

Board of Governors

Open, Confidential and In Camera Sessions

October 29, 2024

Needles Hall

NH 3407

200 University Avenue West

Waterloo, ON N2L 3G1

Think Differently | Act with Purpose | Work Together

20241029 Board of Governors Meeting Book

Board of Governors Meeting

Governance Resources

<https://uwaterloo.ca/secretariat/governing-bodies/board-governors>

Territorial Acknowledgment

OPEN SESSION

1:30 p.m.	1. Approval of Agenda		
	1.1. Agenda and Minutes		
	1.1. Approval of Agenda Memo	Decision	6
	1.1.1. Declarations of Conflict of Interest		
	1.1.2. Approval of Agenda and Consent Items		
	1.1.3. Business Arising from the Minutes		
1:35 p.m.	2. Remarks from the Chair [Gamble]		
	2.1. Remarks from the Chair Memo	Information	7
1:40 p.m.	3. Report of the President [Goel]		
	3.1. General Update Memo	Information	8
2:00 p.m.	4. Audit & Risk Committee Report		
	4.1. Report from the Chair [Khan]		
	4.1.1. A&R Report from the Chair Memo	Information	9
2:10 p.m.	5. Building & Properties Committee Report		
	5.1. Report from the Chair [Saabas]		
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	5.2. Campus Plan Update [Reitsma]		
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	5.3. Geothermal Bore Holes Project [Reitsma/Fieguth]		
	5.3.1. Geothermal Bore Holes Project Memo	Decision	51
2:25 p.m.	6. Community & Culture Committee Report		
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	6.2. Annual Report from the Sexual Violence Prevention and Response Office [Cook]		
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2:40 p.m.	7. Executive Committee Report		
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	7.1.1. EC Report from the Chair Memo	Information	64
2:45 p.m.	8. Finance & Investment Committee Report		
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	8.2. Investment Guidelines and Compliance [Hadley]		
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	8.2.2. Endowment SIPP Proposed Amendments Report	Decision	70
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	8.3. Mid Year Update: 2024-2025 Operating Budget [Rush]		
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	9.3. Proposed Guidelines for Visitors to Board Meetings [Gauthier-Chalifour]		
	9.3.1. Proposed Guidelines for Visitors to Board Meetings Memo	Decision	117
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3:45 p.m.	10. Pension & Benefits Committee Report		
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	10.2. Pension Plan Text Amendments - Faculty Definition, Fairness Protocol [Reitsma]		
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(October 4 2024)

10.3. Pension Statement of Investment Policies and Procedures (SIPP) [Hadley]

10.3.1. Pension Statement of Investment Policies and Procedures Memo Decision 127

10.3.2. Pension SIPP Proposed Amendments Report Decision 129

10.4. Extended Plan Design Amendments

10.4.1. Extended Plan Design Amendment Memo Decision 142

10.4.2. Extended Plan Design Amendment Summary Report Decision 143

4:05 p.m.

11. Other Business

12. Consent Agenda

12.1. Minutes of the June 26, 2024 Meeting

12.1.1. Minutes of the June 26, 2024 Meeting Decision 145

12.2. Report of the President [Goel]

12.2.1. Report of the President Memo Information 151

12.2.2. Promotion to Professor 2023/24 Report Information 152

12.3. Report of the Vice-President, Academic and Provost [Rush]

12.3.1. Report of the Vice-President, Academic & Provost Memo Decision 154

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13. Items Removed from Consent Agenda

13.1. Items Removed from Consent Agenda Memo Information 165

For Decision**Open Session**

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **1. Approval of Agenda**

1.1.1. Declarations of Conflict of Interest

Members are invited to declare any conflicts related to the open session agenda at this time. Should a conflict of interest arise during the course of discussion, Governors are asked to declare a conflict of interest as it arises.

Governors are reminded that they are to submit an annual conflict of interest declaration in order to comply with Board Bylaw 1, and report any changes in circumstance to the Secretariat. Information and guidance on conflicts of interest is provided on the Secretariat [website](#).

The Secretariat can provide guidance regarding potential conflicts of interest in advance of or during the Board meeting.

1.1.2. Approval of Agenda and Consent Items**Recommendation:**

To approve the agenda of the October 29, 2024 Board of Governors meeting, as presented; and, to approve or receive for information consent agenda items 12.1 - 12.3.

Governors wishing to have an item removed from consent to the regular agenda are asked to contact the University Secretary in advance of the meeting. Governors may also request to have items moved to the regular agenda immediately prior to the approval of the agenda.

1.1.3. Business Arising from the Minutes

All matters of business arising are addressed throughout the balance of the meeting agenda.

For Information**Open Session**

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **2. Remarks from the Chair**

2.1. Remarks from the Chair

Murray Gamble, Chair of the Board of Governors, will provide welcoming remarks to the Board of Governors during the open session.

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **3. Report of the President**

3.1. General Update

Dr. Vivek Goel, President and Vice-Chancellor, will provide an update on matters of interest to the Board of Governors.

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **4. Audit & Risk Committee Report**

4.1.1 Report from the Chair**Background:**

As a regular item of business at each meeting, a report is provided from each standing committee chair. The Audit & Risk Committee assists the Board in fulfilling its legal and fiduciary obligations with respect to the annual audited financial statements, the overall financial reporting process, the internal and external audit process, the University's system of internal controls, compliance with statutory regulations and policies with the Committee's mandate, along with oversight for University risk management.

Additional information about the Committee can be found on the [Secretariat website](#).

Key Items:

At its meeting held October 10, 2024, the Audit & Risk Committee discussed the following:

Internal Audit

The Committee reviewed quarterly internal audit reports from Deloitte, the University's internal audit firm.

External Audit

The Committee reviewed the Audit Planning report for the year ending April 30, 2025 from KPMG, the University's external audit firm.

Insurance, Risk and Compliance

The Committee received an update on current risk management initiatives, and also received a summary of existing corporate insurance.

Policy 34 Amendments

The Committee received an update on recently approved changes to [Policy 34 – Health, Safety and Environment](#).

Policy 34 was last modified on October 8, 2020 but it is reviewed on a yearly basis by the Safety Office and the various Joint Health & Safety Committees. Generally, changes to the policy are made because of legislative/regulatory changes to the Occupational Health & Safety Act (OHSA) or other applicable legislation.

The policy was revised in conjunction with the redevelopment of the University's Health, Safety & Environment Management System (HSEMS) which will align with the CSA Z45001 standard - Occupational Health & Safety Management Systems.

The main purpose of revising the policy was to align the University's principles and statements with those that signal conformance to the CSA standard. Secondly, the edit streamlines the policy language.

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **5. Building & Properties Committee Report**

5.1.1. Report from the Chair**Background:**

As a regular item of business at each meeting, a report is provided from each standing committee chair. The Building & Properties Committee oversees campus planning and development activity in the context of the Campus Master Plan and prudent environmental and sustainability practices, and makes recommendations to the Board of Governors on the acquisition, use or disposal of land or buildings. The Committee reviews, approves and makes recommendations to the Board of Governors regarding construction projects, the appointment of architects and design consultants and ensures appropriate maintenance programs are in place for physical infrastructure. The Committee has oversight over the status of capital construction projects and ensures compliance with building codes, fire codes, safety regulations and statutory and regulatory provisions.

Additional information about the Committee can be found on the [Secretariat website](#).

Key Items:

At its meeting held October 15, 2024 the Building & Properties Committee discussed the following:

Major Capital Projects Update

The Committee received an update on major capital projects, including estimated timeline, budget, relevant consultants and contractors and a summary of the project's status.

Capital Plan Process Update

The Committee received an update on the capital planning process, including shift to a multi-year capital plan.

Deferred Maintenance Update

The Committee received an update on deferred maintenance. The update included projected spending on individual projects over \$2 million from 2024-2027, and provided background information for the listed projects.

Capital Project Approvals

The Committee approved the Submetering Phase 3 Project in accordance with the terms of reference. The Project supports the University's commitment to 2050 carbon neutrality commitments and follows demo, Phase 1 and Phase 2 of submetering across campus. The Committee reviewed and recommended approvals for one additional capital projects. This project and associated recommendations to the Board will be addressed in the following individual reports.

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **5. Building & Properties Committee**

5.2.1. Campus Plan Update**Background:**

Governors will note that an update on the Campus Plan will be provided as part of the Education Session delivered on the morning of October 29, 2024.

The enclosed material on the Campus Plan, principles and process is provided for information. Jacinda Reitsma, Vice-President, Administration and Finance, will provide a brief update and respond to questions.

Documentation Provided:

- Campus Plan Briefing Memo
- Campus Plan Slide Deck

To: Board of Governors
From: Jacinda Reitsma, Vice-President Administration & Finance
Date: October 29, 2024
RE: Campus Plan

Background

The Campus Plan is a comprehensive planning process that began in early 2024 to update the University of Waterloo's existing Campus Master Plan, which was last updated in 2009. The Campus Plan is the principal land-use and physical planning document that is intended to guide future change in a way that reflects the University's strategic vision, mission and values; and reflect the needs and aspirations of the campus community, Indigenous host nations, the surrounding region and the natural environment. The University's Campus Plan update comes at a critical time as the financial pressures that all Ontario universities are currently addressing requires an updated framework that provides clarity to guide the most efficient use of campus resources, and at the same time allows for flexibility to respond to the changing landscape of post-secondary education.

With an economical and adaptable mindset to guide future decisions until 2035, the Campus Plan will focus on innovative planning strategies that:

- i. Reflect the University's [Waterloo at 100](#) vision, mission and values;
- ii. Align with and integrate existing University plans (e.g. Environmental Sustainability Strategy, Global Futures, Indigenous Strategic Plan and design, Multi-Year Accessibility Plan, Shift:Neutral Climate Action Plan), with current planning initiatives (e.g. Library Strategic Plan, Indigenous Wayfinding Initiative) and with the strategic plans of individual faculties with the final product being a holistic vision for the campus;
- iii. Provide clear direction on the physical expansion or improvement of the University's facilities which serve the diverse needs of the University community to inform future capital investment and project requests;
- iv. Reflect a balance of new development, renovations and renewal to optimize the use of the University's existing facilities;
- v. Is student focused reflecting the needs and interests of students, faculty, staff and alumni through multiple engagement opportunities;
- vi. Identify innovative but realistic solutions to support implementation;
- vii. Provide for flexible implementation to respond to changing needs and resources.

Campus Plan Steering Committee Membership

The Campus Plan Steering Committee consists of the following members:

- Jacinda Reitsma, Vice-President, Administration and Finance, and Chair, President's Advisory Committee on Design (who shall act as Steering Committee Chair)
- Rob Hunsperger, Senior Director, Planning, Design and Construction, and Member, President's Advisory Committee on Design
- Stepanka Elias, Executive Director, Facilities, and Member, President's Advisory Committee on Design
- Rick Haldenby, Professor, School of Architecture, and Member, President's Advisory Committee on Design
- Paul Fieguth, Associate Vice President, Academic Operations and Member, President's Advisory Committee on Design
- Mat Thijssen, Director, Sustainability, Member, President's Advisory Committee on Design
- John Lewis, Associate Professor, School of Planning and Director, Indigenous Faculty Relations
- Glen Weppeler, Director, Campus Housing
- Mike Pereira, Director, R+T Park and Real Estate
- Chris Houser, Dean, Faculty of Science
- Fred Zhu, Executive Officer, Faculty of Engineering
- Roly Webster, Director, Athletics & Recreation
- Amy Bender, Director, Space Planning Office
- Jennifer Gillies, Associate Provost, Campus Support and Accessibility
- Sam Toman, Manager, Executive Communications
- Undergraduate student representative (WUSA President) - Nick Pfeifle
- Graduate student representative (GSA President) - Neela Hassan

Process Milestones

The Campus Plan was launched in **March 2024** with the first meeting of a Steering Committee chaired by the Vice President, Administration and Finance that comprises seventeen members from senior University administration, faculty and students. The Steering Committee is the main decision-making body and representative of the campus plan process to the wider University community. It is intended to provide broad strategic direction and oversight to the process and ensure that the Campus Plan aligns with related strategic planning goals of the University.

In **May 2024**, a four-member sub-committee or Working Group was formed to serve as the functional arm of the Steering Committee. In broad terms, the Working Group's purpose is to address and work efficiently towards meeting process goals that are established by the Steering Committee. The Working Group's first task has been to prepare a Request for Service Qualification (RFSQ) and Request for Proposals (RFP) to seek a consultant team with expertise and experience in comprehensive planning for post-secondary institutions. The potential pool of architecture, urban planning and urban design consultants with the expertise to produce a campus plan is large. The purpose of the two-stage process is to solicit bid documents in the RFSQ stage that specifically speak to the proponents' experience and qualifications. A short-list of qualified proponents will then be selected in the second stage to respond to the RFP and, through their bid submissions, provide a greater level of detail and depth regarding their proposed workplans, costing and implementation strategies. The Steering Committee approved the RFSQ for release in **August 2024**.

Next Steps

The main deliverable is an updated Campus Plan for the University of Waterloo that will be presented to Senate and the Board of Governors for approval in **February 2026**. The Campus Plan will include an assessment of existing campus conditions, opportunities and constraints; a ten-year vision that will guide future change in the built and natural environments combined with a plan for identifying opportunities for immediate and phased implementation; and a framework for examining future changes to ensure conformity with the plan vision. The following is a broad framework that will define the timelines and workplan for the Campus Plan process over the coming year.

Board of Governors Education Session: Campus Planning, Deferred Capital Renewal, & Sustainability

10/29/2024

Presented by:

Jacinda Reitsma, Vice-President, Administration and Finance

Stepanka Elias, Executive Director, Facilities

John Lewis, Director, Indigenous Faculty Relations

Mat Thijssen, Director of Sustainability



AGENDA

1. Campus Planning
2. Deferred Capital Renewal
3. Sustainability

CAMPUS PLANNING

1. OVERVIEW

WHAT IS A CAMPUS PLAN?

The principal **land-use and physical planning document** for University leadership, planning staff, the campus community and local partners. The campus plan:

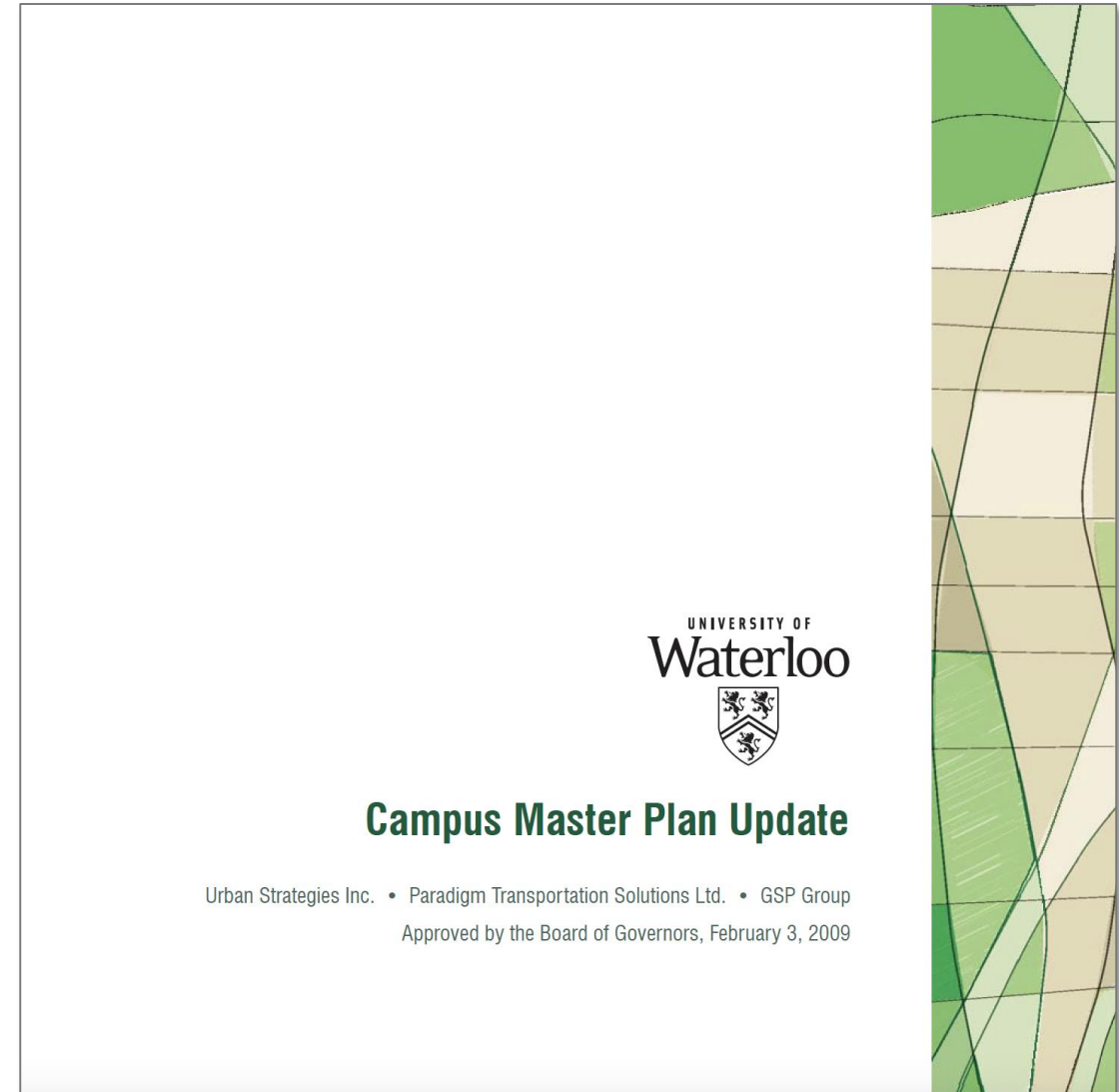
- ❖ defines the long-term **vision for the campus**,
- ❖ guides change to reflect the University's vision, mission and values,
- ❖ reflects the interests of the campus community, Indigenous host nations, the surrounding region and the natural environment.

1. OVERVIEW

Last updated in 2009

Why update in 2024/25?

- ❖ Good planning requires periodic reviews
- ❖ New challenges and priorities
 - ❖ Technological changes,
 - ❖ Sustainability & Carbon Neutrality,
 - ❖ Accessibility and Inclusivity,
 - ❖ Indigenization...
- ❖ Financial & infrastructure realities



1. OVERVIEW

THE CAMPUS

PLAN WILL...

- ❖ Reflect the University's Waterloo at 100 vision, mission and values;
- ❖ Align with and integrate existing University plans, with current planning initiatives and with the strategic plans of individual faculties;
- ❖ Provide clear direction on the physical expansion or improvement of the University's facilities;
- ❖ Reflect the needs and interests of students, faculty, staff and alumni through multiple engagement opportunities;
- ❖ **Reflect a balance** of new development, renovations and renewal to optimize the use of the University's existing facilities;
- ❖ Identify **innovative but realistic solutions** to support implementation;
- ❖ Provide for **flexible implementation** to respond to changing needs and resources.

2. PLANNING PRINCIPLES

CAMPUS PLANNING BEST PRACTICES

- ❖ Strive for **innovation**
- ❖ Strive for **efficiency**
- ❖ Strive for **sustainability**
- ❖ Anticipate **change** and **adapt**
- ❖ Design for **accessibility** and **safety**
- ❖ Strengthen **identity** and **sense of place**
- ❖ **Integrate** with the broader community
- ❖ Seek **diversity** and **inclusiveness**
- ❖ Recognize **vehicles** and **bicycles**
- ❖ Put **pedestrians** first

3. COORDINATION

LEADERSHIP

- ❖ Jacinda Reitsma, VP, Administration and Finance
- ❖ Campus Plan Steering Committee (17 members - administration, faculty, and students)
 - Jacinda Reitsma, Vice-President, Administration and Finance, and Chair, President's Advisory Committee on Design (Chair)
 - Rob Hunsperger, Senior Director, Planning, Design and Construction, and Member, President's Advisory Committee on Design
 - Stepanka Elias, Executive Director, Facilities, and Member, President's Advisory Committee on Design
 - Rick Haldenby, Professor, School of Architecture, and Member, President's Advisory Committee on Design
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 - Amy Bender, Director, Space Planning Office
 - Jennifer Gillies, Associate Provost, Campus Support and Accessibility
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 - Undergraduate student representative (WUSA President) - Nick Pfeifle
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3. COORDINATION

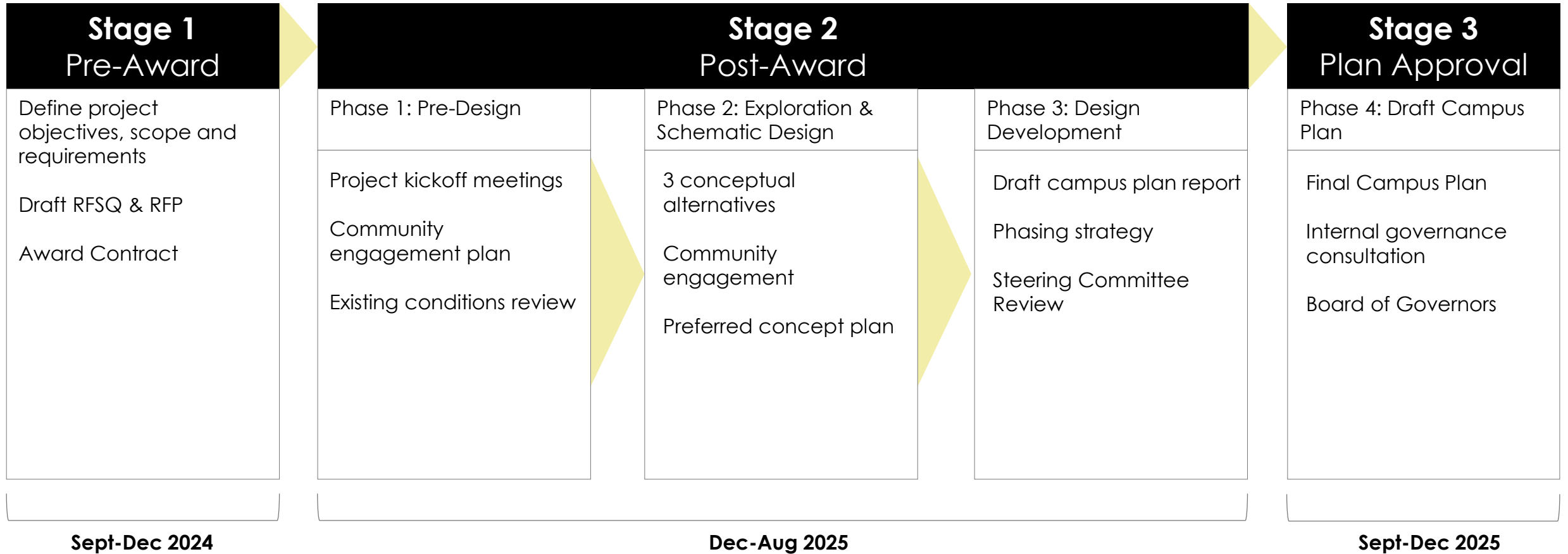
MANAGEMENT TEAMS

- ❖ Working Group
- ❖ Communications and Engagement

GUIDANCE AND FACILITATION

- ❖ Project Manager

4. PROCESS & SCHEDULE



5. ENGAGEMENT

Early, broad and consistent engagement with the campus community throughout the process:

- ❖ With students, faculty, staff, alumni, Indigenous host communities, regional community;
- ❖ Multiple engagement techniques that are informative, inclusive and enjoyable;
- ❖ Opportunities for in-person and digital engagement;
- ❖ Engagement with faculty subject matter experts and students in the schools of Planning and Architecture.



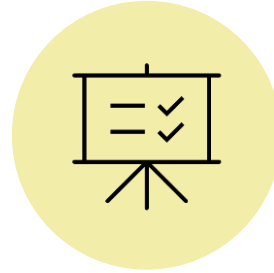
DEFERRED CAPITAL RENEWAL

1. DEFERRED CAPITAL RENEWAL



BUILT SPACE

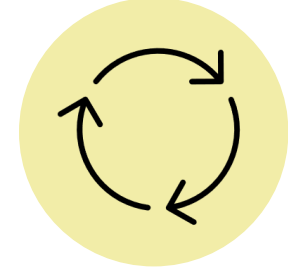
Our campuses, our “built spaces” are essential to memorable positive student experience and research success.



VALUES & MISSION

Responsible Ownership

- Safety
- Reliability
- Efficiency



CAMPUS RENEWAL

Support Waterloo at 100

- Coordinated efforts
- Prioritized renewal investment
- Managed DCR

2. THE VALUE OF OUR BUILT SPACE

Campus – Capital Renewal

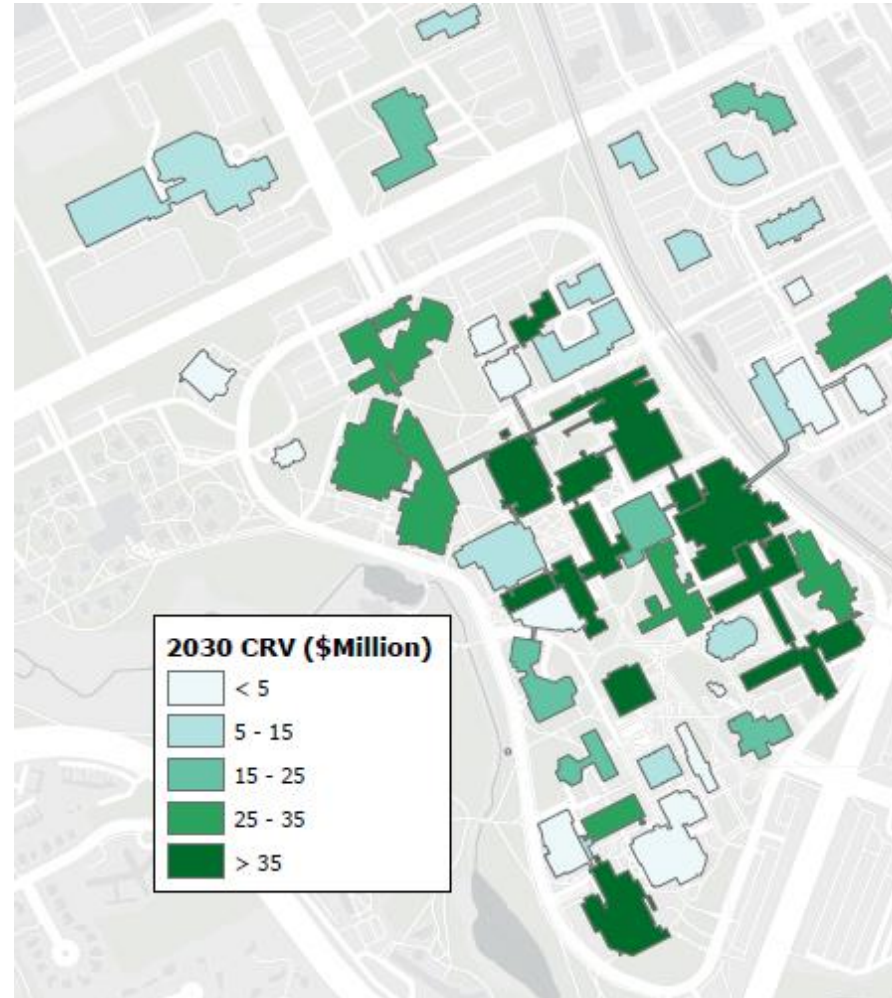
ArchDaily

“Architecture not only contributes to physical health through ergonomics but also affects our emotional comfort.”



