signing authority to other University employees. See Appendix A.

*More than one Dean may be involved in multi-disciplinary cases (see also Procedure 10)

Appendix A

According to the provisions of Procedure 1A - Contracts and Agreements - Research, signing authority to enter into contracts and agreements and to bind the University to the terms thereof, has been delegated as follows:

1. RESEARCH CONTRACTS AND INDUSTRIAL GRANTS

A. With respect to a single transaction of up to $100,000:

A Manager, Contracts Research & Industrial Grants

and One of:
The Senior Manager, Research Finance & Systems
The Manager Operations, Contracts Research & Industrial Grants & Finance

B. With respect to a single transaction of up to $50,000:

A Contracts & Industrial Grants Administrator

and:

A Manager, Research Finance

2. NON-INDUSTRIAL RESEARCH GRANTS

A. With respect to a single transaction of up to $100,000:

One of:
The Manager, Research Grants
A Manager, Contracts Research & Industrial Grants

and One of:
The Senior Manager, Research Finance & Systems
The Manager Operations, Contracts Research & Industrial Grants & Finance

B. With respect to a single transaction of up to $50,000:

A Research Grants Administrator

and:

A Manager, Research Finance

3. Relating to contracts, licences and agreements for the acquisition of software systems or computer programs, and contracts, agreements and licenses for the acquisition or maintenance of computer and/or computer communications equipment or for computer consulting agreements which arise as a result of a research activity, and for which the cost or licence fee exceeds $10,000 in any one year:

One of:
The Vice-President, University Research
The Associate Provost, Information Systems & Technology
The Director, Contracts Research & Industrial Grants

and One of:
The Director, Research Finance
The Senior Manager, Research Finance & Systems

4. With respect to contracts, licences and agreements for the acquisition of software systems or computer programs, and contracts,
agreements and licenses for the acquisition or maintenance of computer and/or computer communications equipment or for computer consulting agreements which arise as a result of a research activity, and for which the cost or licence fee will not exceed $10,000 in any one year:

One of:
The Vice-President, University Research
The Director, Contracts Research & Industrial Grants
The Director, Research Finance The Senior Manager, Research Finance & Systems

5. LICENCES AND AGREEMENTS WITH RESPECT TO TECHNOLOGY TRANSFER

A. With respect to a single transaction of up to $100,000:
The Director of Finance

and One of:
The Director, Technology Transfer & Licensing
The Director, Research Finance

Procedure 6 - Signing Authorities: Contracts and Agreements - UW Pension Plan and Insured Benefit Plans for Faculty and Staff
February 1990

I. The following are authorized on behalf of the University to enter into contracts and to issue requests, directions, requisitions or instructions in connection with the administration of the University Pension and Insured Benefit Plans:

One of:
The Chair of the Pension & Benefits Committee
The Vice-President, Administration & Finance
The Director of Finance

And one of:
The Associate Provost, Human Resources & Student Services
The Director of Pension & Benefits, Human Resources

Procedure 8 - Banking
May 1996

I. Within the limitations set out below, the following are authorized to issue cheques and other financial instruments on behalf of the University and to complete such forms as are necessary for the University to establish its banking arrangements with its authorized bankers:

The Chair of the Board of Governors
The Vice-Chair of the Board of Governors
The President
The Vice-President, Academic & Provost
The Vice-President, Administration & Finance
The Director of Finance
The Manager, Investments & Insurance
The Manager of Accounts Payable

A. All bona fide cheques presented for payment bearing facsimile signatures of any two of the signing authorities above are valid and legal direction of payment to the University's bankers.

B. Any one of the authorities above, or any delegate (excepting any cashier) designated by the Director of Finance is authorized on behalf of the University to receive all cancelled cheques and other debit vouchers charged to any account of the University and to execute from time to time the bank's form of receipt thereof.

