

BOARD OF GOVERNORS

TUESDAY, 4 April 2023

1:30 p.m. EST

In person (NH 3407) and Zoom Videoconference

Open Session

1:30 p.m.	1. Conflict of Interest	Oral	Declaration
1:35 p.m.	2. Remarks from the Chair [Forbes]	Oral	Information
1:45 p.m.	3. Agenda/Additional Agenda Items	Oral	Decision
1:50 p.m.	4. Business Arising from the Minutes	5	Input
1:55 p.m.	5. Report of the President		
(30 mins)	a. General Update [Goel]	Oral	Information
	b. Waterloo at 100*	7	Decision
(10 mins)	i. <i>Motion: That the Board of Governors endorse the vision paper, Waterloo at 100, as presented.</i>		
	c. Policy 3 – Sabbatical and Other Leaves for Faculty Members	25	Decision
	i. <i>Motion: That the Board of Governors approve the amendments to Policy 3- Sabbatical and Other Leaves for Faculty Members, as presented.</i>		
2:35 p.m.	6. Reports from Committees		
(10 mins)	a. Audit & Risk Committee [Hiscock] *	33	Information/Decision
	i. <i>Motion: That the Board of Governors delegate its authority to approve the university's audited financial statements for the fiscal year ended 30 April 2023 (the "Financial Statements") to the Board Executive Committee.</i>		
2:45 p.m.	b. Building & Properties Committee [Gamble]*	35	Information/Decision
(20 mins)	i. <i>Motion: That the Board of Governors approve a \$6.4M (25%) increase to the project budget of the ESC renovations.</i>		
	ii. <i>Motion: That the Board of Governors approve the award of a stipulated-price contract (CCDC2) to Harbridge & Cross Limited in the amount of \$23,005,000.00 (excluding HST).</i>		
3:05 p.m.	c. Finance & Investment Committee [Bachher] *	37	Information/Decision
(5 mins)	i. <i>Motion: That the Board of Governors approve amendments to the Statement of Investment Policies and Procedures for the University of Waterloo Endowment, as described in Attachment 1 to this report.</i>		

If you require assistance or need to convey regrets, please contact the Secretariat at board@uwaterloo.ca.

(40 mins)	<ul style="list-style-type: none"> ii. <i>Motion: That the Board of Governors approve the 2023/24 Operating Budget, as described in Attachment 2 to this report.</i> iii. 2023/2024 Operating Budget Presentation [Rush] 		
3:50 p.m.	10 Minute Break		
4:00 p.m.	d. Finance & Investment Committee and Pension & Benefits Committee [Bachher]*	59	Decision
(10 mins)	i. <i>Motion: To approve the amendments to the Responsible Investment Policy (RIP) as provided in Attachment #1.</i>		
4:10 p.m.	e. Governance Committee [Forbes]*	63	Decision
(10 mins)	<ul style="list-style-type: none"> i. <i>Motion: That the Board of Governors approve the following amendment to the terms of reference for the Building & Properties Committee.</i> ii. <i>Motion: That the Board of Governors approve the amendment to the terms of reference for the Finance & Investment Committee, the Pension & Benefits Committee and the Pension Investment Committee as described in Attachment #1 to this report.</i> 		
4:20 p.m.	f. Pension & Benefits Committee [Fortney]*	79	Information/Decision
(10 mins)	i. <i>Motion: To approve the amendments to the Statement of Investment Policies and Procedures (SIPP), and Fund Implementation Procedures (FIP) as provided in Attachments #1 and #2.</i>		
4:30 p.m.	Consent Agenda		
(5 mins)	<i>Motion: To approve or receive for information items in the consent agenda.</i>		
	7. Minutes of the 7 February 2023 Meeting*	103	Decision
	8. Report of the Vice-President, Academic & Provost [Rush]		
	<ul style="list-style-type: none"> a. Sabbatical and Administrative Leaves* b. University Professor Designation* 	109 117	Decision Information
Confidential Session			
Governors, Vice-Presidents, Deans, Secretariat Staff, Technical Staff as required			
4:35 p.m.	9. Conflict of Interest	Oral	Declaration
	10. Business Arising from the Minutes	119	Input
4:40 p.m.	11. Report of the President [Goel]	Oral	Information

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4:50 p.m. (10 mins)	12. Reports from Committees a. Governance Committee [Forbes] *	121	Decision
5:00 p.m.	13. Other Business		
5:05 p.m. (5 mins)	Consent Agenda <i>Motion: To approve or receive for information items in the consent agenda.</i>		
	14. Minutes of the 7 February 2023 Meeting *	123	Decision
	15. Report of the Vice-President, Academic & Provost a. New Appointments with Tenure * b. Tenure Recommendations *	125 127	Decision Decision
In-Camera Session Governors, University Secretary, Technical Staff as required			
5:10 p.m.	16. Conflict of Interest	Oral	Declaration
	17. Minutes of the 7 February 2023 Meeting* <i>Motion: To approve the minutes of the 7 February 2023 in camera meeting.</i>	133	Decision
	18. Business Arising from the Minutes	Oral	Input
5:15 p.m.	19. Reflections	Oral	Discussion
5:30 p.m.	20. Other Business	Oral	Input
5:35 p.m.	21. Adjournment	Oral	Input

*materials attached. **to be distributed

AK/swt/dg
28 March 2023

Andrea Kelman
University Secretary (Acting)

Upcoming Board and Committee Meetings and Events

17 May 2023	Building & Properties Committee
18 May 2023	Finance & Investment Committee
19 May 2023	Pension & Benefits Committee
24 May 2023	Governance Committee Annual Retreat – Workplan/Priority Setting
5 June 2023	President’s Golf Tournament
6 June 2023 (a.m.)	Board Orientation – Board Governance 101/VP Portfolio Updates (in person)
6 June 2023	Board Luncheon

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To: Board of Governors
From: Andrea Kelman, Acting University Secretary
Date: 4 April 2023
RE: Business Arising from the Open Minutes

The following items represent matters of business arising from the last meeting of the Board of Governors which was held on 7 February 2023:

1. Report of the President – General Update - Auditor General’s Report

In response to the President’s Update regarding the Auditor General’s reports, the Board discussed opportunities for engagement with the reports. The Governance Committee will explore next steps at its meeting in May 2023.

2. Building & Properties Committee Report – Residence Locations and Design

The Building and Properties Committee received an update on the design of the residence discussed at the February meeting, and regarding the four locations contemplated as part of the design process. The other three locations considered included:

- "Villages site" (V1/UC/FedHall area in general)
- Minota Hagey area (University Ave / Westmount Rd)
- Northdale (BlackBerry building area)

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To: Board of Governors
From: Vivek Goel, President and Vice-Chancellor
Date: 4 April 2023
RE: Waterloo at 100 Vision Paper

I am pleased to provide to the Board of Governors of the University of Waterloo the Waterloo at 100 vision document for endorsement. This version was reviewed and recommended for Board endorsement by Senate on March 27, 2023.

The visioning exercise over the past year, addressed the question: *What do we as an institution aspire to become by our 100th anniversary in 2057?* The process included consultations with thousands of individuals in the University and broader community. Critically, this exercise has built off the institution's current strategic plan, the many strategic initiatives underway and planned, and numerous institutional assessments, reports and recommendations. The result is Waterloo at 100: a long-term vision for the next 35 years leading up to Waterloo's centenary.

In September, 2022, the Board retreat focused on Waterloo at 100 based on a discussion paper that facilitated feedback and direction from members. Earlier in the month, on March 1, Board members provided further input on an earlier draft of the vision document. The development of the vision has benefited tremendously from your counsel and insights.