EPA

“The built environment touches all aspects of our lives, encompassing the buildings we live in, the distribution systems that provide us with water and electricity, and the roads, bridges, and transportation systems we use to get from place to place”

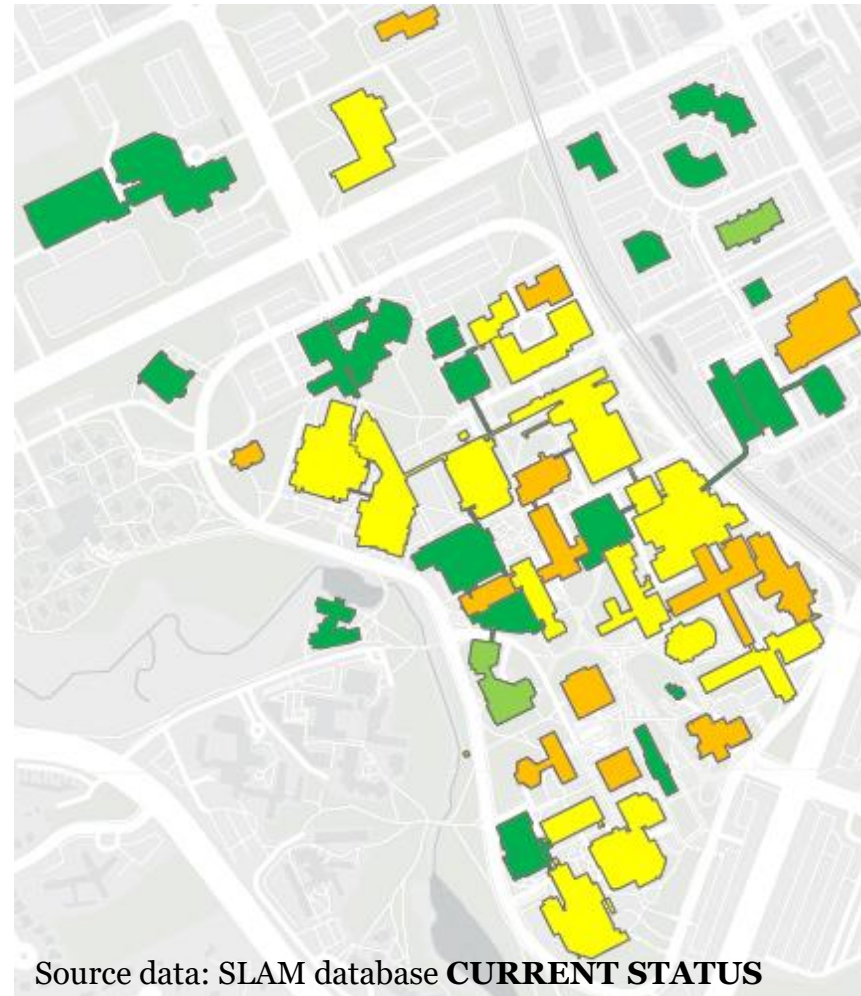


2. THE VALUE OF OUR BUILT SPACE

CAMPUS STATE

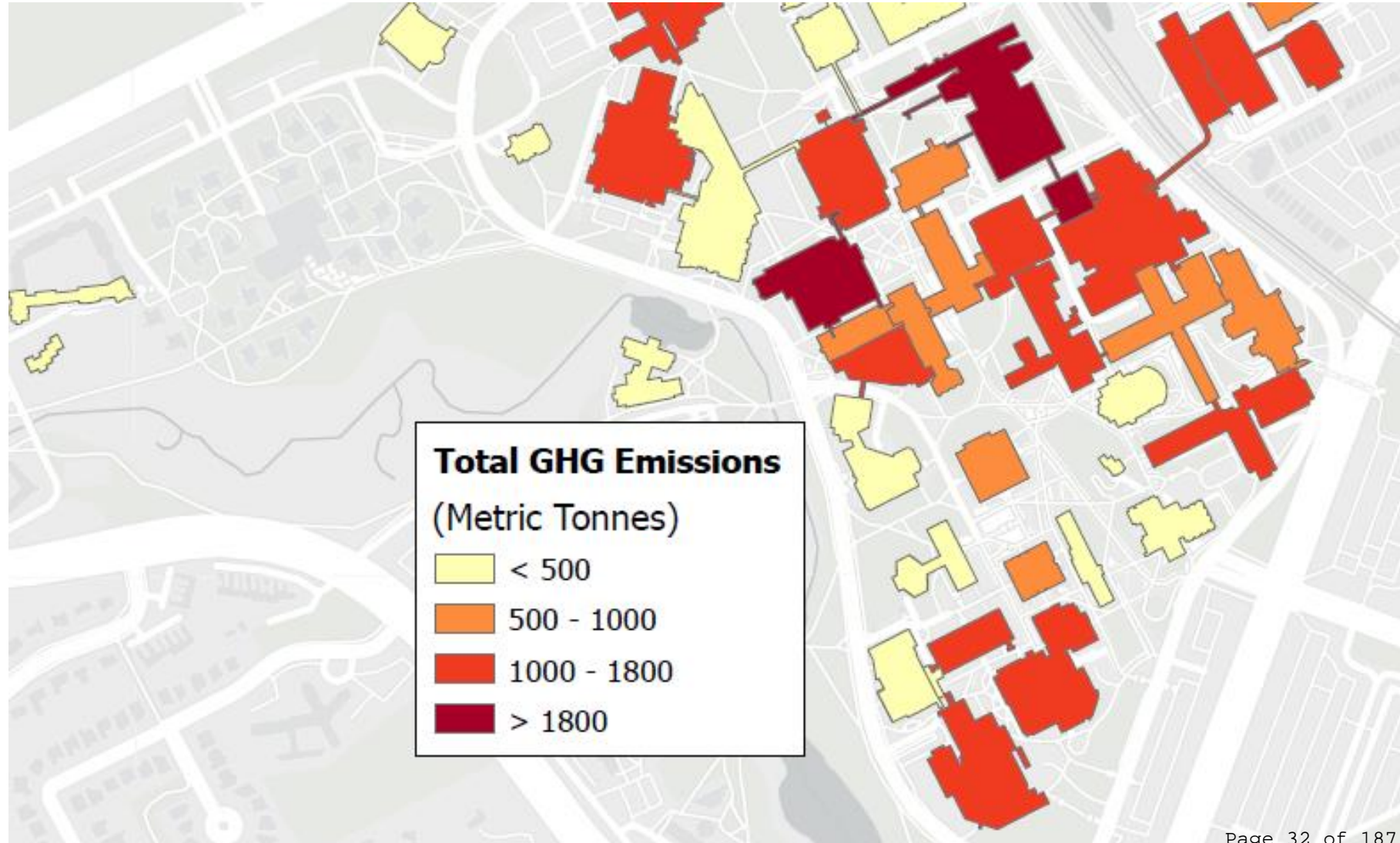
- Building condition assessment
- Facilities condition index (FCI)

FCI ≤ 10%	10% < FCI ≤ 15%	15% < FCI ≤ 30%	30% < FCI ≤ 60%	FCI > 60%
Good	Fair	Poor	Critical	Crisis



2. THE VALUE OF OUR BUILT SPACE

CARBON FOOTPRINT



3. VALUES & MISSION

Building Ownership – what we own

Condition



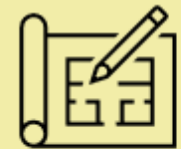
Energy Performance



Space Needs

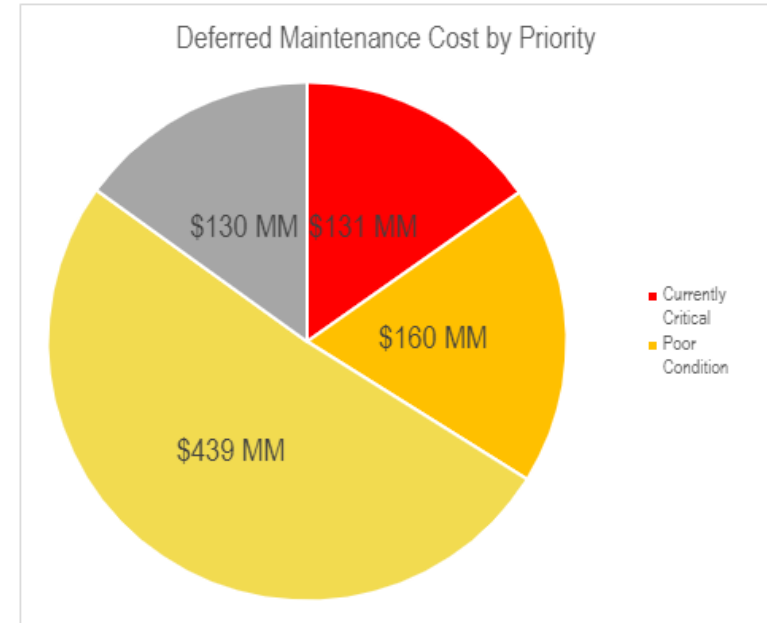
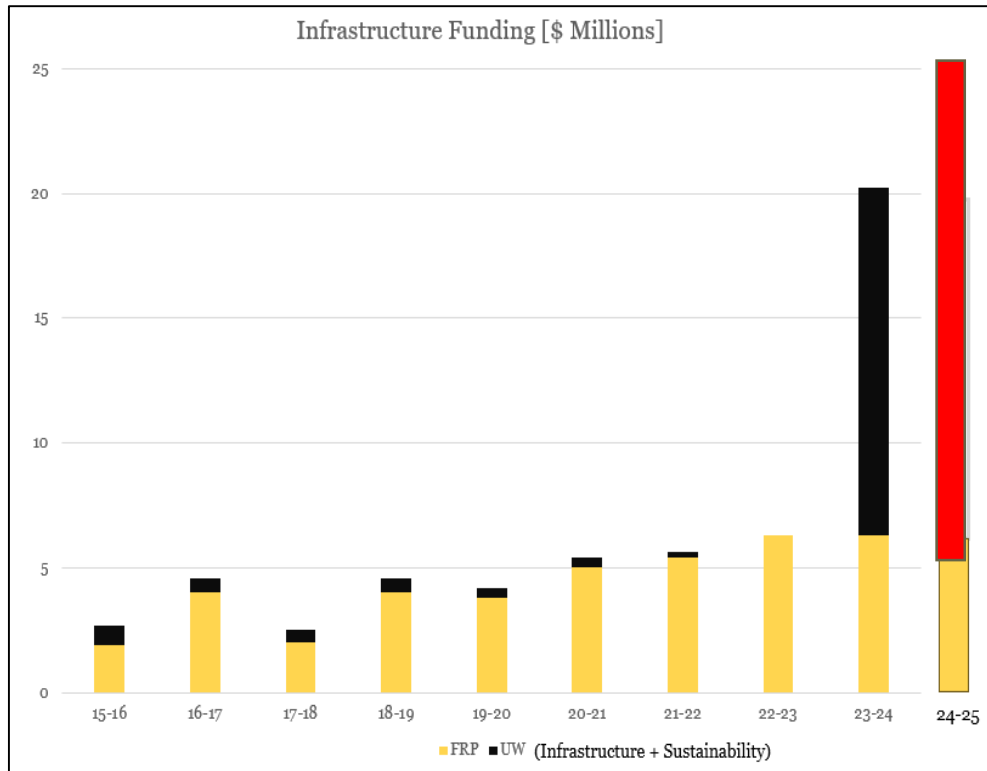


UW Vision



4. CAMPUS RENEWAL

DEFERRED CAPITAL RENEWAL - STATUS



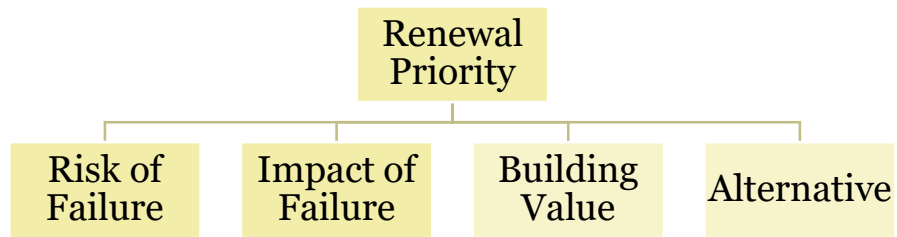
Deferred Maintenance Estimate from MOI report 2024:

- \$53M AFIW Buildings (6%)
- \$181M Campus Housing (21%)
- \$626M Remaining Campus (73%)
- \$860M

Updated report will be submitted to CSAO and the ministry in November 2024 (B&P update in January 2025)

4. CAMPUS RENEWAL

PRIORITIZATION PROCESS



GOAL:

- Strategic renewal – prioritize building based on risk
- Integrated planning approach

Impact	Catastrophic	5	Campus wide failure, extended period of time (i.e. loss of main electrical feed or chilled water)
	Major	4	Building wide failure, extended period of time (i.e. loss of a transformer, water or safety system)
	Moderate	3	Building wide failure, some ability to mitigate, extended period of time (i.e. loss of main building HVAC unit – no building heating or ventilation)
	Minor	2	Area or system failures (i.e. flood in a portion of the building, need to mitigate, safety, mold, etc.)
	Insignificant	1	Minor room specific failures (i.e. water leak, loss of power, heat, etc.)

Likelihood	Certain	6	Currently Critical (already failed)
	Almost certain	5	Potentially Critical. Poses Health & Safety risk. Well past its service life and experiencing significant issues.
	Likely	4	Necessary. Well past its service life and operation managed through preventative maintenance.
	Possible	3	Recommended. Experiencing operational challenges.
	Unlikely	2	Does not meet current codes or standards (does not pose H&S risk and is grandfathered in its current configuration).
	Rare	1	n/a (not on the list)

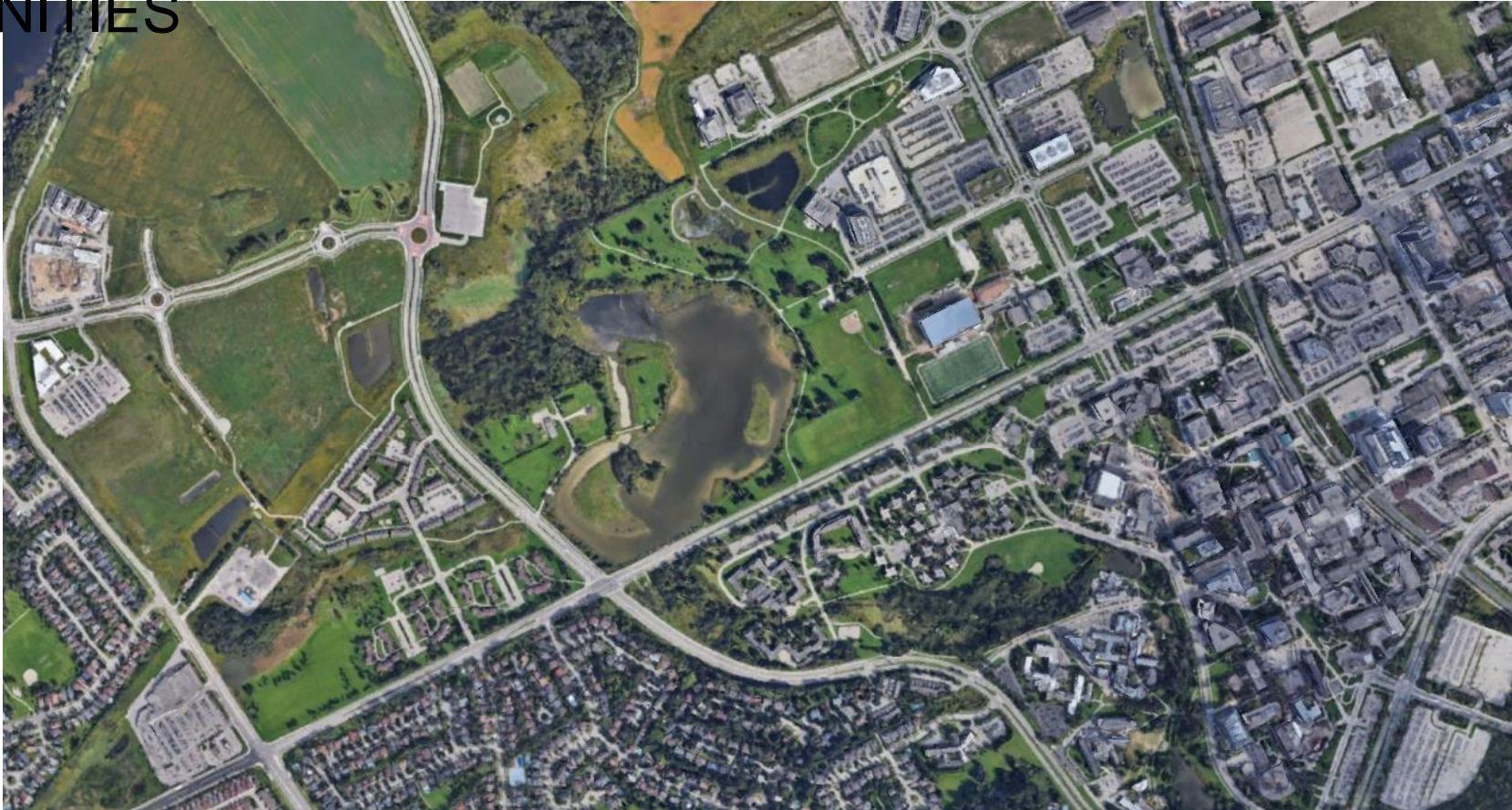
4. CAMPUS RENEWAL

EXAMPLES OF PROJECTS 2024/25



4. CAMPUS RENEWAL

CHALLENGES AND OPPORTUNITIES



SUSTAINABILITY

1. SUSTAINABILITY CONTEXT



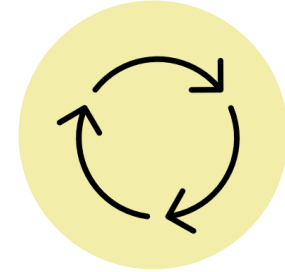
VALUES & MISSION

- Positive impact and responsibility
- Boldness and leadership
- Preparing learners and society for the future



COMMUNITY NEEDS

- Pressure for commitment and action
- Recruitment and retention
- Engagement and satisfaction
- Wellbeing



CAMPUS RENEWAL

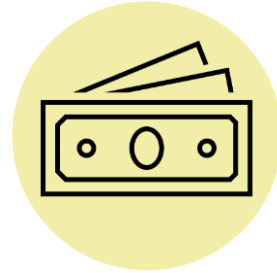
- Renewal of aging assets and infrastructure
- Modernization of major systems
- Right-sizing, efficiency, and future-proofing investments

1. SUSTAINABILITY CONTEXT



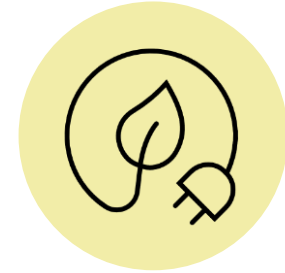
REGULATORY PRESSURE

- Direct and indirect compliance requirements
- Reporting and public disclosures
- Proactive planning against “inevitable policy scenarios”



MARKET SHIFTS

- Peer/sector action and competitiveness
- Energy efficiency, security, and resiliency
- Changing cost profiles of utility markets
- Resource constraints



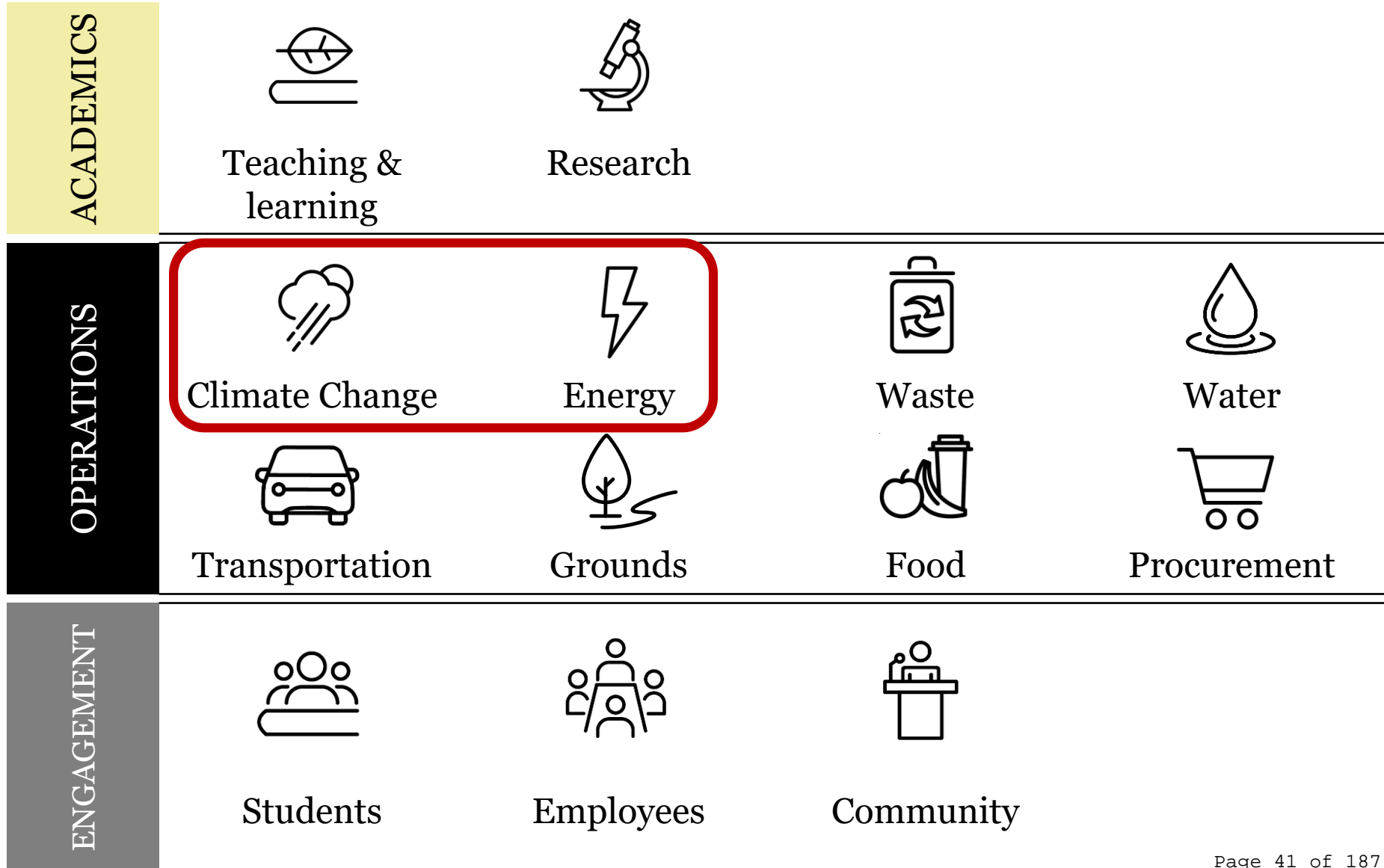
TECHNOLOGY CHANGES

- Technological obsolescence risks
- Skill and human capacity
- Learning integration and campus as a Living Lab

1. SUSTAINABILITY CONTEXT

MATERIALITY

- Large institution, with a diverse range of impacts
- Our people are imbedded in the wider community



2. SUSTAINABILITY PLANNING

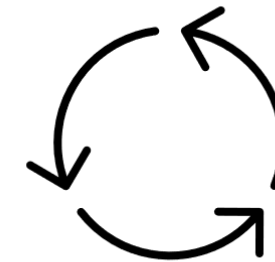
- Strategic Plan
- Waterloo@100
- Campus Plan
- Institutional Values

STRATEGY:

- Identifies material areas of importance
- Sets broad goals
- Builds framework for action



2017



ACTION PLANS:

- Builds roadmaps and implementation approaches
- Organizes & prioritizes projects & initiatives



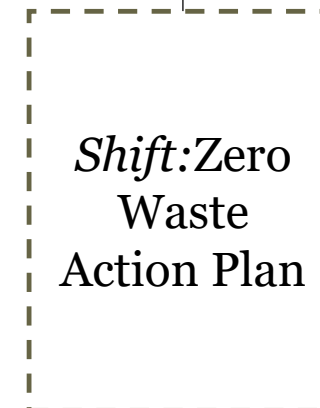
2020



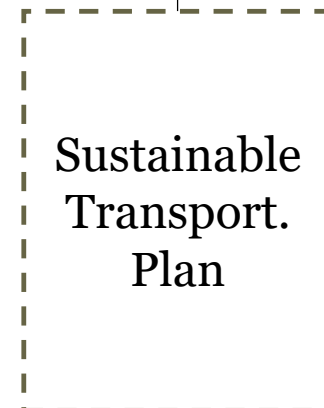
2023



2024

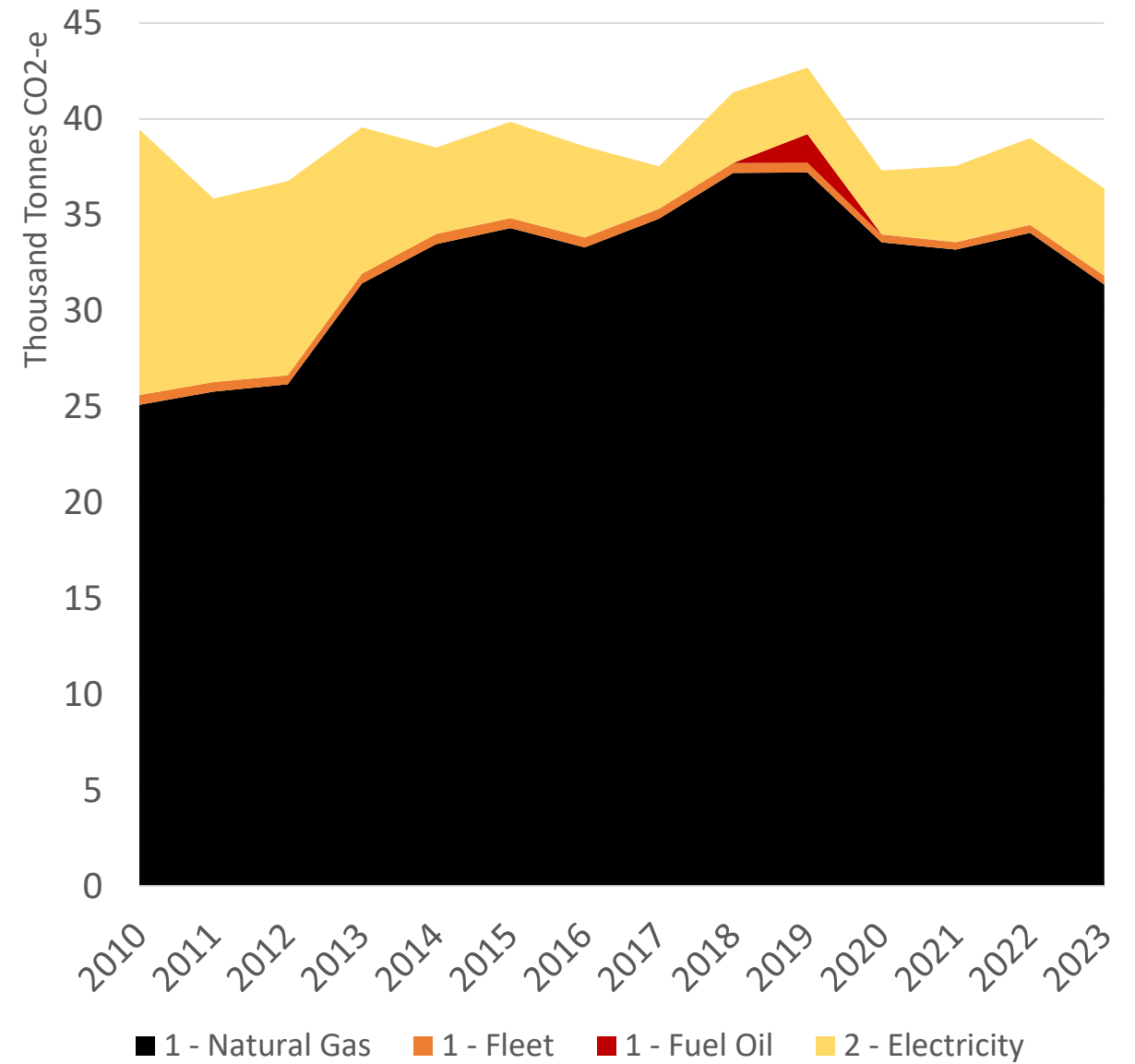
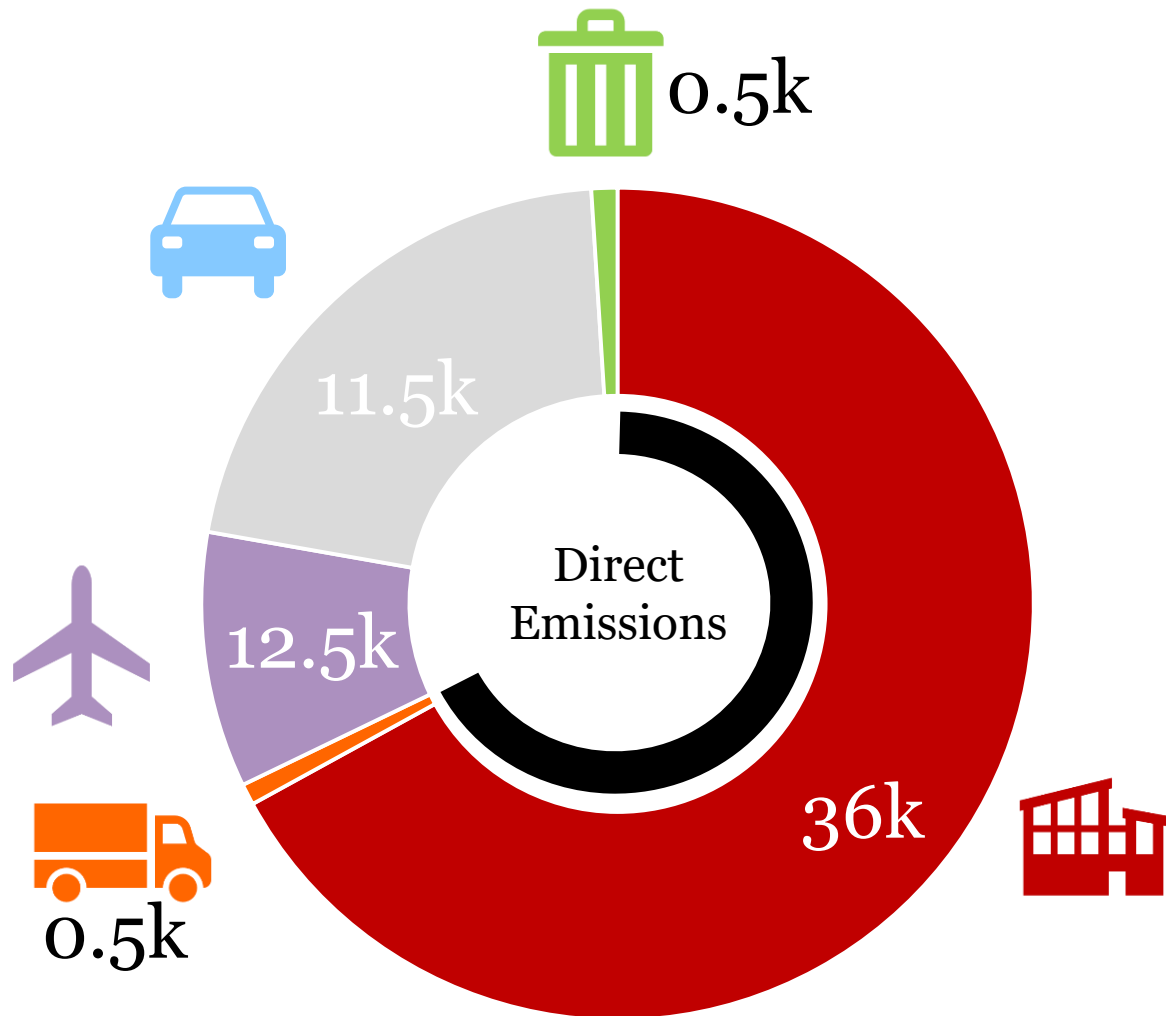