II. Any two of the following are authorized on behalf of the University to borrow, from time to time, from the University's authorized bankers, a sum or sums not exceeding in the aggregate the maximum credit limit which shall be established from time to time by arrangements between the University's Board of Governors and its bankers:

The Chair of the Board of Governors
The Vice-Chair of the Board of Governors
The President
The Vice-President, Academic & Provost
The Vice-President, Administration & Finance
Procedure 9 - Investments
May 1996

Any two of the following are authorized to complete transactions in regard to investments, within the limits set out from time to time by the Board of Governors Audit Committee:

- The Chair of the Board of Governors
- The Vice-Chair of the Board of Governors
- The President
- The Vice-President, Academic & Provost
- The Vice-President, Administration & Finance
- The Director of Finance
- The Manager, Investment & Insurance

Procedure 25- Contracts and Agreements -- Zero or Unspecified Dollar Amount
Established April 2004

Where contracts or agreements, relating generally to the operation and development of the University, contain either zero or unspecified dollar amounts, the authority to bind the University to such contracts and agreements is set out below. Accountability for due diligence prior to execution and ultimate compliance following execution rests with the co-signatories. Persons designated under this resolution are expected not to exercise their signing authority in circumstances where conflicts of interest exist or could be seen to exist. In addition, they are expected to inform their immediate supervisor when such circumstances exist. (Refer to Policy 69.)

Executed originals are to be retained in the offices of the Dean, department head, or President/Provost. A copy of the executed document is to be filed with the Secretary of the University.

A. Faculties
The Faculty Dean

and One of:
The Academic Department Chairs

B. Academic Support Departments
One of:
The Vice-Presidents

The Secretary of the University
The Associate Provosts
The Associate Vice-Presidents
The Dean of Graduate Studies

and One of:
The Department Heads

C. Executive/University Level
One of:
The President
The Vice-President, Academic & Provost

and One of:
The Vice-Presidents
The Associate Provosts
The Secretary of the University
The Associate Vice-Presidents
The Deans

Note:
Advice on contracts and agreements is available from:
- the Secretary of the University (general legal, liability, indemnification)
- the Investment Manager (insurance, liability)
- Procurement Services (general re: contracts)
- Finance (tax)

Audit Committee
Terms of Reference
Review the annual financial statements and the external auditor's report with the external auditors prior to their issuance; review contentious issues and recommend the statements to the Board of Governors for approval.

Review the audit plan annually from the external auditors re scope of the audit to be done, and the costs. Appraise the overall approach and the related fees.

Recommend annually to the Board on the appointment/reappointment of external auditors and on the fees to be paid.

Review reports to management from the external auditors on internal controls and observations. Ensure that management has taken the appropriate action or determine that such action is not necessary.
Report to the Board as appropriate on the activities of the external and internal auditors (and the adequacy of their activities), the accounting policies, the adequacy of disclosure of information, the management systems and the internal accounting controls.

Membership and Frequency of Meetings
Five external members of the Board of Governors, including at least two members from the Community-at-Large constituency, and at least two members from the Lieutenant-Governor-in-Council constituency. At least one member of the Committee is expected to have major financial expertise and experience.

The Committee will normally meet not more often than three times per year.

Discharge of Duties
In discharging its duties, the Audit Committee determines that a number of standards are met and that certain checks and balances are in place. Among them:

- Confirming that external funds are properly directed when designated for a specific purpose.
- Ensuring that financial officers, external auditors and internal auditors have direct access to the Committee re any concerns they have about matters they feel have not been satisfactorily handled by others. It should also ensure that there are no unresolved issues between management and the auditors that could affect the audited financial statements.
- Maintaining, by way of regularly scheduled meetings, a line of communication with the Board of Governors to provide information on financial performance and on the work done by the external auditors and internal auditors.
- Reporting on the following to the Board of Governors (either as a part of its annual report regarding the financial statements, or separately from that), the adequacy of performance of the internal and external auditors, the appropriateness of the accounting policies, the adequacy of disclosure of information, quality of internal accounting controls.
- Determining whether any restrictions have been placed on the activities of the external auditors or internal auditors by management.
- Determining the effectiveness of the management of the financial and accounting functions.
- Reviewing the financial statements to determine: whether there have been significant changes since last audit; whether there have been changes in accounting principles; whether significant changes (e.g., sale or acquisition of property) have been highlighted; any major changes in internal controls; significant weaknesses in controls; asset protection levels.
- Meeting with the external auditors any time the auditors request.
- Determining what services the external auditors provide in addition to the audit of the financial statements.
- Ensuring that appropriate auditing has taken place with respect to all joint venture funds (e.g., research projects, joint corporations, etc.).

[Approved by the Board of Governors: April 5, 1988.]

Finance & Investment Committee
Terms of Reference
Finance
1. To exercise general oversight over the financial affairs of the University and to keep the Board informed. It shall review the preliminary and final annual budget and make recommendations thereon to the Board.

2. To ensure the establishment of adequate financial controls for the implementation of policies and decisions adopted by the Board, including budgetary matters.

Investment
1. To review and recommend to the Board, as required, UW's investment policies, objectives
and strategies.

2. To review regularly the portfolio and the performance of the external fund managers and to take actions as may be deemed appropriate.

To review, periodically, the administrative structures, policies and practices in place regarding prudent and practical risk management.

To report on its activities, at least annually, to the Board of Governors.

Membership (with Committee power to add)
Three members with at least two being external members of the Board of Governors.
The chair shall be chosen from among the external members; the Secretary of the University, or designate, shall be Secretary of the Committee. The Provost and the Vice-President, Administration and Finance, shall be resources to the Committee.

Frequency of Meetings
The Committee will normally meet not more often than two times per year.

[Approved by the Board -- February 4, 2003]

Buildings & Properties Committee
Terms of Reference
To make recommendations to the Board of Governors on campus planning and development, including: the acquisition or disposal of land or buildings; the use of land, buildings and facilities; the siting of buildings and roads.

To review capital submissions made to the Ministry of Training, Colleges and Universities.

To make recommendations to the Board of Governors regarding construction projects exceeding $1,000,000, including: the appointment of architects and design consultants; the budget; the design; and the award of general contracts.

For all site work, new construction, alterations and major repair, to ensure that the University has in place appropriate procedures for:
- cost estimating
- competitive tendering of bids
- awarding of contracts
- contract administration
- cost control
- payment to contractors

To ensure that the University complies with all building codes, fire codes, safety regulations, and other government regulations in its buildings and grounds program.

To ensure that the University has appropriate maintenance programs in place for buildings and grounds.

Membership (with Committee power to add)
Five external members of the Board of Governors (including at least two members from the Community-at-Large constituency, and at least two members from the Lieutenant-Governor-in-Council constituency)

President, Federation of Students

[Approved by the Board -- February 7, 1989; amended October 3 and December 15, 1989, and April 11, 2000]

Senior Officers’ Evaluation & Compensation Committee
Terms of Reference
To evaluate on behalf of the Board the performance of the Senior Officers of the University and to review and approve their compensation and conditions of employment.

Senior Officers include: the President; the Vice-President, Academic & Provost; the Vice-President, Administration & Finance; the Vice-President, University Research; the Vice-President, University Relations; and the Secretary of the University.

Other Senior Officers, including the Deans and all Associate Provosts will be evaluated by the President and the Vice-President, Academic & Provost, and reported to the Senior Officers’ Evaluation and Compensation Committee.

Membership and Frequency of Meetings
Chancellor
Chair of the Board, who shall be Chair of the Committee
Vice-Chair of the Board
Two Members of the Board chosen annually by nomination by the Chair to the Executive Committee and approved by the Executive Committee
The President (advisor)
The Committee will normally meet not more often than two times a year.