I would highlight several key points defining the overall vision document in front of you:

- We highlight Waterloo's unique identity; we are "a global research-intensive university, renowned for entrepreneurship and innovation, and providing co-op and work-integrated learning at scale with impact."
- Our vision into our future is to be "a community of collaborative, creative, innovative and entrepreneurial learners, problem-solvers and leaders who seek to understand, identify and mobilize equitable and sustainable solutions for the future of humanity and our planet."
- Against the Global Futures framework for the areas of impact the university aspires to, Waterloo at 100 will advance its vision through three guiding principles: (1) rediscover unconventional; (2) lead globally, act locally; (3) coordinate and collaborate.
- We move ahead by building on the spirit of our unconventional foundation and differentiating strengths.

- The document outlines four Forecasts to 2057: Culture, Graduates, Knowledge, and Campus.
- Coupled with the Forecasts is a vision for how the institution will evolve its differentiators to provide unique value in the world: (1) leading and innovating co-operative education and work-integrated learning preparing students, community, and industry for the changing nature of work; (2) tackling global challenges at the intersections of the Futures through fundamental and applied research; (3) continuing to hold a global leadership position that empowers our community to generate new tech- and social ventures at scale while rooted locally; and (4) embedded in and collaborating with our region to support local growth ensuring greater access, prosperity, and wellbeing.
- Beyond these forecasts, however, we recognize that we will need to continuously draw on our spirit of being unconventional in developing new innovations in education and research to create new futures for the University, for humanity, and for our planet.
- Five immediate next steps in advancing the vision: (1) evolving our values, (2) aligning our mission to the Global Futures; (3) establishing a pillar for social and policy engagement; (4) launching an incubator for ideas to advance Waterloo at 100; and (5) enhancing our planning and performance in support of the vision.

I very much look forward to our meeting next week, where I will provide a brief presentation of Waterloo at 100 to expand on the key points above as we seek the Board's endorsement for this vision document.

Thank you.

WATERLOO AT 100

March 28, 2023

Foreword

The University of Waterloo defied tradition when it was founded in 1957. We boldly advanced an educational experience that integrates academic and research excellence with work experience. In our always changing world, we must continue to be bold and unconventional as we help shape a better future for humanity and the planet.

Throughout 2022, the University set out to develop a vision that would steer our long-term evolution and help us answer: What do we as an institution aspire to be known for by our 100th anniversary in 2057?

Thousands of students, faculty, staff, alumni and members of the broader Waterloo community participated in consultations and provided invaluable feedback to develop ideas for the University's future. What struck me in these conversations was the genuine pride in our work and care for our institution evident across our university and wider community. Throughout the discussions, participants paid tribute to our past, honestly assessed what we could improve today and looked ahead with clear-eyes and optimism. The result is a long-term vision by and for the University and its broader community.

It is a privilege to live and work in this community. I acknowledge that our work takes place on the traditional territories of the Neutral, Anishinaabeg and Haudenosaunee peoples. It has been a great privilege to learn from our Indigenous elders and communities in this process. Their dedication to the idea that the decisions we make today should result in a sustainable world seven generations in the future has been a deep inspiration for this vision for Waterloo.

Drawing on the unconventional spirit of the University's founding, this community put forward ideas to reinvent the culture of our institution as we build a better future. In the consultations, I heard broad acknowledgement that the world around us is rapidly changing and that within the higher education sector, other institutions are gaining ground where we have historically led. We discussed how we can draw on our unique strengths to not only navigate uncertainty in the future, but to help shape that future for the betterment of society.

In the 1950s, we disrupted post-secondary education in Canada with what was then an unconventional model of education. Now is the time to reinvent what makes us unconventional: to nurture the skills, expertise, and spirit within us to be known as the problem-solvers and leaders in 2057.

A few years after founding this University, Gerald Hagey, reflected on the progress of the institution and where it might be headed. He said:

"I cannot perceive a time when the universities will not be challenged by new requirements from our society. Equally, I cannot foresee a time when the University of Waterloo will be so hidebound by tradition that it cannot adjust itself to providing education to meet these needs."

Those words from 65 years ago remain so true today. I hope they, and the vision outlined in this document, continue to inspire and push us forward for the next 35 and beyond.

I am deeply grateful to all who participated and shared their feedback and ideas. It is an honour to work with you as together we take the path ahead into bold new futures.

Vivek Goel

President and Vice-Chancellor

1. A picture for the future

At the University of Waterloo, we pride ourselves on identifying and solving big, complex challenges facing humanity and our planet. What would the future look like if we solved them all?

We opened our consultation sessions by asking our community for their vision of the future. We know we cannot predict the future, but we are confident about our ability to help shape it for future generations. This is what you shared with us:

Societies are just and fair. Governments and institutions uphold their duties and have rebuilt trust with the public. Humans live healthier, longer lives. The survival of plants and animals, on land and in water, is ensured. Natural resources are protected and equitably distributed. The threat of climate change is a distant memory. Technology evolves responsibly as it continues to enable advancements for humanity. There is enough economic prosperity for all, and everyone has equal access to opportunity to reach their full potential.

In short, humanity is thriving and so is our planet.

Given today's state of the world this vision may appear a distant hope. But together we can strive towards it with partners in our community and around the world. We can harness the unique strengths of our institution to prepare our students, the leaders of tomorrow, and equip them with the skills and experiences necessary for a rapidly changing world.

Call us dreamers, but at the University of Waterloo we've been known as doers for more than 65 years. We can help make these dreams a reality.

2. A vision for Waterloo at 100

This is our vision for Waterloo at 100.

WHO WE ARE

We are a global research-intensive university, renowned for entrepreneurship and innovation, providing co-op and work-integrated learning at scale with impact.

WHAT WE ENVISION

A community of curious, collaborative, creative, innovative and entrepreneurial learners, problem-solvers and leaders who seek to understand, identify and mobilize equitable and sustainable solutions for the future of humanity and our planet.

To realize this vision, we will follow these guiding principles:

REDISCOVER UNCONVENTIONAL

Universities tend to look the same. Rather than chase convention, Waterloo must resist isomorphism. We must once again be unconventional, transforming education that responds to and shapes our future. We are more valuable to the world when we add uniquely Waterloo strengths. We can do this when we align our work to shape Global Futures, based on our evolving strengths in co-op and work-integrated learning, innovation and entrepreneurship, fundamental and applied research that is connected, and strong relationships to our surrounding communities.

LEAD GLOBALLY, ACT LOCALLY

As we continue to address global challenges and make impacts around the world, we will also continue to contribute to our local surroundings through collaborative relationships. As we go out into the world with innovative solutions to challenges, we should also ensure we have addressed them in our communities. Change starts at home. As global leaders, we live our values and apply our knowledge on and off our campuses.

COORDINATE AND COLLABORATE

To unlock the full potential of our university, we will create a culture of coordination and collaboration both within and beyond our institution. Models that served us well in early days of rapid growth have often resulted in siloed activities. Today, we operate in a complex environment that requires teams to work together across many units internally and with external partners globally and locally. We need to find ways to coordinate, collaborate and cocreate to build an empowered organizational culture with an emphasis on accountability, nimbleness and impact. This cultural shift will also mean instilling collaboration as a mindset and skill in our students and valuing collaborative connections with community and global partners.

3. Building on our unconventional foundation

WE NEED TO BET ON OUR STRENGTHS TO ACHIEVE SOMETHING GREAT IN THE FUTURE

To position ourselves for success in the future, we can draw lessons from our past. Our formative years were marked by bold approaches to education that challenged conventions in university education.

Our founders sought to build an institution that would serve the needs of the community and power the local and broader economy. They built a strong bond between academia, government and business that continues today.

When we deploy our differentiating strengths together, drawing on our unconventional spirit, we achieve what that no other university can.

CO-OP AND WORK-INTEGRATED LEARNING

Co-operative education was a new concept and guiding value in the founding of the University. Waterloo today stands as a global leader in co-operative education and work-integrated learning. No other research university in the world does co-op at the same scale and impact as Waterloo.