2025



2025

3. CAMPUS PLANNING



4. CLIMATE ACTION PLAN

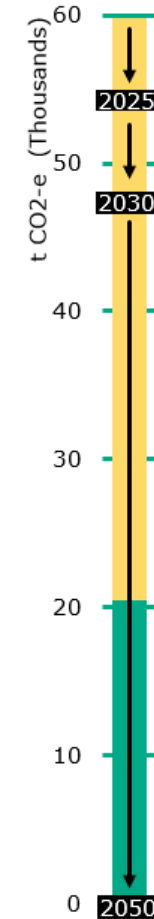
KEY

TRANSFORMATION

- Carbon neutral by 2050 (all scopes)
- Short term targets for 2025/30 (1 & 2)
- Focus on reducing gas use for heating through efficiency and electrification
- Roadmap and detailed implementation plan

Shift: Neutral

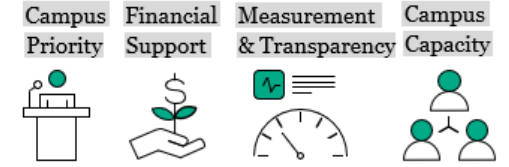
CARBON REDUCTION ROADMAP



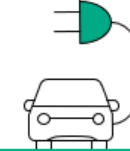
1. NET NEUTRAL GROWTH



2. ALIGNING SYSTEMS



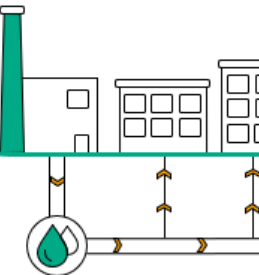
4. LOW CARBON FLEET



3. BUILDING ENERGY EFFICIENCY



5. CENTRAL SYSTEMS RENEWAL



6. ADVANCED HEAT RECOVERY



7. LOW CARBON ENERGY



9. CARBON OFFSETS



8. INDIRECT EMISSIONS REDUCTIONS



■ Scope 1+2
■ Scope 3

4. CLIMATE ACTION PLAN

MAJOR NODES & PHASING

PHASE 1: "South Loop" (2030)

PHASE 2: "Central Loop" (2040)

PHASE 3: "West Loop" (2045)

PHASE 4: "East Loop" (2050, potential)

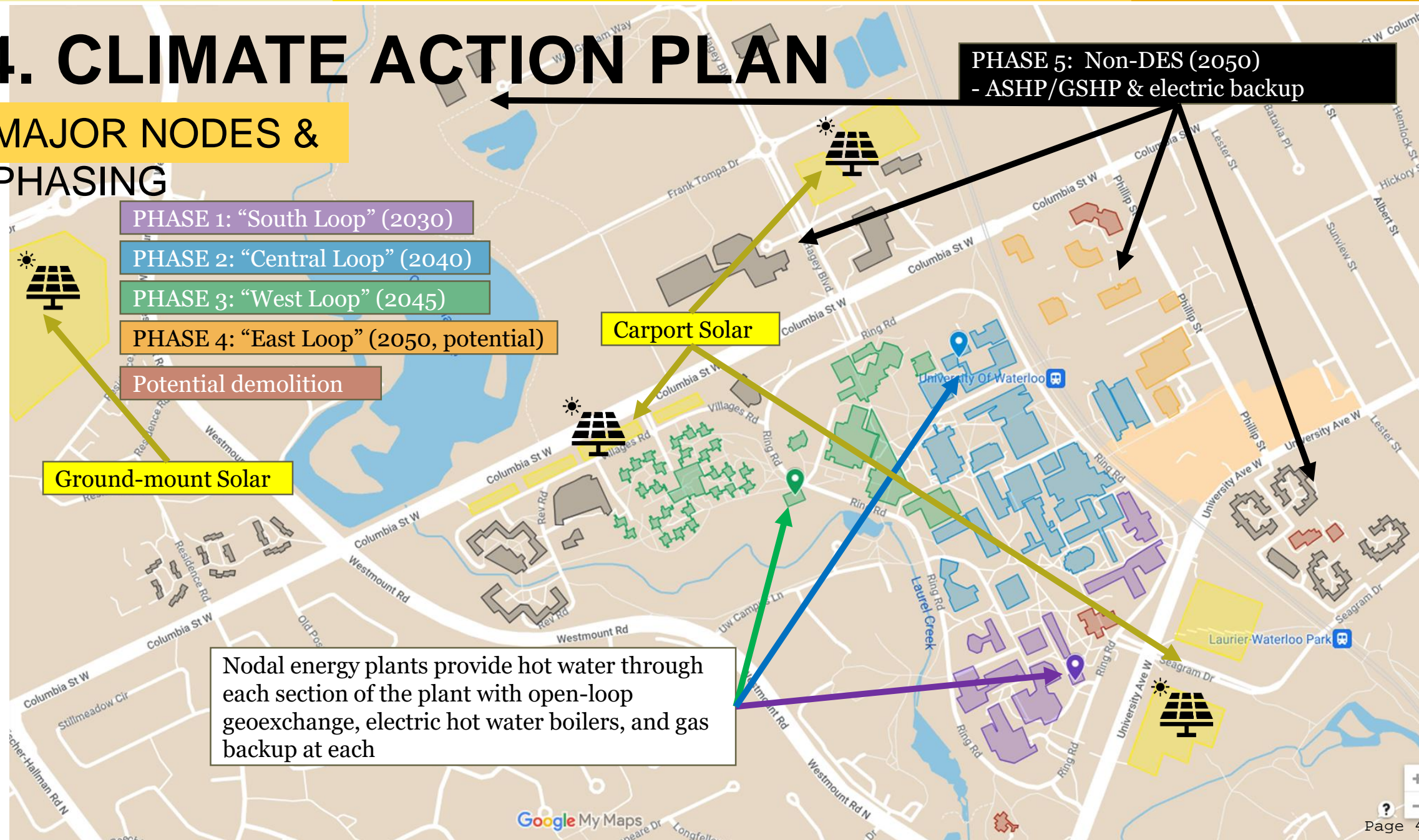
Potential demolition

PHASE 5: Non-DES (2050)
- ASHP/GSHP & electric backup

Carpport Solar

Ground-mount Solar

Nodal energy plants provide hot water through each section of the plant with open-loop geoexchange, electric hot water boilers, and gas backup at each

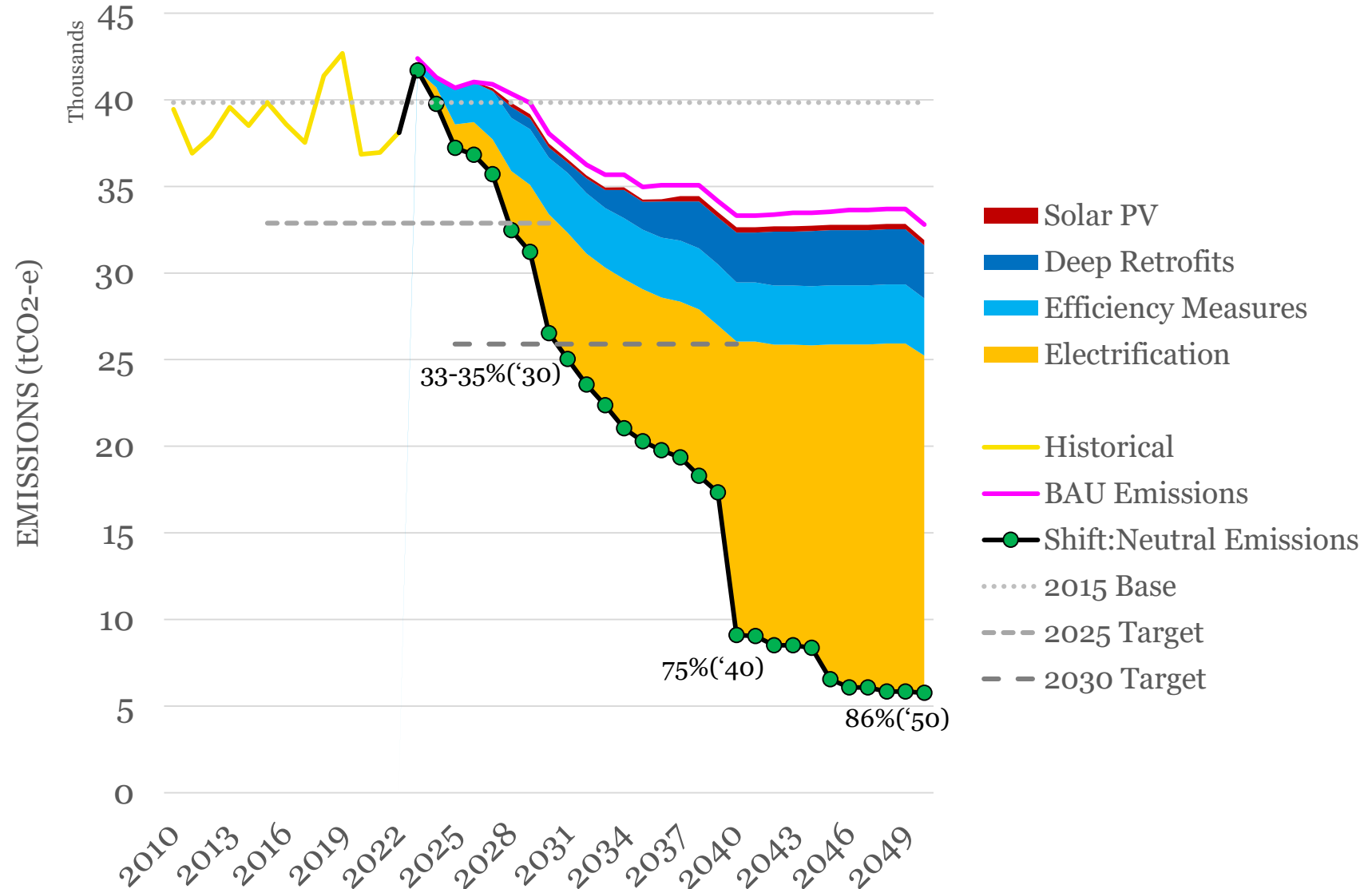


4. CLIMATE ACTION PLAN

EMISSIONS

REDUCTIONS

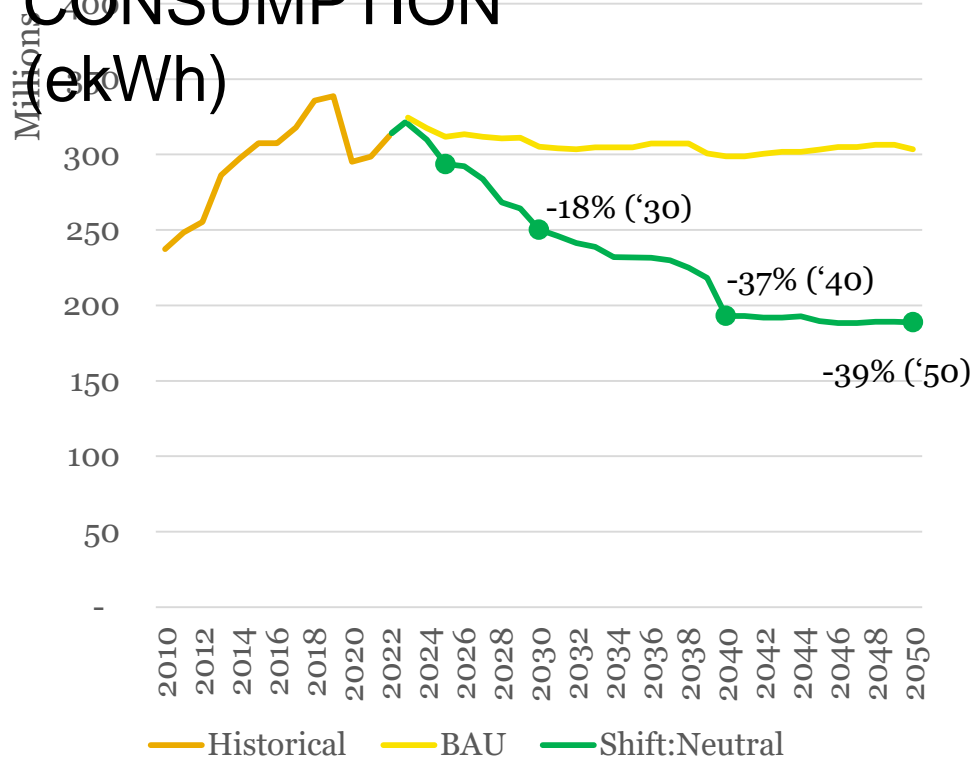
- Renewal and changing weather reduces baseline, even in BAU
- Electrification of space and water heating is biggest driver of emissions reductions
- Get most of the way to 2050 target, with need for future innovation



4. CLIMATE ACTION PLAN

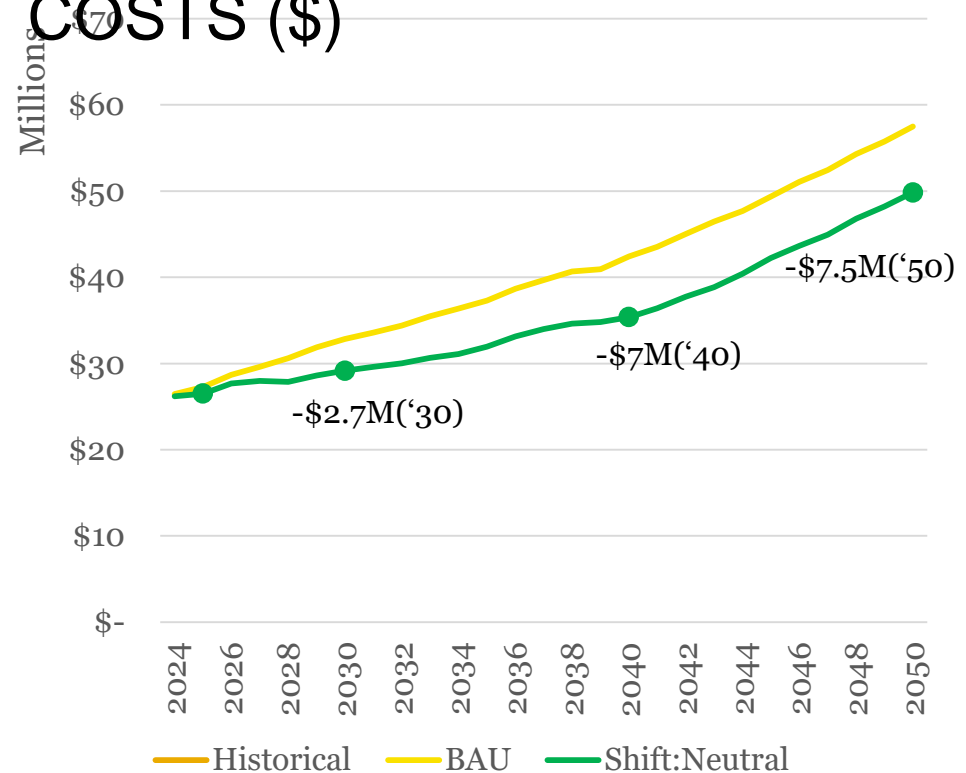
ENERGY

CONSUMPTION



UTILITY

COSTS (\$)

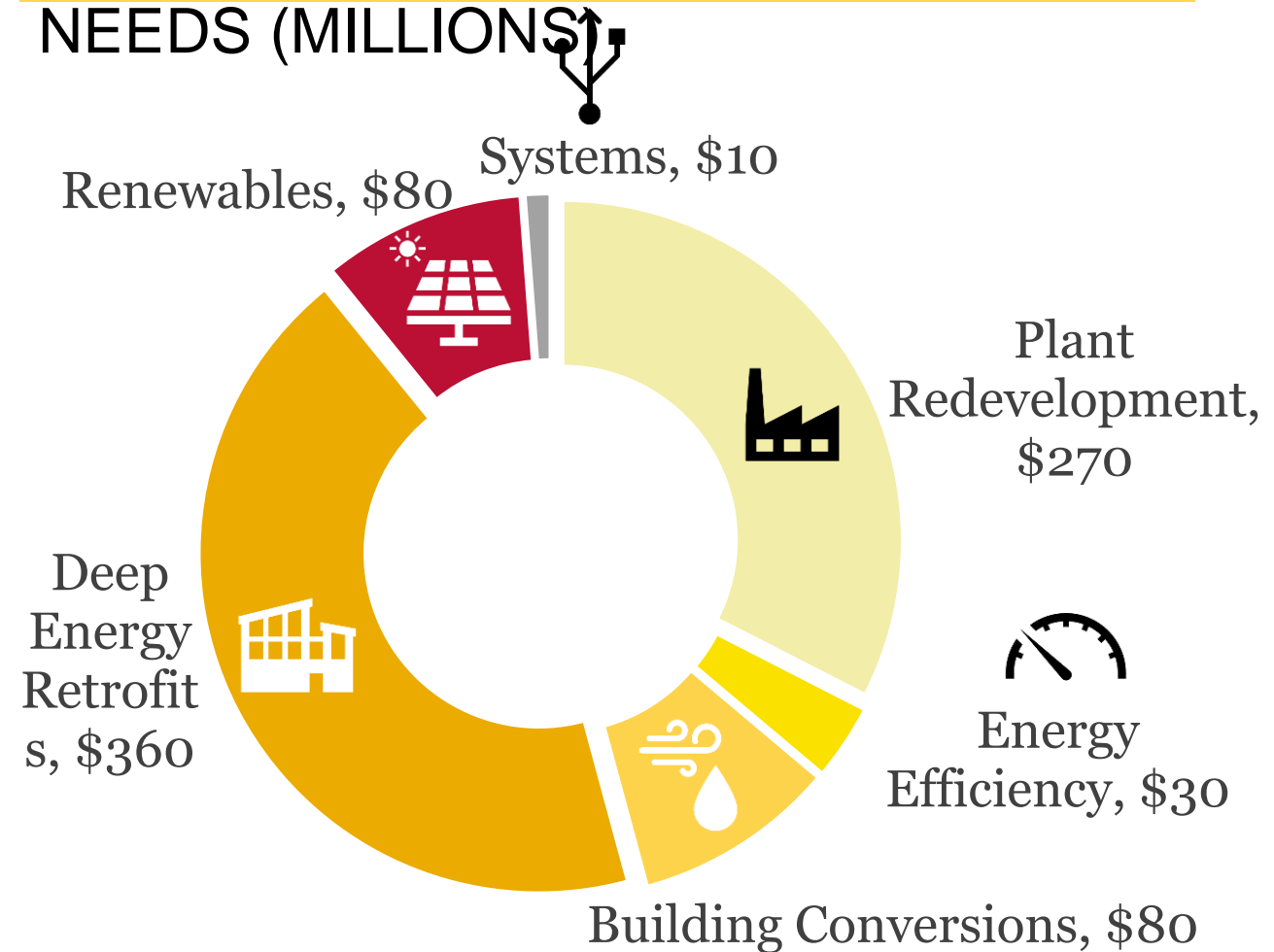


- Driving energy efficiency and cost difference from BAU
- Diversity and resiliency of energy supply (solar PV, gas backup, etc.)

5. RESOURCING AND INNOVATION

- >\$800M in CapEx investment over 30 years (OOM)
- Leveraging renewal efforts (at least \$300M)
- Utility savings and efficiency (\$150M)
- Major risk reductions
- Innovation in procurement, partnership, and operations
- Debt financing

ORDER OF MAGNITUDE INVESTMENT NEEDS (MILLIONS)



6. CASE STUDIES



CIF

- Old boilers needing replacement
- Electrification of heating
- First large solar installation



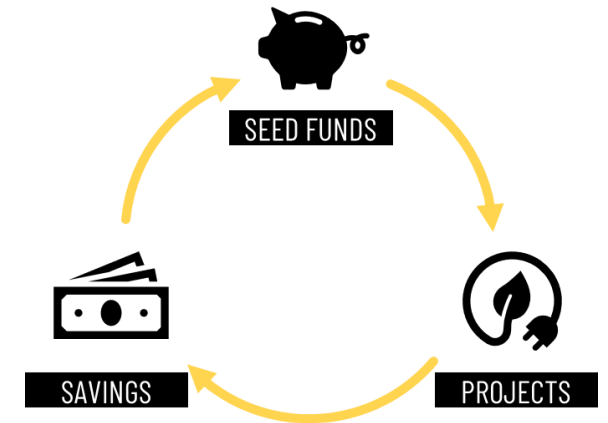
MC/QNC HEAT

- Simultaneous heating and cooling between MC/QNC
- ~6% emission reduction



PAC HVAC

- Old HVAC system needing replacement
- Significant improvements to performance
- Comfort benefits



REVOLVING

- \$1M seed fund, targeting 5y ROI projects
- Opportunity to recycle savings
- Initial projects underway

UNIVERSITY OF
WATERLOO



For Decision

Open Session

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **5. Building & Properties Committee**

5.3.1. Capital Project Approval – Geothermal Bore Holes Project

Background:

In 2022, the Faculty of Engineering (Department of Civil and Environmental Engineering) submitted a Canada Foundation for Innovation (CFI) grant application for a geothermal bore holes project with the goal of creating a site on campus to conduct geothermal energy research.

In 2024, the University implemented a new approach to CFI grants to ensure that grant applications include appropriate oversight and planning for building impacts, costs, and location prior to submission. This process will ensure that appropriate planning and approvals are in place prior to the CFI award.

To proceed with the project, appropriate approvals for zoning and bylaws will also be required for the installation of the geo-exchange system and drilling of boreholes.

The University requests approval for the CFI geothermal bore holes project at the identified Columbia Lake location.

The Building & Properties Terms of reference note that the Committee is “to make recommendations to the Board of Governors on campus planning and development initiatives, with due consideration to the impact to the on multi-campus sites, including (without limitation)...the use of land...”.¹

The project was reviewed and recommended by the Building & Properties Committee at its meeting in October 2024.

Jacinda Reitsma, Vice-President, Administration & Finance, and Paul Fieguth, Associate Vice-President – Academic Operations, will present the Geothermal Bore Holes Project.

Recommendation:

Recommendation:

That on the recommendation of the Building & Properties Committee that the Board of Governors approve:

- a) That the University of Waterloo lands be utilized for the Geothermal Bore Holes Project;**
- b) That university administration be authorized to finalize the location of the project, as outlined in the attached report and report back to the Building & Properties Committee for information; and,**
- c) That material changes to the use of land proceed through the regular approval channels of the Building & Properties Committee and Board of Governors, as appropriate.**

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **6. Community & Culture Committee**

6.1.1. Report from the Chair**Background:**

As a regular item of business at each meeting, a report is provided from each standing committee chair. The Community & Culture Committee is responsible for oversight of institutional initiatives, projects, plans and policies that impact the University's culture, campus life, and student and employee experience.

Additional information about the Committee can be found on the [Secretariat website](#).

Key Items:

At its meeting September 24, 2024 the Community & Committee held its inaugural meeting and discussed the following:

Portfolio Overview

The Committee received portfolio overviews from key leaders who act as resources to the Community & Culture Committee, including the Office of Indigenous Relations, Office of the Associate Provost, Campus Support and Accessibility, Human Resources, Advancement, University Relations, Faculty Planning and Policy, Associate Provost, Students and Office of Equity, Diversity, Inclusion & Anti-Racism.

Employee Engagement Survey

The Committee received an update regarding the Employment Engagement Survey, including key themes, facilitation by third party Kron Ferry, including key strengths and opportunities for growth. The Committee further discussed next steps.

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **6. Community & Culture Committee**

6.2.1. Annual Report from the Sexual Violence, Prevention and Report Office (SVPRO)

Enclosed for Governors' information is the Annual Report to the Board from the Sexual Violence, Prevention and Response Office. The report covers the 2023-2024 fiscal year (1 May 2023 – 30 April 2024).

The report is provided to the Board in October of each year, consistent with the provisions in [Policy 42 – Prevention of and Response to Sexual Violence](#).

Members of the Community & Culture Committee received a full presentation on the report at the meeting held September 24, 2024.

Amanda Cook, Director, Sexual Violence Prevention and Response (SVPRO), will speak to the report and provide a brief overview presentation at the meeting.

Documentation Provided:

- Sexual Violence Prevention and Response Office – Report to the Board of Governors (1 May 2023 – 30 April 2024)



**SEXUAL VIOLENCE PREVENTION AND
RESPONSE OFFICE (SVPRO):
ANNUAL REPORT MAY 2023 – APRIL 2024**

» Amanda Cook, MSW RSW, Director, SVPRO



Agenda

- **Key Highlights**

- Intimate partner violence
- Technology facilitated gender-based violence
- Intersectional approaches

- **Service Update**

- Direct Service (Response)
- Education and Engagement (Prevention)

- **On the Horizon**

- Athletics education plan
- Alternative approaches to healing/processing
- Increased outreach to employee groups



Key Highlights

Intimate Partner Violence (IPV)

- Increase in disclosures of IPV
- IPV
 - Can occur in an ongoing relationship, following a 'hook up' or a breakup
 - Does not always involve physical violence
 - Can be difficult to disclose and receive support given power dynamics
 - Can take time to recognize their experiences as being intimate IPV
- Involves a higher amount of case support given the complex nature of these matters
- SVPRO focus on direct support and prevention efforts



Key Highlights

Technology-facilitated sexual & gender-based violence

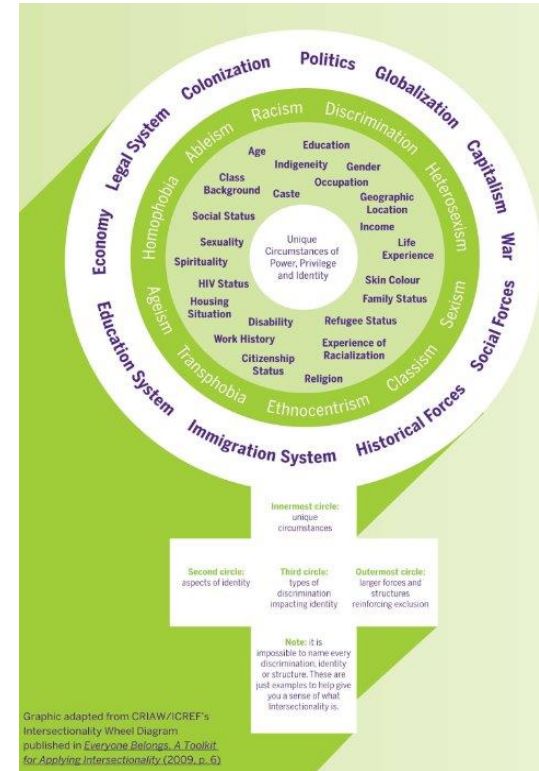
- Increase in technology-facilitated violence (TFV)
- TFV can be linked to IPV, but also through casual acquaintances or an unknown person accessing images on social media platforms
- Survivor feels vulnerable, powerless, unable to control access to their images
- Legal system has still not ‘caught up’ with this growing form of sexual violence
- Can be challenging for the university address incidents when a student is accused
- SVPRO offers direct response work for survivors and prevention efforts



Key Highlights

Intersectionality

- Sexual violence affects people of all ages, genders, sexual orientations, races and ethnicities, SES, and abilities
- Persons with marginalized identities are disproportionately affected by sexual violence
- Different aspects of one's identity act simultaneously to shape their experience of sexual violence
- A survivor's social position impacts how others respond to a disclosure, and their ability to access support
- SVPRO offers person-centered direct support and accommodations, without assumptions of needs



Service Update



Direct Service (Response)

- Mostly students sought direct service support
- Increase in graduate students and employees seeking support (direct service and consultations)
- Needs of those seeking support continued to be complex which involves greater case management
- Supported two Policy 42 complaints
 - Increase in reports to the police impacts decisions around Policy 42 complaints
- Supported two Policy 33 complaints



Service Update



Education and Engagement (Prevention)

- SVPRO reached over **10,000** participants through education and awareness-raising activities!
 - ‘Red Zone’
 - ‘What Were You Wearing?’
 - ‘Dogs Against Cat Calling’
- ‘Boothed’ regularly in partnership with faculties, WUSA, Campus Housing, Athletics
- Growing popularity of the NeuroMinds Collective, in collaboration with Campus Wellness

On the Horizon

- Implementing ‘Year-at-a-Glance plan’ with Campus Housing, targeting professional staff (30), Dons (110), and residents (approx. 4300)
- Developing an ‘Athletics and Recreation Annual Education Plan’
- Partnership with Campus Wellness to bring more ‘movement’ and ‘creative-based’ activities to survivors and their supporters (e.g., Trauma-informed yoga sessions for students and employees)
- Enhanced data collection around student awareness via Survey questions for SES Fall 2024
- Expanded education offerings (e.g., menopause café; sexual assault legal options)
- ‘Road show’ with the Director, Employee Health and Accommodation



QUESTIONS?

For Information

Open Session

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **7. Executive Committee Report**

7.1.1. Report from the Chair

Background:

As a regular item of business at each meeting, a report is provided from each standing committee chair. The Executive Committee is empowered to act on behalf of the Board 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.

Additional information about the Committee can be found on the [Secretariat website](#).

Key Items:

The Committee held electronic votes on July 17, 2024 and July 22, 2024 regarding the following matters:

Audited Financial Statements 2023-24 and External Auditor Appointment 2024-25

In accordance with the Audit & Risk Committee's terms of reference, the Committee is required to "recommend the financial statements to the Board of Governors for approval." The statements were recommended for approval at the July 17, 2024 meeting of the Audit & Risk Committee, and were subsequently approved July 17, 2024 by the Executive Committee.

New Appointment with Tenure

In accordance with Policy 76 – Faculty Appointments, the Board of Governors approves new appointments with tenure, which are made on the recommendation of the Faculty Tenure and Promotion Committee and requires approval by the Dean, Vice-President Academic and Provost and the Board of Governors. The Executive Committee approved the appointment July 22, 2024.

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **8. Finance & Investment Committee Report**

8.1.1. Report from the Chair**Background:**

As a regular item of business at each meeting, a report is provided from each standing committee chair. The Finance & Investment Committee exercises oversight over the financial affairs of the University, including the review of tuition increases and the annual operating budget recommendations to the Board of Governors. The Committee approves the appointment of investment fund managers and approves investment decisions within the approved asset mix in compliance with the University's investment policies and guidelines for all investment funds except pension investments. The Committee exercises oversight and responsibility for compliance with the Board-approved Responsible Investment Policy for funds within the Committee's authority.

Additional information about the Committee can be found on the [Secretariat website](#).

Key Items:

At its meeting held October 10, 2024, the Finance and Investment Committee discussed the following:

Fund Performance and Investment Manager Evaluation Q2 2024

The Committee reviewed investment results for Q2 2024.

Investment Policies and Guidelines

The Committee received the annual compliance review for the Fund Implementation Procedures (FIP) and the Statement of Investment Policies and Procedures (SIPP) for both the Endowment and IQC. This item is addressed separately under item 8.2.

Mid-Year Budget Update

The Committee received a presentation regarding the current budget year. This item is addressed separately under item 8.3.

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **8. Finance & Investment Committee Report**

8.2.1. Investment Guidelines and Compliance

The Finance & Investment Committee is responsible, "to review, at least annually, all of the University's investment policies and guidelines."

Amendments to the Endowment and IQC Statement of Investment Policies and Procedures (SIPP) are attached with track changes, however, a summary of changes is included below for Governors' reference:

Changes to Both Endowment and IQC Trust SIPPs

- Replace Equity Returns/Risk section with a more generic Risk Factors section. This change is consistent with recommended changes to the Pension SIPP, which is a consistent section used by Eckler (Pension Investment Consultant) clients.
- Remove Diversification section as commentary on investment diversification is included in new Risk Factors section.
- Updates to recognized bond rating agencies
 - Only require bonds to have a single agency rating
 - Remove Fitch Ratings as a recognized bond rating agency. Fitch Ratings now requires special licensing to access ratings, which the University does not have.

Additional Changes to Endowment SIPP:

- Update Asset Mix section
 - Separate row for Private Debt asset class.
 - Updates to benchmark portfolio to reflect current and pending asset allocations within the endowment.
 - Clarifications on existing benchmark indexes.
- Additions to Permitted Investment section

- Additions reflect prior approval of private debt and venture capital (private equity) asset classes.

Additional Changes to IQC Trust SIPP:

- Update Asset Mix section
 - Clarification that cash is included within the Total Fixed Income.
 - Clarifications on existing benchmark indexes.

At its meeting in October 2024, the Finance & Investment Committee approved changes to the Endowment Fund Implementation Procedures (FIP) and IQC Trust FIP as well as the Expendable Fund Investment Guidelines. The Committee also recommends changes to the Endowment SIPP and IQC SIPP. The Committee further reviewed compliance with the Endowment SIPP, FIP, IQC Trust SIPP, FIPP and Expendable Fund Investment Guidelines.

Recommendations:

That on the recommendation of the Finance & Investment Committee that the Board of Governors approve the changes to the Endowment Statement of Investment Policies and Procedures, as presented.

That on the recommendation of the Finance & Investment Committee that the Board of Governors approve changes to the IQC Statement of Investment Policies and Procedures, as presented.

Documentation Provided:

- Endowment Statement of Investment Policies and Procedures
- IQC Statement of Investment Policies and Procedures

Statement of Investment Policies and Procedures

University of Waterloo Endowment

Effective: ~~April 4, 2023~~ November 1, 2024

APPROVED on this ~~April 4, 2023~~ October 29, 2024

DRAFT

Replaces previous version which was last revised and effective on ~~February 7~~ April 4, 2023

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Introduction

1) Purpose and Scope of Policy

This Statement of Investment Policies and Procedures (the “SIPP”) provides the framework for the investment of the assets for the University of Waterloo Endowment Fund (“Fund”).

To provide investment income within acceptable risk tolerances, it is necessary to strive for sufficient/appropriate real investment returns on the Fund assets over medium- and long-term periods. The investment philosophy, policies and procedures adopted in this document will assist in the achievement of this goal in a prudent and effective manner.

This document has been developed taking into account factors such as:

- i. The nature of the Fund’s spending requirements;
- ii. Historical and expected capital market returns; and
- iii. The benefits of investment diversification.

The Finance & Investment Committee shall annually review and either confirm or recommend amendments to this Policy to the Board who may amend this Policy. The University of Waterloo (the “University”) will provide any amended copy of this Policy to the Investment Managers.

2) Administration

The University is the legal owner of the Fund and is therefore responsible for all matters relating to the administration, interpretation and application of the Fund. University shall exercise the care, diligence and skill in the administration and investment of the Fund that a person of ordinary prudence would exercise. Such persons must further use all knowledge and skill that they possess, or ought to possess.

Investment Principles

3) General Guidelines

The investments of the Fund must comply with the requirements and restrictions imposed by the applicable legislation.

4) Objective of the Fund

The objective of the Fund is to provide an annual revenue stream in perpetuity to fund specific activities of the University and to preserve its purchasing power.

5) Investment Objectives

Return objectives for the Fund are established taking into consideration factors including; earning a rate of return sufficient to meet the annual expendable obligations, earning a rate of return sufficient to maintain the purchasing power of the endowed capital, investment horizon of the Fund, historical and expected capital market returns, volatility of different asset classes, financial implications of Environmental, Social and Governance (“ESG”) factors, benefits of investment diversification, and the University’s risk tolerance with respect to the Fund.

6) Portfolio Return Objectives

The return objectives of the Fund are:

- i. Earn a minimum rate of return, after investment expenses, of CPI¹ + 3 % over four-year moving periods.
- ii. Achieve a minimum absolute rate of return, after investment expenses, which exceeds the benchmark return by 0.25% over four-year moving periods.

7) Expected Volatility

The volatility of the assets of the Fund is directly related to its asset mix. The Benchmark Portfolio ~~in Section 13~~ has been constructed with the expected returns and related risks in mind. Provided the Fund’s investment structure stays within the permitted ranges for each asset class, the volatility of the Fund’s returns should be similar to that of the Benchmark Portfolio.

8) ~~Equity Returns/Risk~~Risk Factors

~~While the level of equity exposure drives much of the risk level of the Fund assets, equities are expected to outperform fixed income over the long term. Therefore, the investment strategy will include appropriate exposure to equities as part of providing the long-term risk-adjusted returns necessary to fund the spending requirements of the Fund. The Fund’s investments are subject to the following risk factors:~~

- a) Equity market
- b) Interest rates
- c) Credit
- d) Liquidity
- e) Inflation
- f) Currency

¹ CPI source: Bank of Canada CPIX

g) Active manager underperformance

h) Governance

i) Operational

j) Regulatory

The primary method for managing these risks is diversification. The Plan will be diversified by asset class, geography, security (through well-diversified portfolios of bonds, equities and alternatives), investment manager and investment style.

9) ~~Diversification~~

~~Diversification is intended to expose the Fund to opportunities to reduce investment concentration risk. The Fund will pursue diversification by asset class and geography in its asset mix and by investment style in the selection of its Investment Managers.~~

~~To facilitate diversification, a diversified Investment Manager structure has been adopted for the Fund consisting of several managers. This structure has been adopted, as it is believed that the different investment mandates will result in increased diversification, while reducing the 'manager risk' effect for the Fund.~~

10) Liquidity

The investment strategy should provide sufficient liquidity to meet the Fund's financial obligations, while ensuring the Fund does not contain excessive cash or low yielding liquid assets. Provided the liquidity requirements of the Fund are met, the Fund may consider investing a portion of the Fund in illiquid assets, where such investment has the potential of enhanced returns, in part, due to the illiquidity premium.

11) Currency Hedging

Currency movements relative to the Canadian dollar are not expected to have a significant impact over the long term. The Fund policy is to not hedge currency at the total fund level. Over shorter periods, currency movements may increase volatility and currency hedging may be employed by Investment Managers where expressly permitted.

12) Asset Mix

The Fund will be invested in a broad range of assets with the goal of meeting or exceeding return expectations and mitigating investment risks. The following benchmark portfolio ("Benchmark Portfolio") is representative of the long-term asset mix policy for the Fund.

Assets	Minimum %	Maximum %	Benchmark Portfolio %	Benchmark
Cash	0	2	0	
Fixed Income	20	<u>40</u> <u>35</u>	<u>30</u> <u>27</u>	FTSE Canada Universe Overall Bond Index
Total Fixed Income	20	<u>40</u><u>37</u>	<u>27</u>	
Canadian Equity	0	20	10	S&P/TSX Composite Index
Global Equity	50	70	<u>60</u> <u>57</u>	MSCI ACWI <u>(Net)</u> (CAD)
Venture Capital	0	5	0	
Total Equity	60	75	<u>67</u>	
Infrastructure	0	5	<u>0</u> <u>3</u>	<u>FTSE Developed Core Infrastructure 50/50 (CAD)</u>
Real Estate	0	5	0	
Total Real Assets	0	10	<u>3</u>	
<u>Private Debt</u>	<u>0</u>	<u>5</u>	<u>3</u>	<u>SOFR + 4%</u>

For the purpose of the total asset mix described above, the Investment Managers' asset class pooled funds are deemed to be 100% invested, even though these funds may contain a portion held in cash and cash equivalent instruments.

13)12) Rebalancing

At all times, the market value of the individual asset classes will be within the minimum and maximum aggregate investment limits prescribed in Section 12 (Asset Mix) but may deviate from the benchmark portfolio.

14)13) Responsible Investing

Consistent with its obligation to act in the best interest of the Fund, the University chooses investments and Investment Managers that it believes will deliver superior

financial performance over the long term. In this regard, when selecting Investment Managers or direct investments, the University considers criteria that include: the Investment Manager's business and staff; historical performance; and the consideration of environmental, social and governance ("ESG") factors in the investment process, including climate change risks and opportunities, which may have a financial impact on the investments, as well as the Investment Manager's Responsible Investment Policy. The adoption of sound ESG practices is intended to reduce financial risk over all time periods and offer enhanced long-term value to the Fund.

The Fund's ESG practices are further detailed in the University of Waterloo Responsible Investment Policy.

15)14) Permitted Investments

In general, and subject to the restrictions in this document, the Investment Manager may invest in any of the following asset classes and in any of the investment instruments listed.

a) Cash and Short-Term Investments

Cash on hand, demand deposits, treasury bills, short-term notes and bankers' acceptances, commercial paper, term deposits and guaranteed investment certificates having a term of less than or equal to one year.

b) Fixed Income

Bonds, debentures, or other debt instruments of corporations, Canadian Governments, Government agencies, or guaranteed by Governments, supranationals, federal real return bonds, mortgage-backed securities, mortgages, asset-backed securities, non-convertible preferred shares, term deposits, guaranteed investment certificates, insurance contracts, private placements and bonds where capital, interest or both are linked to increases in the cost-of-living (i.e. real return bonds).

c) Equities

Common shares, preferred shares, American Depository Receipts, Global Depository Receipts, rights, warrants, installment receipts, index units, income trust units and securities convertible into common shares.

d) Private Equity

Investments in non-public equity securities through co-investments and limited partnerships pursuing strategies including buyouts, venture capital, and distressed opportunities.

d)e) Derivatives

Derivatives are a type of financial contract which can be traded on an exchange or over the counter for which the value is dependent on an underlying asset, group of assets or a benchmark; common derivatives include futures contracts, forwards, options and swaps. The pooled funds in which the Fund invests may invest directly in derivatives to create synthetic exposures, or for hedging purposes, if their objectives and strategies permit, and if the exposure to derivatives is subject to limits based on the intended use and strategies for derivatives and the risks associated with them. Derivatives may also be used to hedge currency and provide downside protection. Derivatives may not be used for speculative trading or to create a portfolio with leverage. Investment funds that invest in derivatives must comply with all applicable law and must be invested and managed in accordance with regulatory derivatives best practices.

e)f) Infrastructure

Listed, direct or indirect investments in the debt or equity securities of infrastructure entities including the transportation, energy, utilities, telecommunications, and social infrastructure sectors.

f)g) Real Estate

REITs, direct or indirect investments in the debt or equity securities of real property assets including industrial, office, retail, multi-residential, agriculture and timberland properties.

h) Private Debt

Senior and junior debt instruments including secured and unsecured loans, bonds and other related instruments.

g)i) Pooled Funds

Investments in open-ended or closed-ended pooled funds, or private/limited partnerships, provided that the assets of such funds are permissible investments under the SIPP. While the SIPP is intended to guide the management of the assets, it is recognized that, where pooled funds are held, there may be instances where there is a conflict between the SIPP and the investment policy of a pooled fund. In that case, the pooled fund policy shall dominate, subject to the compliance reporting procedures outlined in Section 3 of the Fund Implementation Procedures. However, the Investment Manager is expected to advise the University in the event of any material discrepancies between the above guidelines and the pooled fund's own investment guidelines. In addition, the Investment Manager will ensure that the University has received a copy of the most recent version of the pooled fund policy

and of any amendments made to the pooled fund policy.

16)15) Minimum Quality Requirements

a) Quality Standards

Within the investment restrictions for individual portfolios, all portfolios should hold a prudently diversified exposure to the intended market.

- i. The minimum quality standard for ~~individual publicly-traded~~ bonds and debentures is 'BBB' or equivalent as rated by at least ~~two-one~~ Recognized Bond Rating Agencies, at the time of purchase. Where an investment in the portfolio is downgraded below a 'BBB' rating, the following steps will be taken:
 - The Investment Manager will notify the University of the downgrade by telephone at the earliest possible opportunity;
 - Within ten business days of the downgrade, the Investment Manager will advise the University in writing of the course of action taken or to be taken by the Investment Manager, and its rationale; and
 - Immediately upon downgrade, the Investment Manager will place the asset on a Watch List subject to monthly review by the Investment Manager with the University until such time as the security matures, is sold or until it is upgraded to a level consistent with the purchase quality standards as expressed in the guidelines mentioned above.
- ii. In cases in which the Recognized Bond Agencies do not agree on the credit rating, the bond will be classified ~~according to the methodology used by FTSE Canada, which states as follows:~~
 - If two agencies rate a security, use the lower of the two ratings;
 - If three agencies rate a security, use the middle of the three ratings; ~~or~~
 - ~~If all four rate a security, use the middle of the three lowest ratings.~~
- iii. Private Debt investments that are rated internally by the investment manager as investment grade and non-investment grade are permitted.

b) Rating Agencies

For the purposes of the SIPP, the following rating agencies shall be considered to be 'Recognized Bond Rating Agencies:

- i. ~~Dominion Bond Rating Agency~~ Morningstar DBRS;
- ii. Standard and Poor's; and
- iii. Moody's Investors Services;
- iv. ~~Fitch Ratings~~

17)16) Maximum Quantity Requirements

a) Total Fund Level

The Fund shall not, directly or indirectly, lend or invest moneys of the Fund to or in any one person, any associated persons or any affiliated corporations if:

- i. 10% or more of the total market value of the Fund's assets has already been lent or invested in total to, or in, the person, the associated persons or the affiliated corporations; or
- ii. 10% or more of the total market value of the Fund's assets would be lent or invested in total to, or in, the person, the associated persons or the affiliated corporations as a result of the loan or investment.
- iii. Holdings issued by the Government of Canada and its agencies are exempt from the above mentioned 10% limitation.

The Fund shall not directly or indirectly, invest the moneys of the Fund in the securities of a corporation to which are attached more than 20% of the votes that may be cast to elect the directors of the corporation.

b) Fixed Income

- i. Maximum 15% of the market value of the Canadian fixed income securities shall be invested in BBB bonds or debentures
- ii. Maximum 10% of the actively managed fixed income portfolio may be invested in debt denominated in US currency, including debt issued by the US Government, its agencies and instrumentalities. Fixed Income in any ~~No~~ other foreign currency ~~debt~~ will not be purchased.

c) Equities

No one equity holding shall represent more than 10% of the total market value of the Investment Manager's portfolio.

18)17) Investment Manager Compliance

Investment Managers must be compliant with this Policy, the Fund's Fund Implementation Procedures and the University's Responsible Investment Policy.

The Investment Managers shall not make investments in asset categories other than those explicitly permitted in this Policy, unless the University first consents in writing.

19)18) Securities and Cash Lending

The Investment Managers and custodian may participate in securities lending programs for the purpose of generating revenue.

Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes, banker's acceptances of Canadian chartered banks or high quality, liquid equities. The amount of collateral taken for securities lending should reflect OSFI standards and best practices in local markets. This market value relationship must be calculated at least daily.

Investment Managers and custodians participating in securities lending will make available the terms and conditions of any securities lending program(s) with the University.

20)19) Short Selling

Short selling and/or pair trading are not permitted.

21)20) Borrowing

The Fund shall not borrow money, except to cover short-term contingency and the borrowing is for a period that does not exceed ninety days.

22)21) Monitoring

Compliance with this Policy, together with relevant risk metrics, will be monitored quarterly including:

- i. Achievement of the total return objective
- ii. Liquidity requirements
- iii. Asset mix limits
- iv. Credit quality requirements
- v. Single issuer limits
- vi. Investment Manager Performance and related ESG integration

General Provisions

23)22) Conflicts of Interest

a) Responsibilities

This standard, which is consistent with University Policy 69 (Conflict of Interest), applies to the University and the members of the University, as well as to all agents employed by them, in the execution of their responsibilities (the "Affected Persons").

An "agent" is defined to mean a company, organization, association or individual, as well as its employees who are retained by the University to provide specific services with respect to the investment, administration and management of the assets of the

Fund.

b) Disclosure

In the execution of their duties, the Affected Persons shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Fund assets.

Further, it is expected that no Affected Person shall make any personal financial gain (direct or indirect) because of his or her fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the University

No Affected Person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from a person with whom they deal with in the course of performance of his or her duties and responsibilities for the Fund.

It is incumbent on any Affected Person who believes that he or she may have a conflict of interest, or who is aware of any conflict of interest, to disclose full details of the situation to the attention of the University immediately. The University, in turn, will decide what action is appropriate under the circumstances but, at a minimum, will table the matter at the next regular meeting of the F&I Committee.

No Affected Person who has or is required to make a disclosure as contemplated in this Policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

24)23) Voting Rights

The voting rights acquired through the investments held by the Fund are delegated to the Investment Managers of the securities. Investment Managers are expected to exercise all voting rights related to investments held by the Fund in the interests of the University. Investment Managers shall report their voting activities to the University on a quarterly basis documenting how they voted as well as how ESG factors were included in the rationale for the voting decision.

25)24) Valuations of Investments Not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every month.

b) Fixed Income

Same as for equities.

c) Real Assets and Private Debt

The fair value of infrastructure, ~~and~~ real estate and private debt investments is determined by the general partner, or the pooled fund Investment Manager, based on industry standards which may include consideration of previous transaction prices, discounted cash flow, and the valuations of other comparable publicly traded investments. Limited partnerships and pooled funds will be audited annually by a qualified independent third party appointed by the fund's general partner or Investment Manager.

26)25) Related Party Transactions

The University, on behalf of the Fund, may not enter into a transaction with a related party unless:

- i. The transaction is made for the operation or administration of the Fund under terms and conditions that are not less favourable to the Fund than market terms and conditions and such transaction does not involve the making of loans to, or investments in, the related party; or
- ii. The combined value of all transactions with the same related party is nominal or the transaction(s) is immaterial to the Fund.

For the purposes of this section, only the market value of the combined assets of the Fund shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Fund. Transactions less than 0.5% of the combined market value of the assets of the Fund are considered nominal.

In addition, the prohibition to entering into transactions with a related party does not apply to investments:

- i. In securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- ii. In a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- iii. In a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace; and
- iv. That involve the purchase of a contract or agreement in respect of which the return is based on performance of a widely recognized index of a broad class of securities traded at a marketplace.

A "related party" in respect of the Fund means:

- i. A person who is the administrator of the Fund including any officer, director or employee of the administrator. It also includes the Managers and their employees, a union representing employees of the employer, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others.
- ii. An officer, director or employee of one of the administrators of the Fund;
- iii. A person responsible for holding or investing the assets of the Fund, or any officer, director or employee thereof;
- iv. An association or union representing employees of the University, or an officer or employee thereof;
- v. The spouse or child of any person referred to in any of paragraphs (i) to (iv);
- vi. An affiliate of the University;
- vii. A corporation that is directly or indirectly controlled by a person referred to in any of paragraphs (i) to (vi); and/or
- viii. An entity in which a person referred to in paragraph (i) or (ii), or the spouse or a child of such a person, has a substantial investment.

Statement of Investment Policies and Procedures

University of Waterloo IQC Trust Fund

Effective: ~~October 25, 2022~~ November 1, 2024

APPROVED on this ~~October 25, 2022~~ October 29, 2024

DRAFT

Replaces previous version which was last revised and effective on ~~November 1, 2021~~ October 25, 2022

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Introduction

1) Purpose and Scope of Policy

The Institute for Quantum Computing (IQC) is a scientific research institute harnessing the quantum laws of nature to develop powerful new technologies that will transform information technology.

This Statement of Investment Policies and Procedures (the “SIPP”) provides the framework for the investment of the assets for the University of Waterloo IQC Trust Fund (“Fund”).

To provide investment income within acceptable risk tolerances, it is necessary to strive for sufficient/appropriate real investment returns on the Fund assets over short-, medium- and long-term periods. The investment philosophy, policies and procedures adopted in this document will assist in the achievement of this goal in a prudent and effective manner.

This document has been developed taking into account factors such as:

- i. The nature of the Fund’s spending requirements;
- ii. Historical and expected capital market returns; and
- iii. The benefits of investment diversification.

The Finance & Investment Committee shall annually review and either confirm or recommend amendments to this Policy to the Board who may amend this Policy. The University of Waterloo (the “University”) will provide any amended copy of this Policy to the Investment Managers.

2) Administration

The University is the legal owner of the Fund and is therefore responsible for all matters relating to the administration, interpretation and application of the Fund. The University shall exercise the care, diligence and skill in the administration and investment of the Fund that a person of ordinary prudence would exercise. Such persons must further use all knowledge and skill that they possess, or ought to possess.

Investment Principles

3) General Guidelines

The investments of the Fund must comply with the requirements and restrictions imposed by the applicable legislation.

4) Objective of the Fund

The objective of the Fund is to provide funds to support IQC's ongoing activities, subject to an appropriate level of risk. As the significant donation that established the IQC Trust is not an endowment, all funds of the trust are ultimately meant to be spent.

5) Investment Objectives

Return objectives for the Fund are established taking into consideration factors including: rate of return sufficient to meet future expenses, investment horizon of the Fund, historical and expected capital market returns, volatility of different asset classes, financial implications of Environmental, Social and Governance ("ESG") factors, benefits of investment diversification, and the University's risk tolerance with respect to the Fund.

6) Portfolio Return Objectives

Earn a rate of return, after investment expenses, of CPI¹ + 3% over four-year moving periods.

Achieve a minimum absolute rate of return, after investment expenses, which exceeds the benchmark return by 0.25% over four-year moving periods.

7) Expected Volatility

The volatility of the assets of the Fund is directly related to its asset mix. The Benchmark Portfolio ~~in Section 13~~ has been constructed with the expected returns and related risks in mind. Provided the Fund's investment structure stays within the permitted ranges for each asset class, the volatility of the Fund's returns should be similar to that of the Benchmark Portfolio.