FUNDAMENTAL AND APPLIED RESEARCH THAT'S CONNECTED

Fundamental research excellence infused with creative problem solving has distinguished Waterloo scholarship. Our research is uniquely energized by co-op and entrepreneurship and is connected to both immediate challenges and long-term possibilities for the good of our communities and the world.

INNOVATION AND ENTREPRENEURSHIP

Ideas thrive at Waterloo. Innovation and entrepreneurship have been part of Waterloo's story since our inception. Collaborating with our community, we have helped build an entrepreneurial ecosystem that has achieved global recognition. Today, we lead in providing our students and researchers access to the technologies, tools, supports and connections they need to develop and grow their ideas.

CONNECTED TO A THRIVING REGION

Our deep connection and commitment to our local region and community traces back to our founding and enriches each of our other differentiators. Local connections initially powered Waterloo's co-operative education program and today continue to employ thousands of students at any given time. Our region has grown alongside our institution and now includes many globally recognized institutions, organizations and businesses. Connections to our surroundings help shape and sustain our entrepreneurial drive. We need to constantly connect with our community and discover how we can support and propel our home communities forward.

4. A changing PSE landscape

As we look towards humanity's futures, global transformational forces are changing the post-secondary education (PSE) landscape.

Digital and technological progress has allowed more flexibility in teaching and learning, with the pandemic accelerating applications in remote and hybrid education. At the same time, the pandemic has underscored the urgency of improving mental health and wellness supports for students and employees.

Institutions are grappling to maintain or grow public trust in the face of widespread misinformation and disinformation. New entrants to the sector, such as online, private and other non-traditional institutions present new competition in PSE.

The sector has a responsibility to reckon with our country's colonial past and ongoing harms and recognize that our students, faculty and staff are shaped by different lived experiences and backgrounds. Many face barriers from systemic discrimination. Our campuses are microcosms of society—they must be decolonized and become more accessible, equitable and anti-oppressive.

Change in the sector means others have embraced so much of what once made Waterloo unique. Work integrated learning, entrepreneurship and research with industry were once strengths few besides Waterloo could claim. Today, many of our competitors are making serious commitments in these areas, blending us in with the crowd.

We face a generational opportunity to address these big challenges and to bring fresh relevance to post-secondary education. To fulfil our ambition and regain our distinctiveness, now is the time to reimagine a continued unconventional role for the University of Waterloo in this rapidly changing landscape.

5. Global Futures

OUR WORLD IS CHANGING, AND WE MUST EVOLVE WITH IT.

The world continues to face multiple, compounding major crises that cut across society, health, the environment, technology and the economy.

- The COVID-19 pandemic has exacerbated social and economic inequities and exposed the fragility of our healthcare and education systems.
- The breakdown of the rules-based international order has enlarged geopolitical tension and ongoing armed conflict in many parts the world.
- Demographic transitions will result in many countries, including our own, having a much older population, while other regions, such as Africa, grow significantly.
- Technology is dramatically disrupting the way we work, live and connect.
- We are facing up to the ongoing harms of colonialism, the need for reconciliation with Indigenous peoples, and action to address hate-motivated injustice and violence.
- Our biggest threat remains the climate catastrophe placing into unparalleled urgency the very survival of our planet.

These complex challenges are felt locally and globally. They are pressing opportunities for us to work with others towards new approaches to teaching and learning and to the creation of new ideas and collaborative solutions.

ADDRESSING THE WORLD'S MOST PRESSING CHALLENGES

The future we imagine for humanity and our planet is at the core of the Global Futures, which will inspire collaborative and interdisciplinary approaches in our educational programs, research, and innovation activities. To make the most impact, we need to focus on the areas where we can leverage our strengths and differentiators.

Five interconnected Futures for humanity, aligned to our academic and research strengths, help us to focus and co-ordinate our work across disciplines and organizational boundaries. Each overlap with the others and it's in these intersections where Waterloo's tenacity for identifying new opportunities, solutions and leading change will shine.

FOUNDATIONS IN FUNDAMENTAL RESEARCH AND SCHOLARSHIP

Underpinning our work across these Futures is our relentless commitment to fundamental research and scholarship.

A spirit of curiosity and commitment to excellence in fundamental research and scholarship advances our understanding of ourselves, our planet and the cosmos and enables the ongoing development of technologies, innovations and applications we cannot imagine today.

We must always keep at heart the core mission of the University to advance learning and knowledge through teaching, research, and scholarship, nationally and internationally, in an environment of free expression and inquiry. Academic institutions such as ours occupy a privileged position in society; with that comes a responsibility that our work serves society to protect and preserve the values of our community and nation.

SOCIETAL FUTURES

How do we share and translate knowledge to positively advance society's future and ensure that communities and everyone within them thrive?

Demographic transformations, increased migration, digitization and automation, shifting geopolitical relations and declining trust in democratic institutions are among the forces transforming society. While there is a deeper understanding of the global legacies of colonialism and social injustices, our social echo chambers contribute to polarization and disinformation, stifling constructive dialogue across different points of view and lived experience.

Across our academic, research and service activities we should consider the impacts on society. Within our campuses, which are mirrors of society, we can innovate and apply new models to ensure every member of our community belongs and thrives.

HEALTH FUTURES

How will we ensure everyone achieves optimal health and well-being? How can we redesign our health systems through technological advances, virtual care and health data applications?

Many physical and social determinants of health contribute to our well-being yet too many individuals and communities do not achieve the best possible health status. Those that are sick or injured navigate complex health systems that are unsustainable, under pressure from escalating costs, and facing shortages of health professionals and an aging population.

Waterloo is poised to take a unique leadership position in this space by focusing on our strengths at the intersections of health, society, technology and entrepreneurship and engaging partners to co-create solutions that advance population health and support the development of more sustainable community-based health systems.

SUSTAINABLE FUTURES

How will we enact the social, economic and geopolitical changes required to ensure a prosperous future for humanity and the planet?

The sustainability of our quality of life is intricately connected to our social, economic and environmental well-being. While the global climate emergency is the greatest threat to our collective future, we are also challenged in preserving biodiversity, ensuring clean water for all and producing enough food for a growing planet.

Waterloo is already a leader in sustainability research and education. We can build on this strength to help direct society towards a sustainable future. We can lead across our campuses by implementing innovative solutions to achieve and exceed our targets for sustainability.

TECHNOLOGICAL FUTURES

How will we lead the next technological transformation to ensure a safe and human-centered digital future?

Technology continues to accelerate at an exponential pace, bringing both benefits and new challenges. Emerging technologies are often adopted before the full impact on culture and human behaviour is understood.

We have seen that big data can be harnessed to help governments and organizations make informed decisions and address equity and equality concerns. But this has also led to a loss of privacy and inequitable distribution of wealth. Cybersecurity and gaps in data literacy are ongoing risks. The world is now demanding that innovators develop technology with greater responsibility and accountability.

As Waterloo continues to lead in technology and innovation in critical areas, we have an opportunity to shape technology to serve society, rather than letting technology shape us. Although it is impossible to predict technological advances over the next 35 years, we can help shape future technologies for good. Instead of asking “what?” we will ask “what for?” We will integrate Waterloo’s strengths to advance technology that is responsible, sustainable and socially viable.

ECONOMIC FUTURES

How do we create equitable and resilient local and global economies to lead us into the future?

Technology is transforming the economy and the world of work with the rise of remote and hybrid workers, increased automation and artificial intelligence. New technology can increase efficiency and flexibility, but the workforce must keep up with new systems. Life-long learning will become increasingly important as individuals need to upskill, reskill and reimagine their careers in addition to benefits for personal growth and enlightenment.

At the same time, labour shortages, disruptions to supply chains, and geopolitical and digital threats have shown us the vulnerabilities and risks inherent in our economy. Canada faces serious challenges with productivity growth, and without a significant change in course we will not have the resources necessary to advance the Futures above and the challenges ahead.

We have the foundation to shape innovative ecosystems and develop talent to help create more equitable, resilient and future-proofed economies. Already a leader in work-integrated learning, we can expand our mandate to support learning-integrated work to help organizations and individuals keep pace with technology and the changing world of work. We can grow our business and entrepreneurial education strengths to include leadership in social entrepreneurship and innovation targeting the public good.

6. Our journey to 2057

WHERE ARE WE GOING AND HOW WILL WE GET THERE?

We have bold ambitions for the impact we want to make on the world. To enable these goals, we need to look inward to focus, organize and forecast into the future how we work and create the right environment for our community to thrive.

FORECASTS

These focus areas will help us rediscover unconventionality. For each focus area, we will develop near and mid-term actions to propel us towards these long-term goals.

CULTURE 2057

Who we are as an institution starts with our culture. We value our people and recognize our role as an employer that attracts outstanding talent. We will build on Waterloo's culture through more collaboration and engagement, aligned to our values and with a commitment to bettering humanity and our planet.

- We will be nimble and coordinate across disciplinary and organizational boundaries for the betterment of our university and our students.
- We will embrace decolonization, Indigenization, inclusivity, equity, and anti-racism into our organizational culture.
- We will ensure the physical and mental health and well-being of our students and employees and support them to achieve success in their personal and professional lives.

GRADUATES 2057

Today's Waterloo students will be leaders and change-makers in 2057. Our goal is to produce uniquely Waterloo graduates who are transformed by their education to drive positive change in the world. We will embrace new tools and technologies to improve quality, flexibility and accessibility of teaching and broader educational experiences. We will develop innovative models for our educational programs to reach diverse audiences. Our graduates will be:

- Global citizens centred on humanity, the planet and equity, and connected to their local communities.
- Future leaders who leverage a Waterloo education that integrates knowledge and problem-solving within and at the intersections of our Global Futures.
- Alumni who never stop learning about themselves, the diversity around them and the world they affect while remaining connected to our institution and community.

KNOWLEDGE 2057

Waterloo's excellence in research coupled with constantly evolving education will remain the foundation for practical applications and transformative innovations.

- We will seek and impart knowledge that improves society, that matters locally and globally. Our research and education will be excellent, relevant and trusted.
- We will value knowledge that counts over being counted. We will incentivize students and researchers to make positive changes in society.
- We will not rely solely on traditional metrics of student achievement, faculty scholarship and teaching excellence. We will also assess students for their contributions to society and impact and we will find new ways to reward our community for their innovation, collaboration and collective impact in research and education.

CAMPUS 2057

Where we teach, learn and do our work will reflect our values and culture. While our future campuses are both physical and virtual, we are committed to enabling uniquely personal experiences. We will continue to focus on ensuring that we deliver unique opportunities for engagement that can only be had with a physical presence on our campuses. Physical spaces will remain important places to gather, find and build community, while technology will enhance and enable our work and connections.

- Our campus is financially and environmentally sustainable, and carbon neutral.
- Our campus is decolonized, inclusive, equitable and accessible physically and economically. Individuals of all abilities, backgrounds and identities should thrive through a deep sense of belonging.
- Our campus promotes and prioritizes physical and mental health and well-being.

EVOLVING OUR DIFFERENTIATORS

Remaining true to our core strengths, what do we want the University of Waterloo to be known for on our way to 2057? How will we get there in ways only Waterloo can?

Today we are globally recognized for innovation in STEM – Science, Technology, Engineering and Mathematics – and commercialization of ideas. There is often less awareness of our education and research strengths across the humanities, arts, social sciences, environment and health. Leveraging our strengths in integrating disciplines and working at the intersections, we can also be relied upon as innovators for social good.

These aspirations guide our evolution, so we continue to innovate and lead in our differentiators.

THE FUTURE OF CO-OP AND WORK INTEGRATED LEARNING

Waterloo was a pioneer in experiential learning and we continue to partner with employers to create co-operative education that equips our students to become change-makers and leaders in their chosen field. As students go out and help improve the world through co-op, they return to the University to share experiences and inspiration that transform our curriculum and community.

We will continue to lead and innovate in this space by expanding opportunities for our undergraduate and graduate students and evolving our programming to keep pace with social, technological and economic change.

By 2057:

- **Our co-op models have evolved with the changing nature of work to be flexible, open and digital, and support employers and industry to evolve accordingly.**
- **We are a global leader in graduate student work-integrated learning that is connected to our research.**
- **Co-op placements for social good – in not for profits, community organizations, global non-governmental organizations – are widely available and pursued by our students.**

THE FUTURE OF CONNECTED FUNDAMENTAL AND APPLIED RESEARCH

Rigorous and deep inquiry is a fundamental pillar at Waterloo. We do not shy away from unconventional or emerging disciplines or subjects. We thrive where disciplines intersect.

Focusing on where we can make the most impact, we will continue tackling global challenges that will benefit our world for generations. Unified by the Global Futures, we will work collaboratively across disciplines, organizational boundaries and with partners across sectors.

We will expand our research through partnerships that promote Open Science and ensure the knowledge we create is responsibly developed and mobilized for the greatest impact on humanity and our planet.

By 2057:

- **We are a world leader in impactful interdisciplinary research and graduate programs that address global and local challenges at the ever-evolving intersections of the Global Futures.**
- **We contribute excellent fundamental research and scholarship in focused areas of strength.**
- **We are recognized leaders in social and policy engagement.**

THE FUTURE OF INNOVATION AND ENTREPRENEURSHIP

We will continue to be bold innovators and leaders in entrepreneurship, adding pillars in social innovation and policy engagement aligned with the Global Futures. We will apply our innovative and entrepreneurial spirit in our own communities including our campuses, working with local stakeholders on transformational projects for the region and growing global companies that scale. At the same time, we will use our position as a technology leader to advance ethical and responsible technology.

By 2057:

- **We are the global leader in empowering our community to generate new technology ventures for the good of humanity.**
- **In collaboration with our community partners, ventures founded in our region scale successfully with global impact while staying rooted here.**
- **We are a global leader in social and policy innovation.**

THE FUTURE OF COMMUNITY AND CAMPUS CONNECTIONS

We are proud to be an active member of our surrounding community and of our role in catalyzing and sustaining Waterloo region's growth into the globally recognized innovation hub it is today. This prominence for innovation will grow to include social and community impact. At the same time, we recognize and promote the development of local economies everywhere as the interdependencies across regions will only deepen.

Our concept of community starts on our own campuses. Our physical and virtual spaces should reflect our bold aspirations for society and the planet: environmentally and financially sustainable, decolonized, accessible, equitable, inclusive and centered on our community's well-being.

Our campuses are also places where we can apply our innovations and knowledge to help improve the lives of those within these spaces and our surrounding community. For example, as our surrounding region grows, we will work with partners on innovations to solve local issues such as improving our health systems, ensuring adequate housing and social supports, meeting transportation needs and addressing sustainability challenges.

By 2057:

- **We will be deeply embedded in the region's social, economic, and cultural fabric, enriching the experience of students, faculty and staff who connect and contribute to local businesses and communities.**
- **We work collaboratively as an institution and with our local partners to ensure that every member of our community has fair access to prosperity and well-being.**
- **Our decolonized, Indigenized, inclusive, accessible and sustainable campuses are integrated into our surrounding communities.**

DEFINING UNCONVENTIONAL FUTURES

Beyond these forecasts, we will strive to uphold a university culture that allows us to develop and apply bold and unique innovations in education and research far into the future. To 2057 and beyond, we will continue to ensure we lead at being unconventional, to define new futures for the University, humanity and our planet.