8) ~~Equity Returns/Risk Factors~~

~~While the level of equity exposure drives much of the risk level of the Fund assets, equities are expected to outperform fixed income over the long term. Therefore, the investment strategy will include appropriate exposure to equities as part of providing the long term risk adjusted returns necessary to fund the spending requirements of the Fund. The Fund's investments are subject to the following risk factors:~~

- ~~a) Equity market~~
- ~~b) Interest rates~~
- ~~c) Credit~~

¹ CPI Source: Bank of Canada Total CPI

- d) Liquidity
- e) Inflation
- f) Currency
- g) Active manager underperformance
- h) Governance
- i) Operational
- j) Regulatory

The primary method for managing these risks is diversification. The Plan will be diversified by asset class, geography, security (through well-diversified portfolios of bonds, equities and alternatives), investment manager and investment style.

-

9) ~~Diversification~~

~~Diversification is intended to expose the Fund to opportunities to reduce investment concentration risk. The Fund will pursue diversification by asset class and geography in its asset mix and by investment style in the selection of its investment managers.~~

~~To facilitate diversification, a diversified investment manager has been adopted for the Fund consisting of several managers. This structure has been adopted, as it is believed that the different investment mandates will result in increased diversification, while reducing the 'manager risk' effect for the Fund.~~

10) Liquidity

The investment strategy should provide sufficient liquidity to meet the Fund's financial obligations, while ensuring the Fund does not contain excessive cash or low yielding liquid assets.

11) Currency Hedging

Currency movements relative to the Canadian dollar are not expected to have a significant impact over the long term. The Fund policy is to not hedge currency at the total fund level. Over shorter periods, currency movements may increase volatility and currency hedging may be employed by Investment Managers where expressly permitted.

12) Asset Mix

The Fund will be invested in a broad range of assets with the goal of meeting or exceeding return expectations and mitigating investment risks. The following

benchmark portfolio (“Benchmark Portfolio”) is representative of the long-term asset mix policy for the Fund.

At all times, the market value of the individual asset classes will be within the minimum and maximum aggregate investment limits as listed.

Assets	Minimum %	Maximum %	Benchmark Portfolio %	Benchmark
Cash ¹	5	10	7.5	FTSE Canada 91-Day T-Bill Index
Fixed Income	25	40	32.5	FTSE Canada Universe Overall Bond Index
Total Fixed Income	<u>2530</u>	<u>4050</u>	<u>32.540</u>	
Canadian Equity	20	30	25	S&P/TSX Composite Index
Global Equity	20	30	25	MSCI ACWI <u>(net)</u> (CAD)
Total Equity	40	60	50	
Infrastructure			5	FTSE Developed Core Infrastructure 50/50
Real Estate			5	FTSE EPRA/NAREIT Developed (CAD)
Real Assets	0	20	10	

¹ Minimum \$8 million held for expendable

For the purpose of the total asset mix described above, the Investment Managers’ asset class pooled funds are deemed to be 100% invested, even though these funds may contain a portion held in cash and cash equivalent instruments.

13)12) Rebalancing

At all times, the market value of the individual asset classes will be within the minimum and maximum aggregate investment limits prescribed in Section 12 (Asset Mix) but may deviate from the benchmark portfolio.

14)13) Responsible Investing

Consistent with its obligation to act in the best interest of the Fund, the University chooses investments and investment managers that it believes will deliver superior financial performance over the long term. In this regard, when selecting investment managers or direct investments, the University considers criteria that include: the manager's business and staff; historical performance; and the consideration of environmental, social and governance ("ESG") factors in the investment process, including climate change risks and opportunities, which may have a financial impact on the investments, as well as the Investment Manager's Responsible Investment Policy. The adoption of sound ESG practices is intended to reduce financial risk over all time periods and offer enhanced long-term value to the Fund.

~~The Fund's ESG practices are further detailed in the University of Waterloo Responsible Investment Policy~~

15)14) Permitted Investments

In general, and subject to the restrictions in this document, the Investment Manager may invest in any of the following asset classes and in any of the investment instruments listed.

a) Cash and Short-Term Investments

Cash on hand, demand deposits, treasury bills, short-term notes and bankers' acceptances, commercial paper, term deposits and guaranteed investment certificates having a term of less than or equal to one year.

b) Fixed Income

Bonds, debentures, or other debt instruments of corporations, Canadian Governments, Government agencies, or guaranteed by Governments, supranationals, federal real return bonds, mortgage-backed securities, mortgages, asset-backed securities, non-convertible preferred shares, term deposits, guaranteed investment certificates, insurance contracts, private placements and bonds where capital, interest or both are linked to increases in the cost-of-living (i.e. real return bonds).

c) Equities

Common shares, preferred shares, American Depository Receipts, Global Depository Receipts, rights, warrants, installment receipts, index units, income trust units and securities convertible into common shares.

d) Derivatives

Derivatives are a type of financial contract which can be traded on an exchange or over the counter for which the value is dependent on an underlying asset, group of

assets or a benchmark; common derivatives include futures contracts, forwards, options and swaps. The pooled funds in which the Fund invests may invest directly in derivatives to create synthetic exposures, or for hedging purposes, if their objectives and strategies permit, and if the exposure to derivatives is subject to limits based on the intended use and strategies for derivatives and the risks associated with them. Derivatives may also be used to hedge currency and provide downside protection. Derivatives may not be used for speculative trading or to create a portfolio with leverage. Investment funds that invest in derivatives must comply with all applicable law and must be invested and managed in accordance with regulatory derivatives best practices

e) Infrastructure

Listed, direct or indirect investments in the debt or equity securities of infrastructure entities including the transportation, energy, utilities, telecommunications and social infrastructure sectors.

f) Real Estate

REITs, direct or indirect investments in the debt or equity securities of real property assets including industrial, office, retail, multi-residential, agriculture and timberland properties.

g) Pooled Funds

Investments in open-ended or closed-ended pooled funds, or private/limited partnerships, provided that the assets of such funds are permissible investments under the SIPP. While the SIPP is intended to guide the management of the assets, it is recognized that, where pooled funds are held, there may be instances where there is a conflict between the SIPP and the investment policy of a pooled fund. In that case, the pooled fund policy shall dominate, subject to the compliance reporting procedures outlined in Section 3 of the Fund Implementation Procedures. However, the investment manager is expected to advise the University in the event of any material discrepancies between the above guidelines and the pooled fund's own investment guidelines. In addition, the investment manager will ensure that the University has received a copy of the most recent version of the pooled fund policy and of any amendments made to the pooled fund policy.

16)15) Minimum Quality Requirements

a) Quality Standards

Within the investment restrictions for individual portfolios, all portfolios should hold a prudently diversified exposure to the intended market.

- i. The minimum quality standard for individual publicly-traded bonds and debentures is 'BBB' or equivalent as rated by at least two-one Recognized

Bond Rating Agencies, at the time of purchase. Where an investment in the portfolio is downgraded below a 'BBB' rating, the following steps will be taken:

- The investment manager will notify the University of the downgrade by telephone at the earliest possible opportunity;
 - Within ten business days of the downgrade, the Investment Manager will advise the University in writing of the course of action taken or to be taken by the investment manager, and its rationale; and
 - Immediately upon downgrade, the investment manager will place the asset on a Watch List subject to monthly review by the investment manager with the University until such time as the security matures, is sold or until it is upgraded to a level consistent with the purchase quality standards as expressed in the guidelines mentioned above.
- ii. In cases in which the Recognized Bond Agencies do not agree on the credit rating, the bond will be classified ~~according as follows to the methodology used by FTSE TMX, which states:~~
- If two agencies rate a security, use the lower of the two ratings;
 - If three agencies rate a security, use the middle of the three; ~~or~~
 - ~~If all four agencies rate a security, use the middle rating of the three lowest ratings.~~

b) Rating Agencies

For the purposes of these Guidelines, the following rating agencies shall be considered to be 'Recognized Bond Rating Agencies':

- i. ~~Dominion Bond Rating Agency~~ Morningstar DBRS;
- ii. Standard and Poor's; and
- iii. Moody's Investors Services; and
- iv. ~~Fitch Ratings~~

17)16) Maximum Quantity Requirements

a) Total Fund Level

The University shall not, directly or indirectly, lend or invest moneys of the Fund to or in any one person, any associated persons or any affiliated corporations if:

- i. 10% or more of the total market value of the Fund's assets has already been lent or invested in total to, or in, the person, the associated persons or the affiliated corporations; or

- ii. 10% or more of the total market value of the Fund's assets would be lent or invested in total to, or in, the person, the associated persons or the affiliated corporations as a result of the loan or investment.

Holdings issued by the Government of Canada and its agencies are exempt from the above mentioned 10% limitation.

The Fund shall not directly or indirectly, invest the moneys of the Fund in the securities of a corporation to which are attached more than 20% of the votes that may be cast to elect the directors of the corporation.

b) Fixed Income

- i. Maximum 15% of the market value of the Canadian fixed income securities shall be invested in BBB bonds or debentures
- ii. Maximum 10% of the actively managed fixed income portfolio may be invested in debt denominated in US currency, including debt issued by the US Government, its agencies and instrumentalities. ~~No other~~ Fixed Income in any other foreign currency ~~debt~~ will not be purchased.

c) Equities

No one equity holding shall represent more than 10% of the total market value of the Investment Manager's portfolio.

18)17) Investment Manager Compliance

Investment Managers must be compliant with this Policy and the Fund's Fund Implementation Procedures.

The Investment Managers shall not make investments in asset categories other than those explicitly permitted in this Policy unless the Plan first consents in writing.

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The Investment Managers and custodian may participate in securities lending programs for the purpose of generating revenue.

Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes, banker's acceptances of Canadian chartered banks or high quality, liquid equities. The amount of collateral taken for securities lending should reflect OSFI standards and best practices in local markets. This market value relationship must be calculated at least daily.

Investment Managers and custodians participating in securities lending will make available the terms and conditions of any securities lending program(s) with the University.

20)19) Short Selling

Short selling and/or pair trading are not permitted.

21)20) Liquidity

Investments should be liquid enough so that they can be sold in a reasonable period of time. The investments should be valued at least monthly and selected to ensure sufficient liquidity to meet transaction needs.

22)21) Borrowing

The Fund shall not borrow money, except to cover short-term contingency and the borrowing is for a period that does not exceed ninety days.

23)22) Monitoring

Compliance with this Policy, together with relevant risk metrics, will be monitored quarterly including:

- i. Achievement of the total return objective
- ii. Liquidity requirements
- iii. Asset mix limits
- iv. Credit quality requirements
- v. Single issuer limits
- vi. Investment Manager Performance and related ESG integration

General Provisions

24)23) Conflicts of Interest

a) Responsibilities

This standard, which is consistent with University Policy 69 (Conflict of Interest), applies to the University and the members of the University, as well as to all agents employed by them, in the execution of their responsibilities (the “Affected Persons”).

An “agent” is defined to mean a company, organization, association or individual, as well as its employees who are retained by the University to provide specific services with respect to the investment, administration and management of the assets of the Fund.

b) Disclosure

In the execution of their duties, the Affected Persons shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Fund assets.

Further, it is expected that no Affected Person shall make any personal financial gain (direct or indirect) because of his or her fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the University

No Affected Person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from a person with whom they deal with in the course of performance of his or her duties and responsibilities for the Fund.

It is incumbent on any Affected Person who believes that he or she may have a conflict of interest, or who is aware of any conflict of interest, to disclose full details of the situation to the attention of the University immediately. The University, in turn, will decide what action is appropriate under the circumstances but, at a minimum, will table the matter at the next regular meeting of the F&I Committee.

No Affected Person who has or is required to make a disclosure as contemplated in this Policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

25)24) Voting Rights

The voting rights acquired through the investments held by the Fund are delegated to the Investment Managers of the securities. Investment Managers are expected to exercise all voting rights related to investments held by the Fund in the interests of the University. Investment Managers shall report their voting activities to the University on a quarterly basis documenting how they voted as well as how ESG factors were included in the rationale for the voting decision.

26)25) Valuations of Investments Not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every month.

b) Fixed Income

Same as for equities.

c) Real Assets

The fair value of infrastructure and real estate investments is determined by the general partner or the pooled fund Investment Manager based on industry standards which may include consideration of previous transaction prices, discounted cash flow, and the valuations of other comparable publicly traded investments. Limited partnerships and pooled funds will be audited annually by a qualified independent third party appointed by the fund's general partner or Investment Manager.

27)26) Related Party Transactions

The University, on behalf of the Fund, may not enter into a transaction with a related party unless:

- i. The transaction is made for the operation or administration of the Fund under terms and conditions that are not less favourable to the Fund than market terms and conditions and such transaction does not involve the making of loans to, or investments in, the related party; or
- ii. The combined value of all transactions with the same related party is nominal or the transaction(s) is immaterial to the Fund.

For the purposes of this section, only the market value of the combined assets of the Fund shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Fund. Transactions less than 0.5% of the combined market value of the assets of the Fund are considered nominal.

In addition, the prohibition to entering into transactions with a related party does not apply to investments:

- i. In securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- ii. In a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- iii. In a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace; and
- iv. That involve the purchase of a contract or agreement in respect of which the return is based on performance of a widely recognized index of a broad class of securities traded at a marketplace.

A "related party" in respect of the Fund means:

- i. A person who is the administrator of the Fund including any officer, director or employee of the administrator. It also includes the Managers and their employees, a union representing employees of the employer, a spouse or child of the persons named previously, or a corporation that is directly or

- indirectly controlled by the persons named previously, among others.
- ii. An officer, director or employee of one of the administrators of the Fund;
 - iii. A person responsible for holding or investing the assets of the Fund, or any officer, director or employee thereof;
 - iv. An association or union representing employees of the University, or an officer or employee thereof;
 - v. The spouse or child of any person referred to in any of paragraphs (i) to (iv);
 - vi. An affiliate of the University;
 - vii. A corporation that is directly or indirectly controlled by a person referred to in any of paragraphs (i) to (vi); and/or
 - viii. An entity in which a person referred to in paragraph (i) or (ii), or the spouse or a child of such a person, has a substantial investment.

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For Information**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **8. Finance & Investment Committee Report**

8.3.1. Mid-Year Update: 2024-2025 Operating Budget**Background:**

At its meeting in October 2024, the Committee received a mid-year update on the operating budget.

Governors will recall that the Committee and Board of Governors receive budget updates throughout the year, including at the October and January/February meetings.

The Board of Governors approved the 2024/25 operating budget, on the recommendation of the Finance & Investment Committee, in April 2024.

James Rush, Vice-President, Academic and Provost will present a mid-year budget update. Enclosed for members' information is a report.

Documentation Provided:

- Operating Budget Mid-Year Update 2024/25 Report

University of Waterloo
Finance and Investment Committee
October 10, 2024

FOR INFORMATION

Operating Budget Mid-Year Update 2024/2025

Executive Summary

At the time of preparation and presentation of the 2024/2025 opening operating budget, uncertainties were identified in several areas with updates to be provided in-year. This memo outlines the nature of these uncertainties and related updates including estimated impact on the operating budget.

2024/2025 Operating Budget as at April 2024 (Approved by Board of Governors)	in millions
Unmitigated deficit	(\$ 74.5)
Ongoing budget reductions included in operating budget	42.5
Deficit (to be addressed, if necessary, through use of one-time resources on hand)	(\$32.0)

2024/2025 Operating Budget Fall Developments as at October 2024	in millions
Deficit in 2024/2025 operating budget	(\$32.0)
Estimated financial impact relating to:	
Increased tuition income - enrolments	9.0
Increased salary and benefits expenses - compensation agreements	(2.0)
Current estimate: Deficit (to be addressed through use of one-time resources on hand)	(\$ 25.0)

Work has started on assessing potential operational changes to achieve the necessary budget reductions in the 2025/2026 year. Given the significant constraints and regulations currently in place impacting the University's revenues, a balanced budget will require expense reductions.

Enrolments

Based on Spring 2024 and preliminary estimates for Fall 2024, tuition revenue is tracking to be approximately \$9.0 million above budget for the year, with some underlying changes and trends within individual categories of tuition revenue versus budget.

Preliminary estimates of undergraduate domestic student intake are tracking above planning target. This is further supported by undergraduate domestic continuing student numbers year to date above the level forecasted in the opening budget. The result of this is undergraduate domestic tuition revenues are projected to be \$5.9 million year to date above budget.

Preliminary estimates of undergraduate international new student intake are tracking below planning target and less than the last five years. In particular, Fall 2024 international undergraduate new student intakes are forecast to land 600 below target, which results in an \$19M shortfall in tuition revenue from what the university could have realized had those targets been met. In total, international undergraduate new student intakes have declined to 50% of the new international undergraduate students enrolled in 2019/2020, and the total undergraduate international student population has declined by approximately 33%. The shortfall in Fall 2024 new intakes is offset by conservatism built into the tuition revenue estimates used in the budget as compared to targets, and by international undergraduate continuing student numbers year to date above the level forecasted in the opening budget. The result of this is undergraduate international tuition revenues are projected to be \$3.7 million year to date above budget.

Preliminary estimates of the financial impact of graduate domestic tuition revenues are projected to be \$0.5 million above budget, while graduate international tuition revenues are projected to be (\$1.1) million below budget.

In addition, it is important to note that if all eligible (domestic) enrolment were fully funded by the provincial government, the University would receive an additional \$25M in grant revenue annually.

Compensation agreements

At the time of preparing the operating budget for 2024/2025, employee compensation agreements were not yet in place for May 1, 2024. The faculty salary negotiation process ended with an arbitrated result. A salary agreement was achieved with the largest union group, and a salary arrangement was put in place for the staff group. The estimated additional operating budget costs are:

- May 1, 2024 base salary: \$2 million (salary and benefits) recurring annual expense to be reflected in the annual operating budget
- Lump sum payments: \$2 million one-time expense to be funded within existing budgets

Ongoing Budget Reductions

The ongoing budget reductions of \$42.5 million were allocated at the start of the 2024/2025 year. Difficult challenges and decisions need to be made in all units to achieve the budget reduction plans. Achieving these significant expense reductions is the responsibility of VPs, Deans and unit leaders. Business plans to achieve the ongoing expense reductions are in progress. Some of the business plans to achieve the ongoing expense reductions will have one-time costs, that will result in further in-year draw downs of one-time resources on hand.

Examples of business plans to achieve the budget reductions include:

- Elimination of the capital project fund budget and a reduction in the University Fund budget.
 - One-time funds have been earmarked for all current capital project commitments.
 - Strategic projects that have been funded by the University Fund budget in the past will need to take place at a slower pace or be funded with other available budgets.
- Due to the limited hiring program, there has been a reduction in employee levels by not replacing all roles after employee departures. Further, a small number of redundancies have been implemented to date.

All units will report on their approach to achieving budget reductions in mid-year integrated planning and budget reporting.

Next Steps

We will be monitoring and assessing the status and timing of achieving the ongoing expense reductions throughout the year. Further in-year updates on the 2024/2025 operating budget and on the development of the 2025/2026 budget will be shared in the January Finance & Investment Committee meeting. Due to international study permit restrictions and enrolment challenges, it is expected that international enrolments and related tuition revenue will continue to decrease in future years.

For Information

Open Session

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **9. Governance Committee Report**

9.1.1. Report from the Chair

Background:

As a regular item of business at each meeting, a report is provided from each standing committee chair. The Governance Committee has responsibility for the succession planning and recruitment of community-at-large members aligned with necessary skills, experience and representation including recommendations to the board of chairs and membership of standing committees. The Committee ensures committee mandates remain relevant and effective, and ensures orientation and training of governors.

The Committee has oversight of the process for the evaluation of Board and Committee performance and the governance structures and practices of the Board. The Committee also evaluates, on behalf of the Board, the performance of the President and Vice-Chancellor and reviews compensation and conditions of employment.

Additional information about the Committee can be found on the [Secretariat website](#).

Key Items:

At its meeting held October 15, 2024, the Governance Committee discussed the following:

Board Committee Assignments

As per the delegated authority from the Board of Governors at its meeting on April 16, 2024, the Governance Committee has approved various committee membership appointments.

The following appointments were approved:

- Tricia O'Malley as an external member of the Audit & Risk Committee
- Dan Weber as an external member of the Audit & Risk Committee (while LGIC reappointment was processed)

2025-2026 Recruitment Cycle

The Committee reviewed and discussed the skills and experience of the current Board complement and skills needed based on anticipated turnover and future needs. The Committee held an initial discussion regarding prospective Board members for the 2025-2026 governance year.

Board Committee Restructure

The Committee discussed the implementation of the Community & Culture Committee.

The Committee received an update on progress of the on-going Board Committee restructure review, including a next phase to review the Governance Committee and Building & Properties Committee followed by other Board Committees.

Board Bylaw Revisions

The Committee received an update on proposed future revisions to Board By-law 1, as part of a two-phased approach to review of governing documents.

Guidelines for Visitors to Board Meetings

The Committee received an update on proposed guidelines for visitors to Board meetings. This item is addressed separately under item 9.2.

Committee Chair Roundtable

Committee Chairs provided updates on matters of significance arising from recent meetings.

Documentation Provided:

- N/A

For Decision**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **9. Reports from Committees – Governance Committee**

9.2.1. Board By-law 1: Proposed Amendments**Background:**

As Members will recall, the Board of Governors received notice via email regarding proposed changes to Board By-law 1 on May 17, 2024. The Governance Committee reviewed the changes at its meeting on June 4, 2024, and recommended that the Board approve the changes at its October 29, 2024 meeting and receive notice of the changes at its meeting on June 18, 2024.

As previously reported at meetings of the Board in the 2023-24 governance cycle, the Secretariat is undertaking a number of projects to ensure compliance with the Council of Ontario Universities' Leading Practices in University Board Governance, recent recommendations from the Auditor General of Ontario (Special Report on Laurentian University and Value-for-Money Audit), and the Ontario Not-for-Profit Corporations Act (ONCA). The Secretariat has engaged with Legal and Immigration Services (LIS) regarding the proposed language, particularly with respect to ONCA.

The proposed amendments as outlined in a communication to the Board on May 17, 2024 include:

- Create a new section to amend the Board annual cycle to commence September 1 each year (governor terms and the annual meeting cycle currently begins May 1). The change aligns with the academic calendar and will provide greater opportunity for governor onboarding and annual planning activities.
- Update the list of standing committees in Section E to include the proposed Community and Culture Committee (its establishment approved June 2024).
- Amend section M to provide clarity on the process to amend Board by-laws and remove the 30-day notice period. The current requirement that changes are presented at two meetings of the Board will be retained.

- Addition of new provisions as articulated under ONCA with respect to electronic Board and Committee meetings including notice of meetings, records management, etc.
- Addition of language to clarify how absences from Board meetings are managed

Recommendation:

That the Board of Governors approve changes to Board By-law 1, as presented.

Documentation Provided:

- Board By-law 1 – Proposed Amendments Marked Version

Board of Governors By-law 1

Board of Governors By-law 1 regulates 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.

4. Board Members shall normally serve terms beginning on September 1.

~~3.5.~~ An individual who is elected as a member of the Board is not a Board member, and is deemed not to have been elected as a Board member, unless the individual consents in writing to hold office as a Board member before or within 10 days after the election.

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 have voting rights. The membership of the Board is made up as follows:
 - o 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.
 - o Seven members appointed by the Lieutenant Governor in Council.
 - o Seven members appointed by the Senate from among the members of faculty of the Senate
 - o Five members, two of whom shall be graduate students, appointed by the Senate from among the student members of the Senate.
 - o Two members of the full-time staff elected by the full-time staff members.
 - o Ten members from the community-at-large, at least three of whom shall be alumni, elected by the Board.

Commented [GG1]: For compliance with ONCA; language provided by LIS

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 are 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:
 - o record minutes of all proceedings;
 - o provide copies of such minutes to all Governors as soon as possible;
 - o in consultation with the Chair, Vice-Chair and President, prepare the meeting agenda;
 - o 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;
 - o be responsible for arrangements for meetings; be the custodian of the minutes, papers, records, documents, and other instruments of the Board;
 - o be responsible for the dissemination of decisions or instructions by the Board to all parties concerned unless otherwise ordered by the Board; and
 - o 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 or electronically 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.

3.4. The Chair, Vice-Chair or Chair *pro tempore* may, at their discretion, grant a Board member permission to be absent from a Board meeting, such permission may be granted retroactively.

Commented [GG2]: Recommended by LIS to address absences.

5. 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. Agenda material for such meeting will be sent by post or electronically to all members of the Board prior to the commencement of the meeting.

Commented [GG3]: Compliance with ONCA

6. Notice of special meetings shall:

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1. state the purpose of the meeting and the nature of the business to be conducted in sufficient detail to permit a Board member to form a reasoned judgment on the business to be conducted; and,

2. state the text of any special resolution to be submitted at the meeting.

4.7. Board members may, with requisite permission by the Chair, Vice-Chair, or Chair *pro tempore*, participate in either regular and special meetings by telephonic or electronic means that permits all participants to communicate with each other during the meeting. A Board member so participating in a meeting is deemed to be present at the meeting.

5.8. 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.

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

7.10. 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.

8.11. 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.

~~9-12.~~ 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.

~~10-13.~~ The Secretary of the University or designate shall be the non-voting Secretary of the Board.

~~11-14.~~ 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.

~~12-15.~~ 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 [and Community and Culture](#).
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.
 10. The general conduct of meetings shall follow the rules and procedures as set forth in *Bourinot's Rules of Order*, latest revised edition.
 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. RESOLUTIONS

1. A resolution in writing signed by all the Board members entitled to vote on that resolution at a Board or Committee meeting is as valid as if it had been passed at a Board or Committee meeting.
2. The Secretary shall keep a copy of every resolution with the minutes of the Board or Committee meeting at which the resolution was made or, for resolutions not made at a meeting, kept with the minutes of the next meeting.

Commented [GG4]: ONCA compliance

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G. F. PRESIDENT - CHIEF EXECUTIVE OFFICER

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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.
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.
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.

H.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.
2. The Board may delegate authority
 - o 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
 - o 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
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:
 - o borrow money upon the credit of the University
 - o 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, 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 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
5. 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.
 6. 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:
 - o 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
 - o 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:
 - o 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, and representation of the seal may be used on materials created in the course of university business by faculty or by staff in a manner as may be determined from time to time by university administration.
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.

Approved by the Board of Governors, 13 December 1972.

Amended by the Board of Governors, 4 October 1977.

Amended by the Board of Governors, 6 October 1981.

Amended by the Board of Governors, 3 October 1989.

Amended by the Board of Governors, 6 June 2006.

Amended by the Board of Governors, 6 April 2010.

Amended by the Board of Governors, 7 February 2017.

Amended by the Board of Governors, [TBC 29 October 2024]

<https://uofwaterloo.sharepoint.com/sites/sec/RDrive Content/Temp/Collaboration Space/Board Lane/Bylaw 1 Changes/Board of Governors Bylaw 1 - Phase 1 Amendments - DRAFT June 2024 .docx>

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For Decision

Open Session

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **9. Reports from Committees – Governance Committee**

9.3.1. Proposed Guidelines for Visitors to Board Meetings

Background:

The enclosed guidelines are proposed to articulate existing practices undertaken by the Board of Governors and aim to provide advice and direction in a manner that is clear and consistent with existing governing documents, and transparent to the University community. The guidelines are intended to facilitate access to meetings and provide helpful guidance for all visitors at Board meetings.

A parallel set of guidelines are also being contemplated by the Senate to guide visitors at meetings of the Senate as well as its public standing committee and council meetings, to be presented for approval by Senate at its meeting October 21, 2024.¹

Recommendation:

That on the recommendation of the Governance Committee that the Board of Governors approve the Guidelines for Visitors to Board meetings, as presented.

Documentation Provided:

- Proposed Guidelines for Visitors to Board Meetings

¹ Note that the governance year referenced in the Guidelines is pending approval of Phase 1 of the Board By-law 1 changes at the October 29, 2024 Board meeting.



1. General

These Guidelines are intended to outline attendance expectations for visitors to meetings of the University of Waterloo Board of Governors and its standing committees. It is the expectation that the business of these meetings can proceed appropriately and with full attention to a safe and secure environment for all meeting participants.

These Guidelines describe measures that are consistent with the University of Waterloo Act, 1972 ("the Act"), as amended, Board By-law 1 and other University policies and protocols addressing individual conduct, safety and security.

2. Authority

Section 27(1) of the Act requires that meetings of Board of Governors be open to the public

...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 therefrom except for improper conduct...