7. What's next

We have laid out some bold aspirations for the University of Waterloo's future. We have a lot of work ahead over the next 35 years, but every journey starts with one step.

Our immediate goals to get us started:

- **Evolving our values:** To support the change we need to realize this vision of Waterloo at 100, we will start by revisiting our values as an institution to catalyze a culture shift to work more nimbly and collaboratively. This will also include addressing the President's Anti-Racism Taskforce's recommendation to revise our institutional values to apply lenses of anti-racism and anti-oppression.
- **Aligning to our Global Futures:** We will collaborate and organize our activities in education, research and service more effectively around the areas of impact we seek to make. We will reimagine interdisciplinary research and academic activity, identifying strategies and collaborative energies towards realizing the Futures.
- **A pillar for social and policy engagement:** To create the impacts we desire in our Global Futures we must build up our capacity for social and policy engagement that is more integrated with scientific innovation and technology. The evolution of our differentiators depends on being more socially engaged, robust and relevant. A range of efforts will be planned for in education, research and knowledge mobilization to drive this new emphasis at Waterloo.
- **A place for ideas:** As we evolve our institutional culture with an emphasis on collaboration and coordination, the Waterloo at 100 Incubator will help translate big and small ideas from the university and surrounding community to make this vision reality. Many such ideas will respond to impacts desired within and at the intersections of the Global Futures. Others will relate to organizational effectiveness to evolve how we get things done. Some will create ideas for working with local and global communities in new ways. Waterloo will back the bold ideas that project us into the future.
- **Our planning and performance:** To keep us on track we will set ourselves short-term priorities against this long-term vision. Many of the initiatives from our current strategic plan will continue against Waterloo at 100 goals. New performance indicators will be set, aligned to our vision. Annual integrated planning and rolling multi-year budgeting will enable us to be more agile and collaborative across portfolios. This step towards more transparent and integrated planning will be a key enabler to everything else in Waterloo at 100.

This is just the beginning. We look forward to working with the University community and our partners to achieving our vision for Waterloo at 100.

To: Board of Governors

From: Vivek Goel, President and Vice-Chancellor

Date: April 4, 2023

RE: Policy 3 – Sabbatical and Other Leaves for Faculty Members

Motion: That the Board of Governors approve the amendments to Policy 3 – Sabbatical and Other Leaves for Faculty Members, as presented.

Background:

At four meetings held between October 2022 and January 2023, the Faculty Relations Committee (FRC) met and considered an amendment to Policy 3 related to sickness, bereavement and compassionate care leaves taken by faculty members during a sabbatical leave. FRC observed that there is currently no clear guidance on how to proceed in such circumstances, and the proposed amendments fill a policy gap to address situations that occur relatively rarely but which nonetheless require guidance.

The proposed amendments were deemed to be minor in nature, and with that assessment there was no requirement to form a Faculty Policy Drafting Committee (as described in Policy 1 – Initiation and Review of University Policies).

FRC members unanimously supported the proposed amendments, which were submitted to the President in February 2023 and were approved as presented.

The changes are proposed on the recommendation of Senate, and the amendments were approved by Senate at its meeting on 27 March 2023.

Governance Path:

- Faculty Relations Committee (approval on 11 January 2023)
- Approval by President and Vice-Chancellor (approval 15 February 2023)
- Senate (approval on 27 March 2023)

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University of Waterloo Policy 3

Sabbatical and Other Leaves for Faculty Members

Established: *June 29, 1961*

Last Updated: *June 5, 2001*

Class: *F*

1. GENERAL

The granting of a leave, with or without pay, depends on the University's assessment of the value of such leave to the institution as well as to the individual, and on whether teaching and other responsibilities of the applicant can be adequately provided for in her / his absence. A faculty member who is granted a sabbatical or other leave is expected to return to duties in the University for at least one year and upon return will be expected to submit a brief report to the Department Chair regarding scholarly activities while on leave.

The purpose of a sabbatical leave is to contribute to professional development, enabling members to keep abreast of emerging developments in their particular fields and enhancing their effectiveness as teachers, researchers and scholars. Such leaves also help to prevent the development of closed or parochial environments by making it possible for faculty members to travel to differing locales where special research equipment may be available or specific discipline advances have been accomplished. Sabbaticals provide an opportunity for intellectual growth and enrichment as well as for scholarly renewal and reassessment.

It is the intention of the University to support in every way possible the sabbatical leave policy stated in this document. It should be clearly understood, however, that the granting of sabbatical leave 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. Should problems arise in any of the above, it may be necessary to postpone individual requests until such time as all the conditions can be satisfied. Normally, the University will not consider granting two leaves to a faculty member such that one immediately follows the other.

Requests for leave will be considered under the following categories: sabbatical leave; leave without pay; special leave.

2. APPLYING FOR LEAVE

Application for leave must be made in writing to the Department Chair and approved by the Faculty Dean and the Vice-President, Academic & Provost. Application for sabbatical leave should include

the faculty member's plans for scholarly activities while on leave. Sabbatical and special leaves also require the approval of the Board of Governors, so applications should reach the Vice-President, Academic & Provost at least four months prior to the expected commencement date of the leave. An application must provide information about any remuneration expected from outside sources during the leave. If a leave is not granted, a faculty member is entitled to receive a written explanation of the decision, if so requested.

3. SABBATICAL LEAVE

Sabbatical leave may be granted for a period of up to, but not exceeding, twelve months. The University will continue salary payments to the grantee, subject to the terms outlined below.

Faculty members are eligible to apply for a regular sabbatical leave (either a half-year leave at full salary or a full-year leave at 85% salary) to be taken after six years, full-time (including 12 terms teaching) in the professorial ranks.

“Half-year leave” shall mean leave from normal teaching duties for one term (approximately four months) of the two teaching terms normally required in a 12-month period plus one-half of a non-teaching term. Salary will continue at the individual's normal annual rate.

“Full-year leave” shall mean leave from normal teaching duties for the two teaching terms normally required in a 12-month period plus one full non-teaching term. Salary will continue at 85% of the individual's normal annual rate.

Sabbatical leave is subject to the condition that if a faculty member is eligible to apply for regular sabbatical leave and such leave is deferred by the individual, in consultation with the Department Chair, the additional time served, up to a maximum of three years, may be applied toward eligibility for a succeeding sabbatical leave or may be used to enhance the 85% salary of a current full-year sabbatical leave at the rate of one-twelfth of the normal salary for each extra year of service credit. Total income from the University may not exceed 100% of the normal salary for the year. If deferral is at the request of the University, the three-year limit on additional service credit does not apply.

An “early sabbatical” leave may be awarded after a minimum of three years, full-time (including six terms teaching) in the professorial ranks. Early sabbaticals are half-year leaves at 85% salary and consume credit for three years of service. For early sabbaticals, unused years of service credit count toward subsequent sabbatical leaves, and may not be taken in terms of salary equivalent.

Faculty members holding probationary appointments may apply for a special early sabbatical at full salary rather than at 85% of salary; this sabbatical would normally be completed during the fourth year of probationary appointment.

Where faculty members have assumed substantial administrative responsibilities (e.g. Deans, Associate Deans, Department Chairs) for an extended period (usually four or five years) or in other exceptional circumstances, the University, at the discretion of the Vice-President, Academic & Provost, may waive the normal service requirement or the normal restriction against granting two consecutive leaves to a faculty member. Faculty members with substantial administrative duties will accrue administrative credit in addition to the normal service credit. Administrative credits do not count toward eligibility for sabbatical, but may be used for sabbatical salary enhancement at the rate of one-twelfth of the normal salary for each year of administrative service; total income from

the University may not exceed the individual's normal annual salary. Unused administrative credit may be used for salary enhancement toward a subsequent sabbatical but is otherwise forfeited.

NOTES

1. When applying for sabbatical leave, faculty members are advised to inquire through their Department Chairs regarding the possibility of combining the leave with non-teaching terms (to the extent of not more than twelve consecutive months off campus, or not more than eight consecutive months in the case of an "early sabbatical") and regarding the procedures to apply for a University-funded research grant for an amount up to but not exceeding the entitlements for salary payments indicated above. For purposes of pension and insurance benefits, such a research grant will be treated as for leave without pay.
2. Although only those in the professorial ranks are eligible to apply for sabbatical leave, in determining eligibility and service credit, the calculation should normally include one-half the regular credit for up to four years of service as a full-time UW Lecturer. Such credit is to be applied to an individual's first sabbatical leave only.
3. Sabbatical credits for those on reduced or fractional-load appointments are earned in the normal six-year period, but prorated in the same way as the work load. For example, a faculty member on two-thirds load would earn either a six-month sabbatical leave at normal salary (i.e., two-thirds of nominal salary) or a twelve-month sabbatical leave at 85% of normal salary, after six years of service.
4. The requirement for completing twelve terms of teaching may be waived in the case of faculty members who hold special fellowships (e.g. Killam, Sloan, Steacie) which free them of teaching duties to devote time to research. These faculty members will be eligible to apply for sabbatical leave after six years of full-time service to the University, including the years spent as Fellows.
5. If a faculty member becomes ill or injured while on sabbatical leave, such that they are unable to work for two weeks or more, they may convert that period of sabbatical leave to sick leave, subject to appropriate medical certification. If a faculty member becomes eligible for bereavement leave of four weeks, or for compassionate care leave of two weeks or longer (under Human Resources policies related to bereavement leave and compassionate care leave*), they may convert that period of sabbatical leave to bereavement leave or compassionate care leave, as appropriate, subject to appropriate documentation. At the end of the period of sickness, bereavement leave, or compassionate care leave, the faculty member may return to their sabbatical, with no extension, or, if at least three months of sabbatical remain at the start of the period of leave, the faculty member may defer the remaining sabbatical, including the period lost to sickness, bereavement, or compassionate care leave. In this case, the missed portion of the sabbatical will be rescheduled within the next three years in consultation with the member's department Chair/Director of School and Dean. For pregnancy or parental leave during sabbatical, see Policy 14.

*note: this reference shall be changed to reflect the final approval of Policy 12 - Compassionate Care and Bereavement Leave, when that occurs.

4. OTHER LEAVES

Faculty members who wish to devote increased time to family or other outside interests during a portion of their careers should consult Policy 59 (Reduced Workload to Retirement).

Leave Without Pay Requests from faculty members for periods of up to one year will be considered on an individual basis; normally, such leaves are not granted during probationary terms. When leave without pay is granted, salary will be withheld at the rate of six months without pay for each of the two normally required four-month regular teaching terms in any one year. In exceptional cases, a leave without pay may be renewed, on application, for a second year.

Special Leaves At the discretion of the President, with the approval of the Board of Governors, special leave, with individual arrangements regarding both duration and salary, may be granted. UW guidelines *re* “Political Leaves” have been developed and are attached to this policy as appendix A.

Pregnancy, Adoption and Parental Leaves are addressed in Policy 14.

5. BENEFITS STATUS DURING SABBATICAL AND OTHER LEAVES

Members must continue their benefits (OHIP, Supplementary Sickness and Accident, Group Life Insurance, Long Term Disability) coverage during the period of leave. The cost of continuing the benefits coverage will normally be shared in the same manner as that of an active member. As a condition of approval for a leave without pay, post-dated cheques, to cover the portion of premiums normally paid by the member, must be left in the Records Section of Human Resources prior to the beginning of the leave.

If the member continues to receive full or part salary from the University during the absence, the member’s share of the cost of benefits will be deducted from the salary in the usual manner. Should the University policy determining cost-sharing arrangements, or government or University benefits change during the absence, cost-sharing arrangements may be changed accordingly.

Retirement Benefits. During a fully paid absence, participation in the UW Pension Plan must be continued and the member’s contributions will be deducted from salary in the usual manner. During a sabbatical or other leave, participation in the Pension Plan must be continued at a level determined by the member’s salary during the absence and deductions based on the reduced salary will be made in the usual manner.

Since pension at retirement can be substantially affected by a loss of pension credit during a sabbatical or leave without pay, consideration should be given by members to maintaining their contributions to the Pension Plan if allowed by CCRA rules during such absence at the level at which they would have made contributions had they been receiving full salary in order to maintain full years of service credit. Such an arrangement can be made. The member is urged to discuss this matter with Human Resources at the earliest possible time prior to the period of absence.

Amended, 28 February 2020 – Official titles only

APPENDIX A

UW GUIDELINES *re* “POLITICAL LEAVES”

The University of Waterloo recognizes that, from time to time, employees may wish to participate in the public life of Canada, a province or a municipality by running for and holding public elective office. For purposes of these guidelines, a public elective office shall include Member of Parliament, Member of a Provincial Parliament, Municipal (including Regional) Councillor, Mayor of a municipality, member of a Board of Education or other office filled by a vote conducted under the Ontario *Municipal Elections Act*.

The University hereby acknowledges this role by adopting a set of practices which is both supportive of this activity and as fair as possible to employees, their colleagues and the University. Moreover, such practices will apply regardless of the partisan affiliations or political beliefs of such employees.

1. ELIGIBILITY

These guidelines apply only to faculty and staff with continuing appointments.

2. INITIATION

Any employee who intends to become a candidate for any public elective office shall notify her/his Chair or supervisor of this decision at the earliest feasible date. The candidate shall consult with the Chair or supervisor about the possible impact of the candidacy on the performance of duties, both during the campaign period and over the longer term in the event of success in the election.

The Chair or supervisor and the candidate should reach an understanding as quickly as possible about the performance of the candidate's University responsibilities during the election campaign, including the timing of any leave of absence requested (see section III), and during the term of office of the position being sought. Such an understanding is to be confirmed in a joint memorandum which will be sent as a recommendation to the appropriate senior administrative officer (e.g. Dean, in the case of a faculty member; Associate Provost, in the case of a staff member) whose primary responsibility is to ensure that the arrangements made are fair to all concerned. Basic information should also be communicated at that time to other employees in the candidate's department.

3. LEAVES FOR CAMPAIGNING

An official candidate for a seat in the House of Commons or a provincial legislature should normally be granted a leave without pay for the purposes of campaigning; the candidate's pension and benefit arrangements are described in Leave of Absence Policies 3 and 39. The period of leave for campaigning will normally begin after the issuance of writs and cover the period between nomination day and polling day; if at all possible, the leave should extend until one week after polling day. In federal elections, a leave for campaigning would normally be no more than 50 days and no less than 28 days (the close of nominations). In provincial elections, nomination day may be from 23 to 60 days after writs are issued; as a result, a leave might be as long as 74 days or as short as 14 days (the close of nominations).

Employees who intend to seek election to municipal office (including Boards of Education) normally do not require a leave for campaigning. Instead, some flexibility should be sought, where necessary and where possible, in the performance of regular University duties during the last three weeks before polling day. Possibilities include partial unpaid leave of absence, time off in lieu of overtime, flextime arrangements or the use of vacation.

Note: Whether as a candidate for or holder of a public elective office, an employee shall not speak as a representative of the University of Waterloo.