Board Bylaw 1, s.D6 provides that, "Non-Board members in attendance at meetings may participate at the pleasure of the Chair and shall observe rules of decorum".

The Act, and Board Bylaw 1, provide for circumstances in which a meeting of the Board or its committees may be held in closed session, "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. 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.¹

3. Registration of Attendance

The Secretariat will establish and make public a registration process for visitors to attend and observe proceedings of the open session of a Board of Governors meeting.

Commented [GG1]: Collapsed to give operational discretion to the Secretariat in cases where flexibility may be required.

4. Representations to the Board of Governors

4.1. Members of the University community wishing to make representations to a meeting of Board must file their request with the Secretariat, in writing, by noon on the Friday that precedes the scheduled regular meeting of the Board, as published on the Secretariat website, and include the nature of the proposed representation. Requests should include reference to other internal and/or governance bodies previously engaged in the matter, as appropriate. The Secretariat may be contacted for assistance in filing such requests.

Commented [GG2]: Added to align with Senate version based on feedback

4.2. Requests are considered by the Chair of the Board of Governors and granted with approval from the Board when the agenda is considered.

¹ Board By-law 1, Section D, 8-9.

Guidelines for Visitors to Board Meetings – DRAFT FOR APPROVAL

- 4.3. Speakers are required to limit their remarks to five minutes, with exceptions at the sole discretion of the chair.
- 4.4. All meeting participants shall avoid personal attacks or offensive references to any individual.
- 4.5. A maximum of fifteen minutes may be devoted to representations from individuals and groups who wish to address the members of the Board. These statements will normally be heard following dispensation of the minutes.
- 4.6. If more than three requests for representations are received for a given Board meeting, they will be considered in the order received with priority to be given to recognized associations and groups from the University community, as well as to requests pertaining to items of business on the meeting agenda.
- 4.7. An individual or group may bring a representation to the Board on a given subject normally once during the governance year (September 1 to August 30).
- 4.8. The Chair of the Board of Governors may exercise discretion to appropriately direct the request to a committee of Board or to another governance or administrative body.
- 4.9. The Chair of the Board of Governors has the authority to adapt the process outlined in these guidelines in cases where its application is uncertain.

5. Order and Decorum

- 5.1. As the presiding officer of the meeting, the Chair is responsible for maintaining order and decorum at meetings.
- 5.2. Only duly appointed and elected members of Board and its standing committees may participate in debate and/or sit at the table. Members of senior administration and/or resource persons who attend meetings of Board or a standing committee or council to facilitate its work may be called upon to respond to questions. Visitors to meetings do not have speaking privileges unless otherwise provided by the Chair.
- 5.3. Interference with the progress of a meeting by a visitor will not be permitted and any visitor who attempts to impede the business of the meeting will be instructed by the Chair to leave.

6. Recording of Meetings

Audio and/or video recording or transmittal of meetings is not permitted unless permission has been granted by and at the sole discretion of the Chair. The Secretariat may cause the meeting to be recorded for minute-taking purposes. Such recordings will be held confidentially and securely on University-supported servers and destroyed following approval of the respective minutes.

7. Contact

Questions related to these guidelines should be directed to the Secretariat at board@uwaterloo.ca.

Commented [GG3]: Added to align with Senate based on feedback

Commented [GG4]: Updated based on feedback and clarify expectations of all attendees

Commented [GG5]: Added "normally" to along with Senate version based on feedback

Commented [GG6]: Added to provide flexibility to redirect appropriately

Commented [GG7]: Formerly the Governance Committee, which is not practical in a short timeline. The Chair has ultimate authority per Bylaw 1

Commented [GG8]: Added to signal exceptions may be made (e.g. Senate version speaks to accessibility needs)

For Information**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **10. Pension & Benefits Committee**

10.1.1. Report from the Chair**Background:**

As a regular item of business at each meeting, a report is provided from each standing committee chair. The Pension & Benefits Committee administers the employee Pension Plan and benefits plans approved by the Board. The Committee:

- Makes an annual report to the Board of Governors with respect to the operation of the Pension Plan and reviews the annual audit of the Pension Plan Fund Financial Statements.
- Recommends changes in pension and benefits plans and makes policy decisions relevant to administration of benefits of plans.
- Recommends to the Board of Governors the investment policy for pension assets described in the Statement of Investment Policy and Procedures (SIPP) and approves the Fund Implementation Procedures (FIP) both on the recommendation of the Pension Investment Committee.
- Approves or terminates external fund managers on the recommendation of the Pension Investment Committee and approves asset mix changes and investment decisions in compliance with the SIPP and FIP upon the recommendation of the Pension Investment Committee, with review and advice from the Finance & Investment Committee with respect to transactions representing greater than 20% of the Plan's total assets. PIC can approve cumulative annual transaction (s) that represent less than 20% of the Plan's total assets at the beginning of the calendar year.

The committee delegates day-to-day administration of the Pension Plan and benefits plans to the Human Resources department of the University.

Additional information about the Committee can be found on the [Secretariat website](#).

[https://uofwaterloo.sharepoint.com/sites/sec/RDrive_Content/Temp/Board and Board Committees/Board of Governors/Meetings/2024-25 Meetings/2024-10-29 Meeting/1. Agenda and Minutes/2_Open Session/10.1.1. P&B Report from the Chair.docx](https://uofwaterloo.sharepoint.com/sites/sec/RDrive_Content/Temp/Board%20and%20Board%20Committees/Board%20of%20Governors/Meetings/2024-25%20Meetings/2024-10-29%20Meeting/1.%20Agenda%20and%20Minutes/2_Open%20Session/10.1.1.%20P&B%20Report%20from%20the%20Chair.docx)

Key Items:

At its meetings held on September 13, 2024 and October 17, 2024 the Pension and Benefits Committee discussed the following:

Report from the Pension Investment Committee

The Committee received a report from the Pension Investment Committee regarding an update on investment performance for Q2, 2024.

Annual Audit of the Pension Plan Fund and Financial Statements

The Committee approved the financial statements for the University of Waterloo Pension Plan for Faculty and Staff, December 31, 2023, and also reviewed the Pension Plan Management and Administration Fees incurred in 2023 and also received KPMG's Audit Findings Report for the Year ended December 31, 2023.

Summary of Total Fund Investment Performance and Pension Risk Management Dashboard Q2 2024

The Committee received and reviewed the quarterly updates regarding the performance of the pension plan.

Health Care Spending Account (HCSA)

The Committee reviewed and discussed the implementation of the Health Care Spending Account, as per the arbitrated faculty agreement. This item will be discussed further at the next meeting of the Committee.

Plan Text Amendments – Policy 76/77, Fairness Protocol

The Committee approved recommendations to the Board of Governors for various amendments to the pension plan text. This item is addressed separately in Item 10.2. of the October 29, 2024 Board meeting agenda.

Cost of Living Adjustments – Pensionable Earnings for Members on Long-term Disability (LTD)

The Committee approved a recommendation to index salaries by 3.9% for pension purposes for plan members receiving LTD, effective May 1, 2024.

Investment Policies and Guidelines

The Committee received the annual compliance review for the Fund Implementation Procedures (FIP) and the Statement of Investment Policies and Procedures (SIPP) for the Pension. This item is addressed separately in Item 10.3. of the October 29, 2024 Board meeting agenda.

Extended Plan Design Amendments

The Committee received a presentation from Aon regarding the proposed Biosimilar Transition Program, and approved a recommendation to the Board of Governors that the program be adopted. They also discussed the implementation of two additional benefits. This item is addressed separately in Item 10.4. of the October 29, 2024 Board meeting agenda.

Documentation Provided:

- N/A

For Decision**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **10. Pension & Benefits Committee**

10.2.1. Pension Plan Text Amendments – Faculty Definitions, Fairness Protocol**Background:**

At the September 13, 2024 meeting of the Committee, members approved recommendations to the pension plan text to acknowledge the new faculty definitions included in the recently amended Policy 76 – Faculty Appointments and Policy 77 – Tenure and Promotion of Faculty members, as well as to phase out the existing Fairness Protocol in the plan and address resulting over contributions.

Full text amendments were approved by the Committee at the October 17, 2024 meeting and have been attached to this report as Appendix 'A' for reference.

Recommendation:

That the Board of Governors approve Amendment Number 10 to the University of Waterloo Pension Plan for Faculty and Staff.

Documentation Provided:

- Appendix 'A' - University of Waterloo Pension Plan for Faculty and Staff – Amendment No. 10

**UNIVERSITY OF WATERLOO
PENSION PLAN FOR FACULTY AND STAFF**

Amendment No. 10

The Board of Governors of the University of Waterloo resolves that the University of Waterloo Pension Plan for Faculty and Staff (amended and restated effective January 1, 2011), Registration Number 0310565 (the “Plan”), is amended to as follows:

1. Effective September 1, 2024, Section 3.01 (Employees (Other Than Definite-Term Lecturers)) and Section 3.02 (Definite-Term Lecturers) shall be amended by replacing “Definite-Term Lecturers” wherever such phrase appears with “Definite Term Assistant Professors, Teaching Stream”.
2. Effective January 1, 2025, a new Section 2.09.1 shall be added to the Plan following Section 2.09 (Contract Year) as follows:

“2.09.1 **“Contributory Earnings”** means the maximum Earnings, in a calendar year, upon which a Member is required to contribute pursuant to Section 4.01 (Required Member Contributions), effective January 1, 2025. “Contributory Earnings” for 2025 are equal to \$224,500 and will be increased each calendar year, beginning January 1, 2026, at the same rate as the increase in the Average Industrial Wage, subject to adjustments made on the advice of the Actuary.

For purposes of this Section, “Average Industrial Wage” means the average industrial wage as published by Statistics Canada under the authority of the *Statistics Act* (Canada) for purposes of increasing the Year’s Maximum Pensionable Earnings and the maximum pension pursuant to the Income Tax Act.”

3. Effective January 1, 2025, paragraph (a) (General) of Section 4.01 (Required Member Contributions) shall be deleted in its entirety and replaced with the following:

“(a) General

Subject to Section 4.01(b), (c), (d) and (e), each Member is required to contribute to the Plan by payroll deduction for each year (including a partial year) of participation in accordance with the following table:

Contribution Rate on Earnings		
Effective Date	Not in Excess of Year’s Maximum Pensionable Earnings (for that year)	In Excess of Year’s Maximum Pensionable Earnings But Not in Excess of the Member’s Contributory Earnings (for that year)
January 1, 2025	7.80%	11.20%

Notwithstanding the above, a Member shall not be required to contribute for any period while he or she is Totally Disabled.

For greater certainty, prior to 2025 contributions on Earnings in excess of the Year’s Maximum Pensionable Earnings were not limited by the Member’s Contributory Earnings.”

4. Effective January 1, 2025, paragraph (b) (Part-Time) of Section 4.01 (Required Member Contributions) shall be replaced with the following:

“(b) Part-Time

A Member who is part-time shall contribute to the Plan by payroll deduction for each year (including a partial year) of participation in accordance with the following table:

Effective Date	Contribution Rate on Reduced Earnings	
	Not in Excess of Year's Maximum Pensionable Earnings (for that year)	In Excess of Year's Maximum Pensionable Earnings But Not in Excess of the Member's Contributory Earnings (for that year)
January 1, 2025	7.80%	11.20%

Notwithstanding the above, a Member shall not be required to contribute for any period while he or she is Totally Disabled.

For greater certainty, prior to 2025 contributions on Earnings in excess of the Year's Maximum Pensionable Earnings were not limited by the Member's Contributory Earnings.”

5. Effective January 1, 2025, Section A1.01 (Past Member Contribution Rates) in Appendix – Historical Provisions shall be deleted in its entirety and replaced with the following:

“A.1.01 Past Member Contribution Rates

The chart below sets out past required Member contribution rates that preceded the rates currently set out in Section 4.01(a) and (b) of the Plan. In the chart below:

(A) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which does not exceed the Year's Maximum Pensionable Earnings for the year of contribution;

(B) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which exceeds the Year's Maximum Pensionable Earnings for the year of contribution, up to two times the Year's Maximum Pensionable Earnings for the year of contribution if (c) is applicable; and

(C) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which exceed two times the Year's Maximum Pensionable Earnings for the year of contribution.

Applicable Dates of Service	Contribution Rates		
	(A)	(B)	(C)
May 1, 2022 to December 30, 2024	7.80%	11.20%	11.20%
May 1, 2021 to April 30, 2022	7.40%	10.60%	10.60%
May 1, 2020 to April 30, 2021	6.95%	9.95%	9.95%
January 1, 2013 to April 30, 2020	6.25%	8.95%	9.95%
May 1, 2009 to December 31, 2012	5.80%	8.30%	9.65%
July 1, 2008 to April 30, 2009	5.05%	7.85%	9.20%
July 1, 2007 to June 30, 2008	4.80%	7.175%	7.85%
January 1, 2003 to June 30, 2007	4.55%	6.50%	n/a
May 1, 2002 to December 31, 2002	2.73%	3.90%	n/a
May 1, 2001 to April 30, 2002	1.82%	2.60%	n/a
May 1, 2000 to April 30, 2001	1.1375%	1.625%	n/a
May 1, 1999 to April 30, 2000	2.4375%	3.25%	n/a
May 1, 1998 to April 30, 1999	1.1375%	6.50%	n/a
May 1, 1997 to April 30, 1998	2.4375%	3.25%	n/a
September 1, 1995 to April 30, 1997	4.875%	6.50%	n/a
September 1, 1993 to August 31, 1995	4.3875%	5.85%	n/a
January 1, 1987 to August 31, 1993	4.875%	6.50%	n/a

Prior to January 1, 1987, the required Member contribution rate was 6.50%, less the Member's contribution to the Canada Pension Plan."

CERTIFICATION

I _____, Secretary to the Board of Governors of the University of Waterloo, do hereby certify under the seal of the University that the foregoing resolution was duly approved by the Board of Governors at a meeting held on the ___ day of _____, 2024.

Signature

Date

For Decision**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **10. Pension & Benefits Committee**

10.3.1. Pension Statement of Investment Policies and Procedures (SIPP)**Background:**

In accordance with the Pension & Benefits Committee's Terms of Reference, the Committee has power "To recommend to the Board of Governors the investment policy for pension assets as described in the Statement of Investment Policy and Procedures (SIPP) and to approve the Fund Implementation Procedures (FIP), both on the recommendation of the Pension Investment Committee."

Through the annual review of these documents the following summary of changes is proposed:

- Summary of Changes to the Pension Statements of Investment Policies and Procedures ("SIPP")
 - Updates to a number of sections to better reflect the Private Debt asset class and investment managers.
 - Replace Equity Returns/Risk section with a more generic Risk Factors section.
 - Remove Diversification section as commentary on investment diversification is included in new Risk Factors section.
 - Update Asset Mix section
 - Separate row for Private Debt asset class.
 - Separate Infrastructure and Real Estate asset classes into Listed and Direct categories.
 - Updates to benchmark indexes.
 - Updates to recognized bond rating agencies
 - Only require bonds to have a single agency rating
 - Remove Fitch Ratings as a recognized bond rating agency
 - Fitch Ratings now requires special licensing to access ratings, which the University does not have.

- Summary of Changes to the Pension Fund Implementation Procedures (“FIP”)
 - Updates have been proposed to the Fund Implementation Procedures to align the document with current practices surrounding performance reporting and determinations on investment manager distributions.

Recommendation:

That the Board of Governors approve changes to the Pension Statement of Investment Policies and Procedures, as presented.

Documentation Provided:

- Statement of Investment Policies and Procedures – Proposed revisions effective November 1, 2024
- Fund Implementation Procedures – Proposed revisions effective November 1, 2024

**Statement of Investment Policies and
Procedures**

University of Waterloo Pension Plan
(2011)

Registration number: 0310565

Effective: ~~April 4, 2023~~ November 1, 2024

Replaces previous version which was last revised and effective on ~~February 2, 2022~~ April 4, 2023

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Introduction

1) Purpose and Scope of Policy

- a) This Statement of Investment Policies and Procedures (the “Policy”) sets out the investment principles, guidelines and procedures for investing and managing the assets and the associated risks for the University of Waterloo Pension Plan (2011), registration number 0310565, as amended (the “Plan”).
- b) The University of Waterloo (the “University”) was established by an Act of Legislature in the Province of Ontario. The University’s Board of Governors (the “Board”) has established a governance structure to administer the Plan.
- c) The Policy is informed by the requirements of the *Income Tax Act* (Canada) (“ITA”) and the *Pension Benefits Act* (Ontario) (“PBA”), including their respective regulations and all subsequent amendments, and any other applicable federal or provincial law governing the investment of pension funds, including Schedule III to the *Pension Benefits Standards Regulation, 1985* (Canada) (“PBSA”) (the foregoing are, collectively, the “Applicable Law”).
- d) The Policy is intended to summarize and explain the investment approach but does not supersede the Plan text, resolutions of the Board of Governors, the Applicable Law or the Plan’s Funding Policy & Guideline (the “Governing Documents”). In case of any dispute between this document and the Governing Documents, the Governing Documents shall prevail.
- e) The Pension & Benefits Committee and the Pension Investment Committee shall annually review and either confirm or recommend amendments to this Policy to the Board who may amend this Policy and direct the University to file any such amendments with the regulator in accordance with the Applicable Law. The University will provide any amended copy of this Policy to the Fund Managers and the Plan’s actuary.

2) Overview of the Plan and its Governance

- a) The Plan is a contributory defined benefit plan based upon an individual’s final average salary and years of participation in the Plan prior to retirement. Pensions paid under the Plan are escalated annually by the cost-of-living factor as described in the Governing Documents.
- b) The University is the sponsor and legal administrator of the Plan for the purposes of Applicable Law. The University through its Board is ultimately responsible for all aspects of managing the Plan, including the prudent investment and administration of the assets of the Plan. In accordance with the Governing Documents, the Board has created committees and subcommittees, delegated to University staff, and appointed external agents, to carry out certain of its responsibilities. University staff are responsible for distributing all pertinent reports and information to the appropriate committees based on their terms of reference as well as communicating with the Fund Managers and agents regarding the committees’ decisions.
- c) The University will comply with the Governing Documents and will exercise the care, diligence and skill in the administration and investment of the Plan’s assets (the “Fund”) that a person of ordinary prudence would exercise in dealing with the property of another person. The individuals acting on behalf of the Plan in furtherance of its duty will use all knowledge and skill that they possess or ought to possess in the administration and investment of the Fund.

Investment Principles

3) Plan Objectives

The objective of the Plan is to provide members of the Plan with the retirement benefits prescribed under the terms thereof.

- a) The University established the Plan to provide members with a defined level of retirement income in accordance with the Plan's terms. Further, the intent is to ensure that retirement benefits, and University and member contributions remain reasonable and relatively stable over the life of the Plan while ensuring its sustainability (the Plan's funding practices are detailed in the Funding Policy & Guideline, which establishes a formal framework to achieve the Plan's funding requirements).
- b) To achieve the Plan's goals, its assets will be invested in a prudent and efficient manner. The Plan will strive to maximize long-term real returns on its invested assets subject to an appropriate level of risk.

4) Investment Objectives

Return and risk objectives are established taking into consideration factors, including the nature and sensitivity of the Plan's liabilities; allocation of liabilities between active and retired members; the going concern and solvency positions of the Plan, as calculated and projected by the Plan's actuary; net cash flow position of the Plan and liquidity needs to meet Plan obligations; investment horizon of the Plan; historical and expected capital market returns; volatility of different asset classes; financial implications of Environmental, Social and Governance ("ESG") factors; inflation and interest rate risks; benefits of investment diversification; and the University's risk tolerance with respect to the Fund.

5) Portfolio Return and Risk Objectives

The return objectives of the Fund are:

- a) Earn a rate of return, after investment expenses, of CPI¹ + 3.5% over four-year moving periods. This objective is reviewed annually to ensure that it is realistic based on market conditions and consistent with the actuarial discount rate used to calculate the Plan's going concern liabilities
- b) Achieve a minimum absolute rate of return, after investment expenses, which exceeds the benchmark return by 0.25% over four-year moving periods

The risk objective of the Fund is to reduce the frequency and severity of funding deficits.

6) Expected Volatility

The volatility of the Fund's returns is directly related to the asset mix. The Benchmark Portfolio in Section 43-12 has been constructed with the expected returns and related risks in mind. Provided the Fund's investment structure stays within the permitted ranges for each asset class, the volatility of the Fund's returns should be similar that of the Benchmark Portfolio.

7) ~~Equity Returns/Risk~~ Risk Factors

~~While the level of equity exposure drives much of the risk level of the Fund assets, equities are expected to outperform fixed income over the long term. Therefore, the investment strategy will~~

¹ CPI source Bank of Canada Total CPI: <https://www.bankofcanada.ca/rates/price-indexes/cpi/>

~~include appropriate exposure to equities as part of providing the long-term risk-adjusted returns necessary to fund the obligations of the Plan at a reasonable cost.~~

The Plan's investments are subject to the following risk factors:

- a) Equity market
- b) Interest rates (which includes interest rate risk on both liabilities and assets)
- c) Credit
- d) Liquidity
- e) Inflation
- f) Currency
- g) Active manager underperformance
- h) Governance
- i) Operational
- j) Regulatory

The primary method for managing these risks is diversification. The Plan will be diversified by asset class, geography, security (through well-diversified portfolios of bonds, equities and alternatives), investmentfund manager and investment style.

8) Active and Passive Investments

The investment strategy may employ a mix of active and passive management styles. Active management is adopted where there is a reasonable expectation of adding value relative to the relevant benchmark over the long-term, net of expenses. Passive management is adopted where the prospect of adding value above the relevant benchmark is diminished or for the purpose of managing active risk within asset classes.

9) ~~Diversification~~

~~Diversification is intended to expose the Fund to opportunities to reduce investment concentration risk. The Fund will pursue diversification by asset class and geography in its asset mix and by investment style in the selection of its investment managers.~~

10) ~~9) Liability Hedging~~

The Fund's investment strategy will consider the sensitivity of the Plan liabilities to interest rate and inflation changes and consider opportunities for hedging those liabilities through its investments.

11) ~~10) Liquidity~~

The investment strategy should provide sufficient liquidity to meet the Plan's financial obligations as they come due, while ensuring the Fund does not contain excessive cash or low yielding liquid assets. Provided the liquidity requirements of the Plan are met, the Plan may consider investing a portion of the Fund in illiquid assets, where such investment has the potential of enhanced returns, in part, due to the illiquidity premium.

11) Currency Hedging

Currency movements relative to the Canadian dollar are not expected to have a significant impact over the long term. The Plan policy is to not hedge currency at the total fund level. Over shorter periods, currency movements may increase volatility and currency hedging may be employed by Fund Managers where expressly permitted.

12) Asset Mix

The Fund will be invested in a broad range of assets with the goal of meeting or exceeding return expectations and mitigating investment risks. The following benchmark portfolio ("Benchmark Portfolio") is representative of the long-term asset mix policy for the Fund based on the analysis conducted in the asset-liability study.

Assets	Minimum ² %	Maximum ² %	Benchmark Portfolio %	Benchmark
Cash	0	5	2	FTSE TMX Canada 91-Day T-Bill <u>Index</u>
Fixed Income	20 <u>15</u>	35 <u>25</u>	20 <u>25</u>	FTSE TMX Canada Long Bond <u>Index</u>
Total Fixed Income	15	30	22	
Canadian Equity	0	10	5	S&P/TSX Composite
Global Equity	40	55	48	MSCI ACWI (Net) (CAD)
Total Equity	40	65	53	
<u>Listed</u> Infrastructure	0 <u>5</u>	10 <u>45</u>	5 <u>40</u>	FTSE Developed Core Infrastructure 50/50 (CAD)
<u>Direct</u> Infrastructure	<u>0</u>	<u>10</u>	<u>5</u>	<u>OECD CPI +5%</u>
<u>Listed</u> Real Estate	5 <u>0</u>	15 <u>10</u>	5 <u>40</u>	FTSE EPRA/NAREIT Developed (CAD)
<u>Direct</u> Real Estate	<u>0</u>	<u>10</u>	<u>5</u>	<u>MSCI Global Property Funds Index (CAD)</u>
Total Real Assets	10	30	20	
<u>Private Debt</u>	<u>0</u>	<u>10</u>	<u>5</u>	<u>SOFR + 4%</u>

For the purpose of the total asset mix described above, the Fund Managers' asset class pooled funds are deemed to be 100% invested, even though these funds may contain a portion held in cash and cash equivalent instruments.

The Plan's target asset allocation for each investment category listed in subsection 76(12) of Regulation

² Minimum and Maximum percentages for "total" asset classes may not be equal to the sum of the minimum and maximum percentages for each sub-category of the asset class. Differences may be included to facilitate risk mitigation efforts within each larger asset class.

909 under the *Pension Benefits Act* (Ontario) is as follows:

Asset Class under Sub-section 76(12) of Regulation 909, under the <i>Pension Benefits Act</i> (Ontario)	Long Term Target Allocation
1. Insured Contracts	0.0%
2. Mutual or pooled funds or segregated funds	0.0%
3. Demand deposits and cash on hand	1.0%
4. Short-term notes and treasury bills	1.0%
5. Term Deposits and guaranteed investment certificates	0.0%
6. Mortgage Loans	0.0%
7. Real Estate	10.0%
8. Real Estate Debentures	0.0%
9. Resource properties	0.0%
10. Venture Capital	0.0%
11. Corporations referred to in subsection 11(2) of Schedule III to the federal investment regs	0.0%
12. Employer issued securities	0.0%
13. Canadian stocks other than investments referred to in 1 to 12 above	5.0%
14. Non-Canadian stocks other than investments referred to in 1 to 12 above	48.0%
15. Canadian bonds and debentures other than investments referred to in 1 to 12 above	20.0%
16. Non-Canadian bonds and debentures other than investments referred to in 1 to 12 above	0.0%
17. Investments other than investments referred to in 1 to 16 above ³	15.0%

14)13) Rebalancing

At all times, the market value of the individual asset classes will be within the minimum and maximum aggregate investment limits prescribed in Section [43-12](#) but may deviate from the benchmark portfolio.

~~The minimum portfolio weight for the real estate asset class will be achieved over a market cycle and may be held in fixed income and equities during the intervening period. The Board recognizes that, due to the illiquid nature of the real asset and private debt asset classes, that the target allocation will be invested gradually and held in fixed income and equities during the intervening period.~~

15)14) Responsible Investing

Consistent with its fiduciary duty, when selecting Fund Managers or direct investments, the Plan considers criteria that include: the Fund Manager's business and staff; historical performance; the integration of environmental, social and governance (ESG) factors, including climate change risks and opportunities, which may have a financial impact on the investments, as well as the Fund Manager's Responsible Investing Policy. The adoption of sound ESG practices is intended to reduce financial risk over all time periods and offer enhanced long-term value to the Fund. The Plan's ESG practices are further detailed in the University of Waterloo Responsible Investment Policy.

Permitted and Prohibited Investments

³ Refers to the long-term target allocation to Infrastructure [and Private Debt](#)

15) Permitted Investments

In general, and subject to the restrictions in Sections [47-16](#) & [4817](#), the Fund Manager may invest in any of the following asset classes and in any of the investment instruments listed.

a) Cash and Short-Term Investments

Cash on hand, demand deposits, treasury bills, short-term notes and bankers' acceptances, commercial paper, term deposits and guaranteed investment certificates having a term of less than or equal to one year.

b) Fixed Income

Bonds, debentures, or other debt instruments of corporations, Canadian Governments, Government agencies, or guaranteed by Governments, supranationals, federal real return bonds, mortgage-backed securities, mortgages, asset-backed securities, non-convertible preferred shares, term deposits, guaranteed investment certificates, insurance contracts, private placements and bonds where capital, interest or both are linked to increases in the cost-of-living (i.e., real return bonds).

c) Equities

Common shares, preferred shares, American Depository Receipts, Global Depository Receipts, rights, warrants, installment receipts, index units, income trust units (including real estate investment trusts) and securities convertible into common shares.

d) Derivatives

Derivatives are a type of financial contract which can be traded on an exchange or over the counter for which the value is dependent on an underlying asset, group of assets or a benchmark; common derivatives include futures contracts, forwards, options and swaps.