4. STATUS WHILE HOLDING ELECTIVE OFFICE

Candidates elected to serve in the House of Commons or the Ontario Legislature will normally be granted leave without pay for the life of that Parliament, up to and including polling day for the subsequent Parliament. If the employee is re-elected to serve in successive Parliaments, he/she will be required to apply for a further leave which will be granted, unless the total number of consecutive years of leave would exceed six. If an employee continues to serve in such an office after the expiry of a University-granted leave, the employee shall be deemed to have resigned her/his University post. Such a resignation does not preclude the possibility of reappointment by the University under conditions satisfactory to all concerned. It should be noted that an employee who is elected to the House of Commons or the Ontario Legislature and is appointed a Minister of the Crown may be requested by the Prime Minister or Premier to resign from the University immediately.

Normally, candidates elected to municipal office will not require a leave of absence; the performance of duties can be considered a form of community service and can often be combined with regular University duties. However, any elected official whose civic duties infringe upon her/his University responsibilities should seek an appropriate adjustment of University responsibilities and compensation under the provisions of Leave of Absence Policies 3 and 39.

If, in the assessment of the Chair or supervisor, the individual's performance is being adversely affected by civic duties, the Chair or supervisor may request an adjustment of University responsibilities and compensation. In both cases, the operative principle ought to be to preserve the integrity of University operations while facilitating, to the extent possible, the performance of community service. Normally, a faculty member who holds a major administrative position within the University shall resign this position upon assuming any public elective office.

While on an approved leave for these purposes, an employee shall retain all normal rights of those on leave, including pension and benefit entitlements which are described in Policies 3 and 39, and are subject to Government of Canada regulations. Such an employee shall be able to return to the University at the same rank or position and at the same salary plus any scale or range adjustments that may have been granted to employees during the leave. Faculty members on probationary contracts may return at the expiration of the leave without pay to complete the probationary term held when elected.

Issued by the President as an appendix to Policies 3 and 39, following consultation with the Faculty and Staff Relations Committees and with Executive Council.

March 15, 1994.

University of Waterloo
AUDIT & RISK COMMITTEE
Report to the Board of Governors
4 April 2023

This report is submitted following the committee’s meeting of 9 March 2023 and is recommended for inclusion in the regular agenda.

FOR APPROVAL

1. DELEGATION OF AUTHORITY TO APPROVE UNIVERSITY OF WATERLOO FINANCIAL STATEMENTS, 2022-2023

Motion: That the Board of Governors delegate its authority to approve the university’s audited financial statements for the fiscal year ended 30 April 2023 (the “Financial Statements”) to the Board Executive Committee.

Background: The Financial Statements will be reviewed by the Audit & Risk Committee at its meeting on 19 July 2023. For the past several years, the Board of Governors has agreed to delegate its authority to approve the Financial Statements to the Board Executive Committee following the July Audit & Risk Committee meeting. If approval were to wait until the October Board of Governors meeting, the auditors would be required to perform a subsequent events review at significant expense. Approval of the Financial Statements before the October meeting of the Board also allows the university to make certain filings and release information that is based on the Financial Statements earlier than otherwise.

FOR INFORMATION

1. INTERNAL AUDIT PLAN FOR 2023-2024

The Committee reviewed and approved the internal audit plan for 2023-24. The University continues to use an agile approach to internal audit activities. Internal audit projects occurring this year will include: University Risk Management (URM); Information Technology (with focus on cybersecurity); and Records Management.

2. OTHER MATTERS

- The Committee received the [Annual Health, Safety and Environment Report](#) from the Safety Office for information and encourages all governors to review it.
- The Committee received the Emergency Management Framework update.
- The Committee discussed priorities for 2023-2024.

swt

Russell Hiscock
Chair

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University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Report to the Board of Governors
4 April 2023

This report is submitted following the committee's 8 March 2023 meeting. The agenda package of the open session is available here: [Building and Properties Committee - agenda and minutes](#) | [Secretariat](#) | [University of Waterloo \(uwaterloo.ca\)](#)

FOR DECISION

Per its terms of reference, the committee recommends to the Board of Governors the following items for decision.

1. ESC Renovations

Motion 1: That the Board of Governors approve a \$6.4m (25%) increase to the project budget of the ESC renovations.

Motion 2: That the Board of Governors approve the award of a stipulated-price contract (CCDC2) to Harbridge & Cross Limited in the amount of \$23,005,000.00 (excluding HST).

Background:

The previous project budget was approved at \$22.14 million in September 2021 for renovations to the 3rd floor of the Earth Sciences & Chemistry Building (ESC); based on studies conducted by a multi-disciplinary architectural/engineering team with expertise in rehabilitating wet science buildings. The studies focused on the renewal of ESC, Biology 1 (B1), and Biology 2 (B2) Faculty of Science buildings constructed during the 1960s and 1970s. The masterplan that was commissioned identified the renewal requirements to modernize the buildings while improving space utilization. Although the multi-building renewal is planned to occur over multiple years in multiple phases, this initial phase will include the renovation of 25,000 square feet of labs located on the third floor of ESC, a new roof system as well as a standalone heat-pump HVAC system to align with the University's Net Neutral (carbon) mandate.

ESC was the sixth building constructed on campus, dating back to 1964, with minimal investment in mechanical/electrical infrastructure. This deep building retrofit investment focuses on renewing physical obsolescence (deferred maintenance), functional obsolescence (space utilization + programming) as well as sustainability.

There were five prequalified general contractors invited to bid the project with a closing date of February 16, 2023. A total of five compliant bids were received. The second lowest bid was only slightly higher (+0.24%) with the other bids closing between 5% and +19% above the lowest bid.

The revised project budget reflects the recommended tender award including net HST: \$000s

	<u>September 2021</u>	\$000s	<u>Tender Close (Feb.2023)</u>
Construction	18,045		23,180 (incl. \$1.2M Facility Renewal Grant)
Contingency	1,355		1,855
Professional Fees	1,960		2,400
Disbursements	165		165
Building Automation	165		600
Network/Security/AV	350		375
Permits	100		100
	22,140		28,675

The total project will be funded by a combination of central funding along with Faculty of Science reserves, using a 50/50 cost sharing model. (\$13.74m Central + \$13.74m Faculty) External funding opportunities will continue to be pursued. This funding strategy only applies to this specific phase.

FOR INFORMATION

1. General Oversight

The committee reviewed and accepted for information:

- the capital financing commitments associated with capital projects, and advises that these commitments fall within the University of Waterloo's Board-approved debt policy;
- the University's comprehensive sustainability program
- deferred maintenance
- project process
- changes to committee terms of reference recommended to the Governance Committee (quorum).

/ar

Murray Gamble
Chair

University of Waterloo
Board of Governors
FINANCE & INVESTMENT COMMITTEE
Report to the Board of Governors
4 April 2023

This report is submitted following the committee's meeting of 9 March 2023 and is recommended for inclusion in the regular agenda.

The Vice-President, Academic & Provost will make a presentation on the recommended university operating budget at the Board of Governors meeting, on behalf of the committee.

RECOMMENDATION

1. Amendments to the Statement of Investment Policies and Procedures for the Endowment

Motion: That the Board of Governors approve amendments to the Statement of Investment Policies and Procedures for the University of Waterloo Endowment, as described in Attachment 1 to this report.

Rationale: The proposed amendments to the Endowment SIPP would include two new real asset classes, those being infrastructure and real estate. If approved, the new asset classes would be included in the benchmark portfolio with a zero allocation, and with permitted ranges of 0-5%. The amendments will allow for modest investments in both asset classes.

2. 2023/24 Operating Income Budget

Motion: That the Board of Governors approve the 2023/24 Operating Budget, as described in Attachment 2 to this report.

/mg

Michael Ashmore
Chair

Statement of Investment Policies and Procedures

University of Waterloo Endowment

Effective: <insert effective date>

APPROVED on this <insert Board approval date>

DRAFT

Replaces previous version which was last revised and effective on ~~October 25, 2022~~February 7, 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

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.