The pooled funds in which the Plan invests may invest directly in derivatives to create synthetic exposures, or for hedging purposes, if their objectives and strategies permit, and if the exposure to derivatives is subject to limits based on the intended use and strategies for derivatives and the risks associated with them. Derivatives may also be used to hedge currency and provide downside protection. Derivatives may not be used for speculative trading or to create a portfolio with leverage. Investment funds that invest in derivatives must comply with all Applicable Law and must be invested and managed in accordance with regulatory derivatives best practices.

e) Infrastructure

Listed, direct or indirect investments in the debt or equity securities of infrastructure entities including the transportation, energy, utilities, telecommunications and social infrastructure sectors.

f) Real Estate

REITs, direct or indirect investments in the debt or equity securities of real property assets including industrial, office, retail, multi-residential, agriculture and timberland properties.

g) Private Debt

Senior and junior debt instruments including secured and unsecured loans, bonds and other related instruments.

g)h) Pooled Funds

Investments in open-ended or closed-ended pooled funds, or private/limited partnerships.

provided that the assets of such funds are permissible investments under this Policy. It is recognized that where pooled funds are held, there may be instances where there is a conflict between this policy and the investment policy of the pooled fund. In that case, the pooled fund policy shall dominate.

The Fund manager shall ensure that the Plan has received a copy of the most recent version of the pooled fund policy.

17)16) Minimum Quality Requirements

a) Quality Standards

- i) The minimum quality standard for ~~publicly-traded individual~~ bonds and debentures is 'BBB' or equivalent as rated by ~~at least two at least one~~ Recognized Bond Rating Agencies, at the time of purchase. Where an investment in the portfolio is downgraded below a 'BBB' rating, the following steps will be taken:
 - The Fund Manager will notify the Plan of the downgrade at the earliest possible opportunity;
 - Within ten business days of the downgrade, the Fund Manager will advise the Plan in writing of the course of action taken or to be taken by the Fund Manager, and its rationale; and
 - Immediately upon downgrade, the Fund Manager will place the asset on a Watch List subject to monthly review by the Fund Manager with the Plan until such time as the security matures, is sold or until it is upgraded to a level consistent with the purchase quality standards as expressed in this policy.
- ii) In cases in which the Recognized Bond Agencies do not agree on the credit rating, the bond will be classified according to the methodology used by FTSE TMX, which states as follows:
 - If two agencies rate a security, use the lower of the two ratings; or
 - If three agencies rate a security, use the middle of the three ratings; ~~or~~
- iii) ~~If four agencies rate a security, use the middle of the three lowest ratings.~~ Private Debt investments that are rated internally by the investment fund manager as investment grade and non-investment grade are permitted.

b) Rating Agencies

For the purposes of this Policy, the following rating agencies shall be considered to be 'Recognized Bond Rating Agencies:'

- i) ~~DBRS~~ Morningstar DBRS;
- ii) Standard & Poor's; and
- iii) Moody's Investors Services; and
- iv) Fitch Ratings

18)17) Maximum Quantity Restrictions

a) Total Plan Level

The Plan shall not, directly or indirectly, lend or invest moneys to or in any one person, any associated persons or any affiliated corporations if:

- i) 10% or more of the total market value of the Plan's assets has already been lent or invested, in total, to or in the person, the associated persons or the affiliated corporations; or
- ii) 10% or more of the total market value of the Plan's assets would be lent or invested, in total to or in the person, the associated persons or the affiliated corporations as a result of the loan or investment.
- iii) Holdings issued by the Government of Canada and its agencies are exempt from the abovementioned 10% limitations.

The Plan shall not, directly or indirectly, invest moneys in the securities of a corporation to which are attached more than 30% of the votes that may be cast to elect the directors of the corporation.

This section applies to those investments and loans subject to quantitative limit under Section 9(1) of Schedule III to Pension Benefits Standards Regulations, 1985 (Canada).

b) Fixed Income

- i) A maximum of 15% of the market value of the Canadian fixed income securities shall be invested in BBB bonds or debentures.
- ii) A maximum of 10% of the market value of the actively managed fixed income portfolio may be invested in debt denominated in US currency issued by the US Government, its agencies and instrumentalities. Fixed Income in any other ~~No other~~ foreign currency ~~debt~~ will not be purchased.

c) Equities

No one equity holding shall represent more than 10% of the total market value of the investment fund manager portfolio.

19)18) Fund Manager Compliance

Fund Managers must be compliant with the Policy, the Fund Implementation Procedures and the Responsible Investment Policy.

The Fund Managers shall not make investments in asset categories other than those explicitly permitted in the Policy, unless the Plan first consents in writing.

20)19) Securities and Cash Lending

The Fund Managers and custodian may participate in securities lending programs for the purpose of generating revenue, subject to the provisions of the Applicable Law.

Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes, banker's acceptances of Canadian chartered banks, or high quality, liquid equities. The amount of collateral taken for securities lending should reflect OSFI standards and best practices in local markets. This market value relationship must be calculated at least daily.

Fund Managers and custodians participating in securities lending will make available the terms and conditions of any securities lending program(s) with the Plan.

21)20) Short Selling

Short selling and/or pair trading are not permitted.

22)21) Borrowing

The Plan shall not borrow money, except to cover short-term contingency and the borrowing is for a period that does not exceed ninety days, subject to the PBA and the ITA.

23)22) Monitoring

Compliance with this Policy, together with relevant risk metrics, will be monitored quarterly including:

- a) Achievement of the total return objective
- b) Liquidity requirements
- c) Asset mix limits
- d) Credit quality requirements
- e) Single issuer limits
- f) Fund Manager Performance and related ESG integration

General Provisions

24)23) Conflicts of Interest

a) Responsibilities

This standard, which is consistent with the University Policy 69 (Conflict of Interest) applies to the University and the members of the University, as well as to all agents employed by the Plan, in the execution of their responsibilities under the Pension Benefits Act (the “Affected Persons”).

An “agent” is defined to mean a company, organization, association or individual, as well as its employees who are retained to provide specific services with respect to the investment, administration and management of the assets of the Plan.

b) Disclosure

In the execution of their duties, the Affected Persons shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Plan assets.

Further, it is expected that no Affected Person shall make any personal financial gain (direct or indirect) because of his or her fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the Plan.

No Affected Person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from a person with whom they deal with in the course of performance of his or her duties and responsibilities for the Plan.

It is incumbent on any Affected Person who believes that he or she may have a conflict of interest, or who is aware of any conflict of interest, to disclose full details of the situation to the attention of the University immediately. The University, in turn, will decide what action is appropriate under the circumstances but, at a minimum, will table the matter at the next regular

meeting of the appropriate committee.

No Affected Person who has or is required to make a disclosure as contemplated in this Policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

25)24) Voting Rights

The voting rights acquired through the investments held by the Plan are delegated to the Fund Managers of the securities. Fund Managers are expected to exercise all voting rights related to investments held by the Plan in the best interests of the Plan. Fund Managers shall report their voting activities to the Plan on a quarterly basis documenting how they voted as well as how ESG factors were included in the rationale for the voting decision.

26)25) Valuation of Investments Not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every month.

b) Fixed Income

Same as for equities.

c) Real Assets and Private Debt

The fair value of infrastructure, ~~and~~ real estate and private debt investments is determined by the general partner, or the pooled Fund Manager based on industry standards, which may include consideration of previous transaction prices, discounted cash flow, and the valuations of other comparable publicly traded investments. Limited partnerships and pooled funds will be audited annually by a qualified independent third party appointed by the fund's general partner or Fund Manager.

27)26) Related Party Transactions

The University, on behalf of the Plan, may not enter into a transaction with a related party unless:

- a) The transaction is made for the operation or administration of the Plan under terms and conditions that are not less favourable to the Plan than market terms and conditions and such transaction does not involve the making of loans to, or investments in, the related party; or
- b) The combined value of all transactions with the same related party is nominal or the transaction(s) is immaterial to the Plan.

For the purposes of this section, only the market value of the combined assets of the Plan shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Plan.

Transactions less than 0.5% of the combined market value of the assets of the Plan are considered nominal.

In addition, the prohibition to entering into transactions with a related party does not apply to investments:

- a) In an investment fund in which investors other than the Administrator and its affiliates may invest and that complies with the requirements set out in Sections 9 and 11 of Schedule III to the PBSA;
- b) In an unallocated general fund of a person authorized to carry on a life insurance business in

Canada;

- c) In securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- d) In a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- e) In a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace (as that term is defined in the PBSA); and
- f) That involve the purchase of a contract or agreement in respect of which the return is based on performance of a widely recognized index of a broad class of securities traded at a marketplace (as that term is defined in the PBSA).

A “related party” in respect of the Plan means:

- a) A person who is the administrator of the Plan including any officer, director or employee of the administrator. It also includes the Fund Managers and their employees, a union representing employees of the employer, a member of the Plan, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others. Related party does not include government or a government agency, or a bank, trust company or other financial institution that holds the assets of the Plan, where that person is not the administrator of the Plan;
- b) An officer, director or employee of one of the administrators of the Plan;
- c) A person responsible for holding or investing the assets of the Plan, or any officer, director or employee thereof;
- d) An association or union representing employees of the University, or an officer or employee thereof;
- e) A member of the Plan;
- f) The spouse or child of any person referred to in any of paragraphs (a) to (e);
- g) An affiliate of the University;
- h) A corporation that is directly or indirectly controlled by a person referred to in any of paragraphs (a) to (g); and/or
- i) An entity in which a person referred to in paragraph (a) or (b), or the spouse or a child of such a person, has a substantial investment.

For Decision**Open Session**

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **10. Pension & Benefits Committee**

10.4.1. Extended Health Plan Design Amendment**Background:**

Jacinda Reitsma, Vice-President, Administration & Finance, will present a series of changes to the University of Waterloo health benefits, including the Biosimilar Transition Program, gender affirmation coverage, and eligible prescribers for medical equipment. The Committee recommended these changes to the extended health plan at its meeting in October 2024.

The Committee received a presentation from Aon regarding the Biosimilar Transition Program at its September 2024 meeting. The presentation explored current coverage as well as exploration of the biosimilar transition program offered by GreenShield.

The Committee further discussed various extended health plan design options, including eligible prescribers for medical equipment and gender affirmation coverage at its meeting in September 2024.

Recommendation:

That the Board of Governors approve amendments to the extended health benefit plan:

- a) Biosimilar Transition Program, effective April 8, 2025;**
- b) Gender Affirmation Coverage, effective immediately; and,**
- c) Eligible prescribers for medical equipment, effective immediately.**

Documentation Provided:

- Extended Health Plan Design Amendment Report

**Report to the Board of Governors
29 October 2024**

FOR DECISION

**Extended Health – Plan Design Amendment
From the Pension & Benefits Committee**

Recommendation

That the Board of Governors approve the adoption of the Biosimilar Transition Program, the addition of gender affirmation coverage, and the allowance of nurse practitioners to prescribe medical equipment covered by the benefit, through an amendment to the extended health benefit. Following approval, implementation efforts will be led by Human Resources to direct GreenShield to amend the extended health benefit. With approval to proceed by the end of October 2024, GreenShield will be able to implement the Biosimilar Transition Program effective April 8, 2025, with letters released to impacted members in January 2025 in order to provide a 90-day lead time for transition; however, the proposed effective date for the two other changes is coincident with the date of approval.

Background and Rationale

The Pension & Benefits Committee has discussed feedback from employees and retirees on areas where additional coverage for healthcare expenses would be beneficial. The Pension & Benefits Committee has discussed that the costs associated with the extended health and dental benefits continue to increase on an annual basis with the existing plan design, and that the University is currently conducting significant and important work to return to a balanced annual operating budget. The projected cost increases indicate that there are opportunities for Pension & Benefits Committee to consider how to optimize the budget for extended health and dental benefits to provide benefits that employees value while managing the costs of such benefits. This is ongoing work for the Pension & Benefits Committee but in the meantime, there are three plan design amendments that are coming forward for review and approval.

One of the items provides for significant savings to the plan while not compromising the health outcomes of members (i.e. Biosimilar Transition Program). The other two items involve some additional cost but have been deemed necessary by the Pension & Benefits Committee from an equity perspective – gender affirmation coverage is essential treatment to a portion of the community and broadening the list of eligible prescribers is necessary for those individuals who are not able to access the services of a medical doctor due to the current state of the healthcare system in Canada. On aggregate, the three items result in anticipated savings in the amount of approximately \$473,600 per year but since this benefit is provided on an Administrative Services Only (ASO) basis, actual costs are based on utilization (expenses incurred by participants and their claims submitted) and the estimated cost impact is based on a set of assumptions.

Gender Affirmation

GreenShield's standard is to provide coverage of \$10,000/lifetime (\$5,000 per claim maximum) and eligibility for coverage is limited to those with a diagnosis of gender dysphoria. Coverage includes two categories:

- Foundation (1st code) – allows for all major top and bottom affirmation surgeries not covered within the patient's home province
- Focused (2nd code) – includes surgical enhancement procedures of the patient's features that follow their accepted gender ideal

The estimated cost associated with GreenShield's standard coverage amounts to \$14,500 per year.

Medical Equipment – Eligible Prescribers

GreenShield's standard is to allow nurse practitioners to be prescribers of medical equipment (e.g. diabetic aids for daily living, braces, generally excluded medical items/services, incontinence/ostomy, mobility aids, musculo-skeletal, prosthetics, respiratory/cardiology, vascular compression) in addition to physicians; however, the University's current coverage requires that the prescription be provided by a physician only. The current coverage was in place with the previous provider and as such, matched with the transition to GreenShield. The current state of the healthcare system in Ontario results in this provision being a barrier to the necessary medical care for members and adopting GreenShield's standard would provide improved access to coverage.

The estimated cost associated with GreenShield's standard provision amounts to \$35,900 per year.

Biosimilar Transition Program

GreenShield's standard is to provide coverage for biosimilar drugs when one exists for biologic drugs unless the biologic drug is required for exceptional circumstances (i.e. the prescriber must submit a clinical rationale for why the plan member is not able to use a biosimilar product). The University's extended health benefit currently includes GreenShield's Biosimilar New Start Program; however, it does not include GreenShield's Biosimilar Transition Program. Participants would be impacted by the implementation of the Biosimilar Transition Program through the following process:

- GreenShield identifies plan members eligible for the transition.
- GreenShield sends each plan member a letter advising them that a biosimilar is now available for their originator biologic drug and reimbursement is changing within 90 days.
- Plan member is given a choice of remaining with the originator product or transitioning to biosimilar medication. For plan members who choose to remain on the originator biologic drug, GreenShield will reimburse the cost of the biosimilar, and the plan member will be responsible for the difference in cost.
- The plan member is provided with a contact number for a patient-support nurse who will assist them with the transition process and reach out to their physician should they choose that option.

The estimated savings associated with GreenShield's standard amounts to \$524,000 per year through a reduction in coverage (i.e. delisted drugs) but with comparable outcomes.

University of Waterloo
BOARD OF GOVERNORS
Minutes of the Wednesday June 26, 2024 Meeting
[in agenda order]

Present: Nasser Abukhdeir, Avery Akkerman, Marc Aucoin, Aubrey Basdeo, Catherine Dong, Murray Gamble (chair), Genevive Gauthier-Chalifour (secretary), Vivek Goel, Neela Hassan, Nancy Heide, Dorothy McCabe, Kristiina Montero, Terry Mundell, Saheza Pardhan, David Porreca, Tracy Primeau, Neil Randall, Karen Redman, John Saabas, Asher Scaini, James Skidmore, Dan Weber, Jennisha Wilson

Guests: Jean Becker, Sam Charles, Tracelyn Cornelius, Randy Dauphin, Charmaine Dean, David DeVidi, Nenone Donaldson, Michael Dorr, Becky Elming, Paul Fieguth, Melanie Figueiredo, Jenny Flagler-George, Anne Galang, Mark Giesbrecht, Goldi Gill, Jennifer Gillies, Diana Goncalves, Mike Grivicic, Sarah Hadley, Angela Herman, Michelle Hollis, Chris Houser, Rob Hunsperger, Diane Johnston, Andie Kaiser, Andrea Kelman, Jennifer Kieffer, Lili Liu, Nick Manning, Jon Mason, Eleanor McMahon, Christine McWebb, Ian Milligan, Beth Namachchivaya, Catherine Newell-Kelly, Fayaz Noormohamed, Mike Pereira, Chris Read, Jacinda Reitsma, James Rush, Greg Smith, Allan Starr, Kerry Stryker, Brandon Sweet, Anita Taylor, Mathew Thijssen, Sean Thomas, Nickola Voegelin, Tim Weber-Kraljevski, Meghan Whitfield, Melanie Will, Sarah Willey-Thomas,

Regrets: Michael Ashmore, Dominic Barton, Linda Blair, Michael Eubanks, Teresa Fortney, Andre Hladio, Achim Kempf, Bilal Khan, Brian Lipskie, Nicholas Pellegrino, Berry Vrbancic

OPEN SESSION

1. Approval of Agenda

a) Declarations of Conflict of Interest.

There were no conflicts of interest declared.

b) Approval of Agenda and Consent Items

Weber and Randall.

To approve the agenda of the 26 June 2024 Board of Governors meeting, as presented; and, to approve or receive for information consent agenda items.

CARRIED

c) Business Arising from the Minutes

There was no business arising from the minutes.

2. Remarks from the Chair

The Chair provided a general update noting the following:

- Thanks to Conrad Grebel University College and Marcus Schantz for hosting the education session the week prior, as well as to the President and Vice-Presidents for providing a useful and important orientation session.
- Welcome to new governors Avery Akkerman, Achim Kempf, Brian Lipskie, Saheza Pardhan, Nicholas Pellegrino, Tracy Primeau, Neil Randall, James Skidmore.
- Offered thanks to outgoing governor Michael Eubanks.
- Commented on the recent annual President's Golf Tournament in support of the Warrior Excellence Fund, noting the Warriors have one of the highest percentages of Academic All-Canadian student athletes in the country on an annual basis, with over 400 last year.

3. Report of the President

a) General Update

The President provided a general update noting the following:

- Recognition of the conclusion of Sheila Ager's term as Dean of Arts and appointment of Alexie Tcheuyap as of July 1, 2024.
- Updates regarding major announcements and activities including the CareNext Coalition, cohost of the forum of local signatories to the Scarborough Charter; Alumni Reunion; Pride Flag Raising Ceremony; anniversary of the Hagey Hall attack; Pride month and National Indigenous month; President's Golf Tournament; groundbreaking for the Waterloo Eye Institute; and convocation ceremonies.

b) Report from June 10, 2024 Special Senate Meeting

The President provided an update on the report from the June 10th Special Senate meeting.

Discussion followed. The Chair noted the advisory nature of the recommendations from Senate to the Board of Governors and relative jurisdiction of the two governing bodies.

A governor noted their support for the actions taken by the administration in response to the encampment on campus.

Another governor expressed concern about the report as presented, the need to discuss outcomes, and that the special Senate meeting was an effort to follow university governance processes to address the issues at hand.

A governor asked for elaboration on the recent statement of claim against members of the encampment in the amount of \$1.5 million; it was noted that the specifics related to a legal proceeding could not be discussed and that the Statement of Claim is available online for transparency purposes.

Regarding the previously scheduled June Board of Governors meeting, experiences of intimidation were noted by some Governors, as well as by other offices in Needles Hall.

4. University of Waterloo Values

Melanie Will and Michael Dorr presented the proposed University of Waterloo Values. The Board discussed how the values connect with one another and flexibility built into the wording based on changes in the context in which the values are considered.

Montero and Saabas.

That on recommendation of Senate the Board endorse the proposed imperatives and values for the University of Waterloo:

- **Imperatives**
 - **Uphold Waterloo's leadership and excellence in education, scholarship, innovation and entrepreneurship**
 - **Ensure the physical and mental health and well-being of our students and employees**
 - **Embrace decolonization, Indigenization, inclusivity, equity, and antiracism**
 - **Co-ordinate across disciplinary and organizational boundaries**
- **Values**
 - **Think Differently – *we are unconventional | we are bold | we are innovative***
 - **Act With Purpose – *we drive positive impact | we are responsible | we get things done***

- o **Work Together - we are collaborative | we value community | we are "one Waterloo"**

CARRIED

5. Reports from Committees

a) Building & Properties Committee

i. Math 4

John Saabas presented the Math 4 project. The Board discussed impact of reputational risk and alumni fundraising against declining student enrolment; impact of deferred maintenance strategy in development of the new building; ability for faculty to fundraise; campus wide benefits to t anew building; and fulsome discussion and information provided at the Committee.

There was a request to have minuted that for all projects, that the Building and Properties Committee discussed receiving a quarterly update on the status of the projects and that the updates are to be crafted following consultation with the Building & Properties Committee and received in advance of meetings.

Saabas and Mundell.

That, on the recommendation of the Building & Properties Committee, the Board of Governors accept and approve:

- a) **That university administration be authorized to enter into any and all contracts required for the construction of the approved "Math 4" capital project at a total cost not exceeding the total project budget of \$110,000,000; and**
- b) **That the Building & Properties Committee continue to receive quarterly updates on the status of the project; and**
- c) **That material changes to the design, construction, or budget of the project be brought through the regular approval channels of the Building & Properties Committee and Board of Governors, as appropriate.**

CARRIED with three abstentions

ii. Waterloo Eye Institute

Saabas presented the Waterloo Eye Institute project.

Saabas and Primeau.

That, on the recommendation of the Building & Properties Committee, the Board of Governors accept and approve:

- a) **That university administration be authorized to enter into any and all contracts required for the construction of the approved "Math 4" capital project at a total cost not exceeding the total project budget of \$110,000,000; and**
- b) **That the Building & Properties Committee continue to receive quarterly updates on the status of the project; and**
- c) **That material changes to the design, construction, or budget of the project be brought through the regular approval channels of the Building & Properties Committee and Board of Governors, as appropriate.**

CARRIED with one abstention

iii. WaterFEL

Saabas presented the WaterFEL project. The Board discussed the sources of funding for the project and request for further clarity in breakdown of funding for the project.

Saabas and Pardhan.

That, on the recommendation of the Building & Properties Committee, the Board of Governors accept and approve:

- a) That a total project budget of \$39 million for the "WaterFEL facility" capital project be approved; and**
- b) The location for the project, as described in the siteplan concept, be approved; and**
- c) That university administration be authorized to enter into any and all contracts for the construction of the project at a total cost not exceeding the total project budget of \$39 million; and**
- d) That the Building and Properties Committee receive quarterly updates on the status of the project; and**
- e) That material changes to the approved design, construction or budget of the project proceed through the regular approval channels of the Building & Properties Committee and Board of Governors, as appropriate.**

CARRIED with two abstentions

b) Joint Report of Building & Properties Committee and Finance & Investment Committee

i. New Residence Building

Saabas presented the New Residence Building project. The Board discussed the differences between the operating and ancillary budgets; source of funding for the project; and housing challenges in the broader community.

Saabas and Mundell.

That, on the recommendation of the Building & Properties Committee, the Board of Governors accept and approve:

- a) That university administration be authorized to enter into any and all contracts for the construction of the New Residence Building (NBR2026) capital project at a total cost not exceeding the total project budget of \$130 million; and**
- b) That the Building and Properties Committee receive quarterly updates on the status of the project; and**
- c) That material changes to the approved design, construction or budget of the project proceed through the regular approval channels of the Building & Properties Committee and Board of Governors, as appropriate.**

That on the recommendation of the Finance & Investment Committee, the Board of Governors authorize the University to further proceed with negotiations with its selected financial institution for the purposes of securing external financing to fund the construction of the new residence building; and,

That such authorization is executed in accordance with the University's Debt

Management Guideline and relevant University signing procedures; and, That negotiations will be executed as needed and reported back to the Finance Committee for information.

CARRIED

b) Governance Committee

i. Community & Culture Committee: Proposed Terms of Reference

Gamble presented the Community and Culture Committee's proposed terms of reference, noting that the Committee fills a gap in the current Board Committee complement. The Board discussed the scope of the employee experience as referenced in the proposed terms of reference.

Porreca and Randall.

That on the recommendation of the Governance Committee the Board of Governors approve the Terms of Reference for the proposed Community & Culture Committee.

CARRIED

ii. Board Bylaw 1: Notice Proposed Amendments

Gamble presented the Notice of Proposed Amendments, noting that the proposed changes would be presented to the Board for approval at its meeting on October 29, 2024.

The Board discussed how qualifications of members for Board Committees and how staff, faculty and students may be incorporated in revisions to committee terms of reference.

c) Pension & Benefits Committee

iii. Actuarial Valuation of the Pension Plan, January 1, 2024

The Board Chair presented the report on behalf of the Committee Chair.

Pardhan and Heide.

That on the recommendation of the Pension & Benefits Committee, that the Board of Governors approve the filing of the actuarial valuation report as at January 1, 2024 with the Financial Services Regulatory Authority of Ontario (FSRA) and the Canada Revenue Agency (CRA).

CARRIED

6. Report of the Vice-President, Advancement

Nenone Donaldson provided a brief report on the Report included in the agenda package.

7. Other Business

There were no matters of other business.

8. Consent Agenda

a) Minutes of the April 16, 2024 Meeting

To approve the minutes of the April 16, 2024 Board of Governors meeting, as presented.

b) Report of the President

- i. 2023-24 Institutional Key Performance Indicators Report**
- ii. Institutional Priorities for 2024-25**

This item was received for information.

c) Report of the Vice-President, Academic & Provost

- i. Sabbatical and Administrative Leaves**

To approve the sabbatical and administrative leaves, as presented.

d) Report of the Vice-President, Administration & Finance

- i. Incidental Fees, Fall 2024**

That the Board of Governors approve the incidental fee changes effective Fall 2024, as presented.

e) Executive Committee Report

- i. Bill S-211 Report**

This item was received for information.

f) Building & Properties Committee

- i. Report from the Chair**

This item was received for information.

g) Finance & Investment Committee

- i. Report from the Chair**

This item was received for information.

h) Governance Committee

- i. Report from the Chair**
- ii. Call for External Governor Nominations 2025-26**

This item was received for information.

i) Pension & Benefits Committee

- i. Report from the Chair**

This item was received for information.

The Board convened in confidential session.

July 15, 2024

SWT/Genevieve Gauthier-Chalifour
University Secretary

For Information**Open Session**

Date of Meeting: October 29, 2024
To: Members, Board of Governors
From: Gen Gauthier-Chalifour, University Secretary
RE: **12.2. Report of the President - CONSENT**

12.2.1. Report of the President

In accordance with [Policy 77 – Tenure and Promotion of Faculty Members](#), a report on faculty promotions to the rank of Professor is presented for the information of the Board, retroactively effective July 1, 2024.

Documentation Provided:

- Promotion to Professor – July 1, 2024

University of Waterloo
BOARD OF GOVERNORS
Report of the President
October 29, 2024

FOR INFORMATION

Promotion to Professor

From Policy 77 – Tenure and Promotion of Faculty Members:

Promotion to the rank of Professor recognizes a high order of achievement in both scholarship and teaching by tenured Associate Professors, together with satisfactory performance in service. Although evidence of strong teaching performance is required, normally the greatest emphasis is placed on scholarship and achievement within an individual's discipline. However, in exceptional cases, a tenured Associate Professor may be promoted on the basis of an outstanding teaching record accompanied by a continuing and long-standing record of satisfactory or better scholarship and service.

A continuous program of scholarship with positive peer review by nationally and internationally recognized scholars is essential for promotion to Professor. The candidate's record is to be judged in comparison with the records of faculty members recently promoted at UW and other universities of comparable standing. Promotion to Professor is not an assured step in the career of a faculty member, and some will not attain this rank.

In accordance with the processes outlined in Policy 77, and following positive recommendations received from the tenure and promotion committees in departments, schools and faculties, and the University Tenure & Promotion Committee, the following individuals were promoted to the rank of Professor, effective 1 July 2024.

Faculty of Arts

Emma Betz, Germanic and Slavic Studies
Martin Cooke, Sociology and Legal Studies
Carla Fehr, Philosophy (1 abstention)
Steve Fortin, School of Accounting and Finance
Doreen Fraser, Philosophy (1 abstention)
Jennifer Harris, English Language and Literature
Evan Risko, Psychology

Faculty of Engineering

Adil Al-Mayah, Civil and Environmental Engineering
Nasser Lashgarian Azad, Systems Design Engineering
Victor Cui, Conrad School of Entrepreneurship and Business
Wojciech Golab, Electrical and Computer Engineering
Soo Jeon, Mechanical and Mechatronics Engineering
Luis Alberto Ricardez-Sandoval, Chemical Engineering
Shunde Yin, Civil and Environmental Engineering

Faculty of Environment

Kathryn Plaisance, Knowledge Integration

Faculty of Health

Bryan Grimwood, Recreation and Leisure Studies

Sharon Kirkpatrick, School of Public Health Sciences

Faculty of Mathematics

Craig Kaplan, Computer Science

Matthew Kennedy, Pure Mathematics

Jun Liu, Applied Mathematics

Eduardo Martin-Martinez, Applied Mathematics

Luke Postle, Combinatorics and Optimization

Daniel Vogel, Computer Science

Leilei Zeng, Statistics and Actuarial Science (1 abstention)

Faculty of Science

Emmanuel Ho, School of Pharmacy

Scott Hopkins, Chemistry

For Decision

Open Session

Date of Meeting: October 29, 2024

To: Members, Board of Governors

From: Gen Gauthier-Chalifour, University Secretary

RE: **12.3. Report of the Vice-President, Academic & Provost - CONSENT**

12.3.1. Report of the Vice-President, Academic & Provost

In accordance with [Policy 3 – Sabbatical and Other Leaves for Faculty Members](#), the Board approves sabbatical and special leaves. Enclosed for the Board’s approval is the sabbatical and administrative leaves report as prepared by the Office the Vice-President, Academic & Provost.

Recommendation:

To approve the sabbatical and administrative leaves, as presented.

Documentation Provided:

- Sabbatical and Administrative Leaves

University of Waterloo
SABBATICAL AND
SPECIAL LEAVES
Report to the Board
29 October 2024

This report is recommended for inclusion in the consent agenda.

FOR APPROVAL

Motion: To approve the following sabbatical and special leaves in accordance with policy 3– Sabbatical and Other Leaves for Faculty Members.

Background: The report on Sabbatical and Special Leaves comes to the Board of Governors at each meeting as leave requests occur throughout the year.

Granting of sabbatical and special leaves is contingent upon the faculty member's department being able to make the necessary arrangements to accommodate such an absence, and also upon the financial resources of the University in any given year. Application for leave must be made in writing to the Department Chair and approved by the Department Chair, Faculty Dean and the Vice-President, Academic & Provost based on their consistency with the criteria laid out in Policy 3. Application for sabbatical leave should include the faculty member's plans for scholarly activities while on leave.

Sabbatical and special leaves further require the approval of the Board of Governors.

1. Sabbatical Leaves

Faculty of Arts

Bauer, Tim, Accounting and Finance, January 1, 2025 to June 30, 2025 at 100% salary

I perform behavioral audit research and plan to i) travel to a couple of universities to connect with faculty and PhD students and establish connections to aid future data collection from professional auditors (e.g., in the Netherlands) and ii) generate multiple new working papers and get several existing working papers to the end of the publication process.

Browne, Dillon, Psychology, January 1, 2025 to June 30, 2025 at 85% salary

My sabbatical will support collaboration with my international academic and industry partnerships, in accordance with the second term of my Tier II Canada Research Chair. The overarching goal of the CRC renewal is to develop a “methodological toolbox” that empowers health and social service providers to leverage the power of synthetic data to inform clinical and policy decision making.

Demers, Elizabeth, Accounting and Finance, January 1, 2025 to June 30, 2025 at 85% salary

My areas of research are sustainability, including corporate climate and nature related disclosures, and investor relations. I plan to advance on projects co-authored with junior scholars who are on critical timelines, including three climate disclosure papers to be submitted to top journal outlets and two investor relations studies, and to prepare a SSHRC Insight Grant application.

Diamond, James, Religious Studies, March 1, 2025 to August 31, 2025 at 85% salary

*My leave will be used to complete a book which is in contract with the publisher titled *Sermons from the Years of Rage: A Spiritual Uprising in the Warsaw Ghetto**

Dubeau, Catherine, French Studies, January 1, 2025 to June 30, 2025 at 85% salary

The proposed early sabbatical leave will allow me to work full time on a second project in creative writing, a literary essay in French to be submitted to publishers in Quebec. The work during my sabbatical will include historical research, a short research trip to Poland and Germany, and writing.

Fernandes, Myra, Psychology, January 1, 2025 to June 30, 2025 at 85% salary

I will develop and apply computational methods (sentiment and topic analyses) to examine the content of autobiographical memories in younger and older adults. This work will involve current graduate students as well as 2 new collaborators at the University of Nottingham, UK, and McGill University in Montreal. Additional work with University of Bordeaux in France will explore cardiovascular health influences on memory capabilities. The work will be presented at international conferences and disseminated via peer-reviewed manuscripts.

Henstra, Daniel, Political Science, January 1, 2025 to June 30, 2025 at 85% salary

I will: i) complete and submit an article manuscript I've drafted related to my SSHRC-funded project on critical infrastructure resilience ii) conduct interviews related to my project on climate change and housing, and iii) write two article manuscripts related to a new project insurance availability and affordability.

Houston, Andy, Communication Arts, January 1, 2025 to June 30, 2025 at 100% salary

I plan to develop two projects: i) The Calming Place (a spatial-anthropological mapping performance of the Westside Trails, in Waterloo, and Waste (a multimedia, site-responsive examination of the citizens of Waterloo Region's relationship with what we consume, discard, and recycle, as experienced within the Waterloo Regional Landfill and Recycling Centre.

Mäkelä, Ville, Interaction Design and Business, January 1, 2025 to June 30, 2025 at 100% salary

My area of research is human-computer interaction, primarily virtual reality. During my sabbatical I expect to split my six-month leave between Canada and another university abroad, roughly three months each. My goals during my sabbatical are multi-faceted, but they primarily revolve around working and expanding on research funded by a current NSERC Discovery grant: "Developing Technologies for Bringing Physical Objects into Virtual Reality" The expected outcomes include i) publications, ii) a grant application, iii) new collaborators, and iv) new graduate students.

McGregor, Ian, Psychology, January 1, 2025 to June 30, 2025 at 85% salary

I will have 3 years after this sabbatical before retirement. My goals will accordingly be to publish the last of our lab data on how basic motivational systems (anxiety and approach) relate to uncertainty, self-control, vitality, and meaning in life; and revise and prepare to publish my book on how complexities of human personality/spirituality are driven by dynamics of these same two motivational systems.

O'Connor, Daniel, Sociology and Legal Studies, January 1, 2025 to December 31, 2025 at 100% salary and January 1, 2026 to August 31, 2026 at 100% salary.

During my sabbatical I will complete a book manuscript on the role of the Howard Society in the internationalization of criminal justice standards and penal reforms. Phase one of the project (completed) involved the collection and analysis of historical archival documents in New York, Geneva, and the UK. Phase two involves the collection and analysis of current policy documents and the completion of the manuscript.

Roberts, Julia, History, January 1, 2025 to June 30, 2025 at 100%

My area of research is Canadian Social and Cultural History in the Colonial Era, specifically as viewed through the lens of Garden (Horticultural) History. My plans include a research trip to Ottawa where the Library and Archives of Canada are located; also, drafting the chapters of a planned monograph. The expected outcome is a draft of a monograph tentatively titled "The Indian Agent's Garden."

Sen, Anindya, Economics, January 1, 2025 to December 31, 2025 at 100%

I will continue my research on the societal impacts of AI development and the appropriate role of policies and governments. I have been invited to be a Scholar in Residence at the C.D. Howe Institute of Canada. I expect to produce several research papers on AI policies and apply for different research grants.

Siemerling, Winfried, English Language and Literature, January 1, 2025 to June 30, 2025 at 85% salary

As PI of a SSHRC Insight Development Grant, I will complete an article and add chapters towards a monograph on connections between the Anthropocene, the Frankfurt School, and Contemporary Black Thought. As PI of an Insight Grant, I will focus on seeing a co-edited volume on the reception of Black Canadian writing and art through the final stages of publication.

Thompson, James, Accounting and Finance, January 1, 2025 to June 30, 2025; January 1, 2026 to June 30, 2026 at 100% salary

My research area is in both financial stability, as well as AI, machine learning in financial markets. This leave will focus heavily on the latter topic, which is a relatively new area of exploration. I expect to produce one complete research paper by the end of the leave.

Whitson, Jennifer, Sociology and Legal Studies, January 1, 2025 to June 30, 2025 at 85%

I will use my sabbatical to continue data analysis and writing on my current research projects relating to technology and social change; including supervising a PhD Intern on a Mitacs Accelerate that investigates restorative justice approaches to dealing with radicalization, continuing work on a SSHRC Insight grant that uses longitudinal qualitative methods to track education outcomes of the game-related post-secondary graduates, and a continuing work on a NFRF on the health and wellness impacts of remote teaching on educators in Canada and Bangladesh.

Zhao, Will, Interaction Design and Business, January 1, 2026 to June 30, 2026 at 100% salary

I will be exploring the intersection of organization and emerging technologies with collaborators in the USA and France. The research aims to advance interdisciplinary studies on innovation, integrating engineering and social sciences approaches to address challenges in health, education, and business. Expected outcomes include published articles, conference presentations, new collaborative projects, and enhanced practical applications across various domains.

Faculty of Engineering

Basu, Dipanjan, Civil and Environmental Engineering, January 1, 2025 to December 31, 2025 at 85% salary

My sabbatical is requested for enhancing research capabilities and developing a research lab in the areas of geotechnical engineering and energy geotechnics.

Basu, Nandita, Civil and Environmental Engineering and Earth & Environmental Sciences, January 1, 2025 to December 31, 2025 at 100% salary

I have a large ongoing grant (~6K) on nature-based and technological solutions for climate and water

challenges. My goal during the sabbatical is to organize a global community around this question (currently it is a pan Canadian grant) to start planning for larger transformation and other grants. I plan on multiple smaller trips and focused sessions to lead multi-author vision papers and grants to catalyze momentum around this idea. This will also feed into my Research Chair on Global Water Sustainability and Ecohydrology.

Bedi, Sanjeev, Mechanical and Mechatronics Engineering, January 1, 2025 to April 30, 2025; January 1, 2026 to April 30, 2026; January 1, 2027 to April 30, 2027 at 100% salary

My research in CNC machining of metals and applies to the automotive, aerospace and tool and die industries. These industries are experiencing a resurgence due to reshoring and there is renewed interest in my research. I plan to write a book on the research that we have conducted over the past thirty years.

Cao, Shi, Systems Design Engineering, March 1, 2025 to August 31, 2025 at 85% salary

I study human factors engineering, with a focus on aviation human factors and pilot training. As the Program Chair of the Collaborative Aeronautics Program, I plan to expand this program and build international collaboration with major aeronautics schools, enabling student exchange and research internships. My research will establish a pilot performance database for the Waterloo Institute for Sustainable Aeronautics.

Collins, Mike, Mechanical and Mechatronics Engineering, January 1, 2025 to June 30, 2025 and July 1, 2025 to August 31, 2025 at 100% salary

My area of research is building energy conservation, solar water heating systems, head-pumps, and heat recovery systems. My plans for the leave are to on-board new students, build some new industry partnerships, to finish off several papers that I haven't been able to complete, and to apply for new funding, i.e. I will use the sabbatical to reinvigorate my research. The expected outcome is new research initiatives.

Cronin, Duane, Mechanical and Mechatronics Engineering, March 1, 2025 to August 31, 2025 at 100% salary

My research in Impact Mechanics and Material Characterization is focused on advanced human body modeling for human safety and protection. During my sabbatical, I plan to initiate two new international collaborations, and to further enhance our leading human body models for vehicle occupant safety. I am pursuing application of these models to new research areas including vulnerable populations, traumatic brain injury, and medical implants and devices.

Fu, Liping, Civil and Environmental Engineering, January 1, 2025 to December 31, 2025 at 85% salary

During this requested sabbatical leave, I will focus on my area of research (Transportation Safety and Information Systems): working on multiple research projects with NSERC DG, NSERC Alliance/City of Kitchener/Region of Waterloo/Miovision/City of Waterloo, CFI JELF; building a Virtual Mobility Lab supported by CFI JELF; applying for new research funds (NSERC DG, Alliance Grant etc.); overseeing the technical program of the conferences, including coordinating call-for-papers for international participants, developing technical sessions, and reviewing papers.

Inal, Aygun Kaan, Mechanical and Mechatronics Engineering, January 1, 2025 to December 31, 2025 at 100% salary

My research area is traditional and machine learning-based computational solid mechanics for both metallic and non-metallic materials. My sabbatical plan is to collaborate with the top experts in the field to further enrich my research. As a part of this, I will be spending time at i) University of Miami (composite and medical research with AI), ii) The Ohio State University (3rd generation advanced high strength steels) and iii) University of Virginia (magnesium alloys).

Kapsis, Costa, Civil and Environmental Engineering, January 1, 2025 to June 30, 2025 at 100% salary
During my pre-tenure sabbatical, my research will focus on high-performance buildings and urban scale energy simulations, and setting up the CFI equipment. Plans include enhancing collaboration with IEA PVPS Task 15, publishing several journal articles, applying for NSERC Alliance funding, and completing the NPPE exam. Expected outcomes include strengthened research partnerships, successful publications, grant acquisition, licensure progress, and tenure dossier preparation.

Kwon, Hyock Ju, Mechanical and Mechatronics Engineering, May 1, 2025 to Oct. 31, 2025 at 100% salary
My areas of research have two broad directions: i) AI for manufacturing involving the application of artificial intelligence (AI) for practical manufacturing processes, and ii) biomedical field utilizing high intensity focused ultrasound (HIFU) for non-invasive therapeutic intervention. I plan to carry out both researches during the sabbatical leave, through international collaboration with KERI (Korea Electrotechnology Research Institute), Gimhae Biomedical & Industry Promotions Agency (GBIA) and with Sim Hospital in Korea. The goal is to advance these projects significantly, aiming for groundbreaking outcomes in both domains.

Lien, Fue-Sang, Mechanical and Mechatronics Engineering, January 1, 2025 to December 31, 2025 at 100% salary
My main goal is to work on various projects supported by NSERC and National Research Council Canada (NRC) –Ottawa related to energy harvesting, drag reduction by riblets, aircraft icing modeling, and safety assessment of small modular reactors (SMRs). I also plan to submit a few journal papers and/or conference papers and apply for new funding sources eg. the New Frontiers in Research Fund (NFRF)-Exploration, NSERC Alliance International, and/or NSERC Research Tools and Instruments (RTI) programs.

Mahmoudzadeh, Houra, Management Science and Engineering, January 1, 2025 to December 31, 2025 at 85% salary
I will focus on my research on mathematical modeling and optimization for decision making in healthcare. I will collaborate with three major hospitals in Waterloo and have multiple ongoing research projects with them. I plan to focus on seeing these projects through, submitting to journals and conferences, and applying for large collaborative grants during my sabbatical leave.

Mayer, Michael, Mechanical and Mechatronics Engineering, January 1, 2025 to December 31, 2025 at 85% salary
My area of research is electronics packaging/laser processing/direct bonding. My plan for this leave is to work with companies “Sercalo” in Switzerland, “Naneo” in Germany, or “Montfort Lasers” in Austria about new methods in direct bonding, for laser processing of optical fibres, novel economic pulsed lasers, and advanced packaging. The expected outcomes are publications and patents.

Pant, Yash Vardhan, Electrical and Computer Engineering, March 1, 2025 to August 31, 2025 at 100% salary
My research area is at the intersection of control theory, machine learning, and format methods, with applications in decision-making for autonomous systems. During the pre-tenure sabbatical, I aim to expand my research program by i) fostering collaborations with researchers outside of UW and ii) continuing to supervise students. This will result in publications and grant proposals to continue the collaborations.

Peng, Peng, Mechanical and Mechatronics Engineering, January 1, 2025 to June 30, 2025 at 100% salary

This pre-tenure sabbatical will allow me to have more time to focus on my research on developing microwelding before tenure. I will spend time at Waterloo refining my research direction, doing hands on training with graduate students, and developing research proposals.

Reimer, Michael, Electrical and Computer Engineering, January 1, 2025 to December 31, 2025 at 100% salary

My research focuses on developing quantum nanophotonic devices for sensing, imaging, computation, and communication applications. My plan is to visit collaborators at NRC in Ottawa, and KTH in Sweden to develop entangled photon sources and photonic integrated circuits for quantum networks. I will also engage with industry for commercialization of the quantum sensing technology developed in my group.

Shahsavan, Hamed, Chemical Engineering, January 1, 2025 to June 30, 2025 at 100% salary

I plan to spend 6 months in the Department of Physics (Cavendish Laboratory) at the University of Cambridge, UK to work on a new generation of electroactive liquid crystal elastomers in collaboration with Professor Eugene Terentjev, one of the founders of this field of study. Results will be reported in the form of publications in peer-reviewed journals and conferences.

Simakov, David, Chemical Engineering, May 1, 2025 to October 31, 2025 at 85% salary

My research is on a generation of renewable synthetic fuels by thermocatalytic conversion of CO₂ by reacting it with renewable hydrogen. I plan i) to attend conferences, ii) to write research proposals, and iii) to prepare/finalize/submit journal publications. I expect to establish research collaborations through attending conferences, publish at least 5 journal publications, and to receive at least one research grant.

Yang, En-hui, Electrical and Computer Engineering, January 1, 2025 to December 31, 2025 at 85% salary

Further research information theory inspired deep learning paradigms I initiated recently along the direction of developing a distributed artificial intelligence (AI) paradigm and building efficient midsized deep neural networks (DNNs), and work with industry partners to push them from lab to market if possible.

Zhang, Linda, Architecture, July 1, 2025 to December 31, 2025 at 100% salary

My area of research is Architectural Memory with two current project areas: participatory action community research in Chinatown and material memory and indexicality in architectural ceramics. During my sabbatical my plans and the expected outcomes are i) I plan to organize, facilitate, develop, and deliver co-design workshops for a People Planning Process in co-creation with the Toronto Chinatown Land Trust ii) Ceramic Residency for large scale prototyping of architectural memory project and iii) Knowledge Mobilization and Dissemination through traditional journal publications as well as accessible zines and a how-to-guide.

Faculty of Environment

Casello, Jeff, Planning, September 1, 2024 to August 31, 2025 and September 1, 2025 to October 31, 2025 at 100% salary. (Due to an oversight, this sabbatical was not communicated to the Board at the appropriate time; approval by the Board is being sought retroactively)

Having completed 14 years of service to the University as an Associate Dean and Associate Vice President, I intend to focus on my research program during the leave. This will include serving as the

lead on an edited volume celebrating 25 years since the original publication of Transportation for Livable Cities, a text to which I contributed as a graduate student.

Craik, Neil, Environment, Enterprise and Development, January 1, 2025 to December 31, 2025 and January 1, 2026 to February 28, 2026 at 100% salary.

During my leave I will be undertaking research related to two SSHRC grants related to the international law of managing global commons resources. The first project involves the convening of a Legal Working Group on The International Seabed Authority and Accountable Governance. The second involves work on the governance of marine carbon dioxide removal with colleagues in the Waterloo Climate International Strategies Lab, and at Dalhousie University, UC Santa Barbara and the Scripps Institute. I will also continue research on an existing project on Direct Air Capture funded by Environment and Climate Change Canada.

Hall, Heather, Environment, Enterprise and Development, January 1, 2025 to June 30, 2025 at 85% salary

My sabbatical will be focused on finalizing outputs for my SSHRC and ERA-funded project: Remote controlled: The impacts of disruptive technologies in the Canadian mining sector. In addition, I will be co-developing projects with Mi'kmaw Community partners in Newfoundland on the NFRF-Transformation Stream funded Marine Biomass Innovation Project.

Qian, Zhu, Planning, November 1, 2024 to April 30, 2025 at 100% salary

This sabbatical leave is for completing a scholarly book on resettlement and informality in China's urbanization contracted by Cambridge University Press. During the sabbatical, a SSHRC Insight Grant application on China's micro-scale urban residential neighbourhood rehabilitation will be submitted in October 2024. A SSHRC Insight Development Grant application will be submitted in February 2025.

Faculty of Health

Ehgoetz Martens, Kaylena, Kinesiology and Health Sciences, January 1, 2026 to December 31, 2026 at 89.2% salary

My research focuses on the cognitive-emotional interactions with mobility. My plan for this sabbatical is to gain expertise and training with a new technique, fNIRS, by visiting leading labs. Expected outcomes are to prepare for NSERC renewal submission and draft my first CIHR project grant. My time will be focused on fostering the necessary collaborative partnerships and collecting pilot data to strengthen these applications, and publishing manuscripts.

Mielke, John, Public Health Sciences, January 1, 2025 to June 30, 2025 at 100% salary

I will examine how psychosocial stress affects memory in rats and how occupational stress influences disease risk in first responders. The leave will be used to learn how to examine social position in rats, measure oestrus cycle stage in female rats, and perform survival analysis. The results will support planned research to study the effect of social position on health.

Faculty of Mathematics

Cheriyian, Joseph, Combinatorics and Optimization, November 1, 2024 to April 30, 2025 at 100% salary

I will focus on several on-going research projects in the area of Approximation Algorithms and Flexible Network Design. I will be working with my grad students and other (external) colleagues. I will be writing the results of some projects for journal publication.

Dubin, Joel, Statistics and Actuarial Science, January 1, 2025 to December 31, 2025 at 89.2% salary
I will be finishing my current NSERC Discovery Grant Award research and preparing for and submitting my next application, in Fall 2025. This work involves methodological development for modeling complex longitudinal data, and development of predictive models for such data. Also, I will continue co-writing a textbook for teaching Biostatistics, related to a course that I teach at UW.

Guenin, Bertrand, Combinatorics and Optimization, January 1, 2025 to December 31, 2025 and January 1, 2026 to March 31, 2026 at 100% salary.
My area of research lies within the scope of combinatorial optimization and graph theory. The sabbatical will take place in Waterloo, except for a month visit to the London School of Economic (UK) and a summer at the Université de Grenoble Alpe (France). Expected outcomes are a new graduate textbook, a revised undergraduate textbook, and multiple papers.

Guglielmi, Roberto, Applied Mathematics, January 1, 2025 to June 30, 2025 at 100% salary
My research lies at the intersection of mathematical modeling, control and optimization for dynamical systems. The six-month pre-tenure sabbatical will boost the completion of ongoing research activities with international collaborators in view of the preparation of the tenure package. Expected outcomes include the completion of research papers and the submissions of new research proposals.

Kohandel, Mohammad, Applied Mathematics, January 1, 2025 to December 31, 2025 at 100% salary
During my sabbatical, I will advance research on mathematical models and machine learning in biomedical sciences, collaborating with Professor Roger Melko at the University of Waterloo to develop classical and quantum machine learning techniques.

Mandelshtam, Olya, Combinatorics and Optimization, May 1, 2025 to October 31, 2025 at 100% salary
My research is in algebraic combinatorics, focusing on symmetric functions arising from interacting particle systems. During this period, I plan to travel to meet with several collaborators and attend 2-3 workshops and conferences. Expected outcomes are progress on my collaborative projects and completion of papers in progress.

Scott, Matthew, Applied Mathematics, May 1, 2025 to April 30, 2026 at 85% salary
My research interests are in phenomenological models of bacterial growth physiology. I plan to devote this leave to (i) preparation of a textbook on bacterial physiology, and (ii) lab research with collaborators in Vancouver, Scotland and France.

Stastna, Marek, Applied Mathematics, January 1, 2025 to December 31, 2025 at 90.6% salary and May 1, 2026 to July 31, 2026 at 100% salary
During my sabbatical I will work on activities related to my recently awarded NSERC CREATE grant. Specifically, I will conduct development work on GPU based methods for environmental fluid mechanics. I will continue work with colleagues at Cornell University on a large computational modelling/field work project in Lake Cayuga.

Toman, David, Computer Science, March 1, 2025 to August 31, 2025 at 85% salary
The main directions of research during the requested Sabbatical Leave will focus on issues connected with interpolation-based query compilations, on identification issues in information and knowledge representation systems evolving over time, and on identification issues linked to knowledge revision.

Faculty of Science

DelSontro, Tonya, Earth and Environmental Sciences, January 1, 2025 to June 30, 2025 at 100% salary
My area of research is greenhouse gas and carbon dynamics in manmade and natural aquatic systems. During my leave I will work with collaborators in various departments here as well as travel to University of Quebec in Montreal and University of Manitoba to work on current grants and finalize new proposals. Expected outcomes include data collection and analysis on four projects, the submission of three manuscripts and a proposal, the initiation of two manuscripts and a proposal, and a presentation at one conference in the US.

Gorecki, Tadeusz, Chemistry, January 1, 2025 to June 30, 2025 at 100% salary
During my sabbatical I will write papers and perform joint research with my international collaborators in the area of comprehensive multidimensional separations. I plan to visit Gdansk University of Technology (Poland) and Stellenbosch University (South Africa).

Hawthorn, David, Physics and Astronomy, January 1, 2025 to June 30, 2025 at 100% salary
During my sabbatical I will perform x-ray scattering and spectroscopy measurements on quantum materials and develop new experimental techniques for photoelectron spectroscopies. These activities will involve regular collaboration and travel between the University of Waterloo, Cornell University and the Canadian Light Source, as well as an extended trip to develop collaborations in Europe.

McConkey, Brendan, Biology, January 1, 2025 to June 30, 2025 at 100% salary
My primary areas of research are bioinformatics and genomics. The goal for the planned sabbatical leave is primarily to work on two research projects, i) an R package for differential gene expression in RNA sequencing, and ii) modelling protein folding in contact map space. Publishing results from these projects will be helpful for my 2025 NSERC Discovery grant application.

Schipper, Derek, Chemistry, January 1, 2025 to December 31, 2025 at 85% salary
My research focuses on organic materials for electronic devices and novel binucleating ligands for bimetallic catalysts. At UWaterloo, I'll write papers, prepare grants, and explore forging new industrial connections. This industrial outreach will extend to exploring collaborations with and funding from SABIC in Saudi Arabia, emphasizing bimetallic catalysis. Expected outcomes include global partnerships with world leading chemical company, and increased funding.

Unger, Andre, Earth and Environmental Sciences, January 1, 2025 to December 31, 2025 at 87.8% salary
I will begin the process of commercializing a technology I have developed regarding speech recognition and synthesis. This technology was initially developed in collaboration with WatCo. I also plan to further develop aspects of the technology, which largely involves spectrogram construction and inversion, as part of my ongoing research activities at UofWaterloo. This may include developing other use cases.

2. Sabbatical Cancellations

Faculty of Engineering

Bookbinder, James, Management Science and Engineering, November 1, 2024 to April 30, 2025 at 85% salary

Faculty of Science

Lemieux, Bob, Chemistry, September 1, 2024 to February 28, 2025 at 100% salary

3. Administrative Leaves

Faculty of Arts

O'Connor, Daniel, Sociology and Legal Studies, September 1, 2026 to December 31, 2026 at 100% salary

During my leave I will complete a book manuscript on the role of the Howard Society in the internationalization of criminal justice standards and penal reforms. Phase one of the project (completed) involved the collection and analysis of historical archival documents in New York, Geneva, and the UK. Phase two involves the collection and analysis of current policy documents and the completion of the manuscript.

Faculty of Mathematics

Stastna, Marek, Applied Mathematics, January 1, 2026 to April 30, 2026 at 100% salary

During my leave I will work on activities related to my recently awarded NSERC CREATE grant. Specifically, I will conduct development work on GPU based methods for environmental fluid mechanics. I will continue work with colleagues at Cornell University on a large computational modelling/field work project in Lake Cayuga.

Faculty of Science

Gorecki, Tadeusz, Chemistry, July 1, 2025 to October 31, 2025 at 100% salary

During my leave I will write papers and perform joint research with my international collaborators in the area of comprehensive multidimensional separations. I plan to visit Gdansk University of Technology (Poland) and Stellenbosch University (South Africa).

Hudson, Michael, Physics and Astronomy, January 1, 2025 to April 30, 2025 at 100% salary

I will visit the Australian National University of Queensland to conduct collaborative research in cosmology. I will then work with collaborators using weak gravitational lensing data from the Ultraviolet Near-Infrared Northern Survey and the Euclid space telescope, primarily at the Institut d'Astrophysique de Paris and Leiden University. This will lay the foundations for most of my papers in the timeframe 2025-2027.