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

¹ CPI source: Bank of Canada CPIX

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	40	30	FTSE Canada Universe Overall Bond Index
Total Fixed Income	20	40		
Canadian Equity	0	20	10	S&P/TSX Composite Index
Global Equity	50	70	60	MSCI ACWI (CAD)
Venture Capital	0	5	0	

Total Equity	60	75	
<u>Infrastructure</u>	<u>0</u>	<u>5</u>	<u>0</u>
<u>Real Estate</u>	<u>0</u>	<u>5</u>	<u>0</u>
<u>Total Real Assets</u>	<u>0</u>	<u>10</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) 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) 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) 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 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) 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 bonds and debentures is 'BBB' or equivalent as rated by at least two 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:
 - 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.

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;
- ii. Standard and Poor's;
- iii. Moody's Investors Services,
- iv. Fitch Ratings

17) 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. No other foreign currency debt will 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) 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) 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) Short Selling

Short selling and/or pair trading are not permitted.

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.

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

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.

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.

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.

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.

University of Waterloo
Board of Governors
April 2023

FOR APPROVAL

Recommended Operating Budget 2023/24

The 2023/24 Operating Income and Expense budget for review and approval is included with this exhibit.

Executive Summary

The opening budget includes a small budget deficit of \$4m (less than 0.5% of income), which the University commits to working on throughout the year to achieve a balanced budget by the end of the year.

The University is dealing with continued funding environment restrictions and expense growth. On March 2, 2023, the Ontario Ministry of Colleges and Universities (MCU) announced that for the 2023-24 academic year the province is: continuing a general freeze on tuition fees for all domestic Ontario students; providing colleges and universities the flexibility to increase tuition fees for domestic, out-of-province students by up to 5%; and, providing each institution the opportunity to submit business cases for addressing tuition anomalies for up to three programs, with specific guiding criteria, with a mid-March deadline for submissions. Approval timelines for such submissions are uncertain but likely to occur after Board Budget approval timelines, and the financial impact of any such adjustments is likely to be immaterial to the overall tuition revenue scenario presented. In addition, MCU announced the Blue Ribbon Panel on quality, accessibility and sustainability in the PSE sector which is expected to provide advice and recommendations to the Minister of Colleges and Universities on a long-term tuition-fee policy.

Managing the cumulative impact of the 2019/20 10% domestic tuition cut, and subsequent domestic tuition freeze is becoming more challenging to manage each year, because expenses continue to increase.

In the 2023/24 year, the increase in expenses exceeds the increase in income, which has led to challenging decisions in building the budget.

Income

The income budget is increasing by \$10.9m to \$883.8m. The \$10.9m increase in the income budget relates mainly to increases in tuition of \$6.4m, co-op and student services fees of \$2m and interest income of \$2m. The income budget for tuition reflects a 0% domestic undergraduate Ontario tuition rate increase and a 5% domestic undergraduate out-of-province tuition rate increase as well as the international tuition rates previously approved by the Board of Governors.

The \$6.4m increase in tuition income relates to tuition rate increases of \$25.8m, enrolment reductions of (\$19.6m) and a decrease in transfers to affiliated and federated institutions of the University of Waterloo of \$0.2m.

Expenses

The expense budget is increasing by \$15.2m to \$887.8m. The \$15.2m increase in the expense budget relates to mainly to salaries of \$17m and benefits of 5.9m, offset by reductions in other non-salary expenses of \$4m (mainly a reallocation to salary budget), a budget reduction of \$2.7m, and increased cost recoveries of \$1m.

The salary budget increase of \$17m reflects increased costs for salary increases of \$12m and for new positions of \$5m. The salary increases include a 1% scale increase and merit increases, under the current salary agreements in place through to April 30, 2024. It is important to note that these salary agreements were put in place under Ontario Bill 124 salary scale restrictions. An Ontario Superior Court (OSC) of Justice decision has subsequently declared this legislation to be of no force and effect, however, the Ontario government is appealing this court decision. The University has committed to its employee groups to discussions on the reopener clauses in the current salary agreements given the OSC decision. The exact impacts of this on the 2023/2024 budget are uncertain at this time; updates will be provided when possible.

UNIVERSITY OF WATERLOO
2023/24 Operating Income Budget (in thousands)

Board of Governors
April 4, 2023

	2022/23 Base Budget	Increase / (Decrease) \$	2023/24 Base Budget	Notes
INCOME				
Operating Grant				
Enrolment	137,423	(25,155)	112,268	Note 1
SMA3 Performance Outcomes	113,200	25,155	138,355	Note 1
Special Purpose	5,550	-	5,550	
International Student Recovery	(5,400)	400	(5,000)	
Transfers to AFIW	(13,220)	70	(13,150)	
	<u>237,553</u>	<u>470</u>	<u>238,023</u>	
Tuition				
Domestic - Undergraduate	240,200	(500)	239,700	Note 2
Domestic - Graduate	27,500	(200)	27,300	
International - Undergraduate	248,400	8,900	257,300	Note 3
International - Graduate	57,100	(2,000)	55,100	Note 4
Transfers to AFIW	(20,790)	240	(20,550)	
	<u>552,410</u>	<u>6,440</u>	<u>558,850</u>	
Other Revenue				
Co-op Recovery	26,300	800	27,100	Note 5
Student Services Fees	14,970	1,240	16,210	Note 6
Interest	28,000	2,000	30,000	Note 7
Services to AFIW	3,990	(30)	3,960	
Miscellaneous Income	9,670	-	9,670	
	<u>82,930</u>	<u>4,010</u>	<u>86,940</u>	
Total Income	<u><u>872,893</u></u>	<u><u>10,920</u></u>	<u><u>883,813</u></u>	

UNIVERSITY OF WATERLOO
2023/24 Operating Income Budget (in thousands)

Note 1 : The shift between the grant categories of Enrolment and SMA3 Performance Outcomes is due to the Ministry of Colleges and Universities (MCU) planned increase in performance proportion from 45% in 2022/23 to 55% in 2023/24.

Note 2 - The projected decrease in Domestic Undergraduate tuition revenue represents a return to target new enrolments in 2023/24 after exceeding 2022/23 new enrolment targets. This is partially offset by a 5% increase in domestic undergraduate out-of-province tuition rates. The Board of Governors approved setting 2023/24 domestic tuition rates up to the maximum permitted by the provincial tuition framework. As of March 2, 2023, MCU announced that the province is continuing a general freeze on tuition rates for domestic Ontario students, and flexibility to increase tuition rates for domestic out-of-province students by up to 5%. The budget for domestic undergraduate tuition incorporates a 0% tuition rate increase for domestic Ontario students and a 5% tuition rate increase for domestic out-of-province students, consistent with MCU's announcement.

Note 3 - The increase in International Undergraduate tuition revenue is consistent with tuition rate increases approved by the Board of Governors at its February meeting, partially offset by a projected decrease in international undergraduate enrolments.

Note 4 - The decrease in International Graduate tuition revenue is due to a forecasted decrease in international graduate enrolments, partially offset by tuition rate increases approved by the Board of Governors at its February meeting.

Note 5 - The increase in Co-op recovery is consistent with co-op fee rate increases approved by the Board of Governors at its February meeting, partially offset by a projected decrease in enrolments.

Note 6 - The student services fees revenue relates to decisions of the Student Services Advisory Committee to provide funding for designated student services.

Note 7 - The investment income earned on operational funds is based on current and forecasted cash management and investment plans.

UNIVERSITY OF WATERLOO
2023/24 Operating Expense Budget (in thousands)

Board of Governors
April 4, 2023

	2022/23 Base Budget	Increase / (Decrease) \$	2023/24 Base Budget	2023/24 Base Budget as % of Income	Notes
EXPENSES					
Salary and Benefits					
Current salaries and wages	518,177	17,000	535,177	60.5%	Note 1
Current benefits	126,260	5,900	132,160	15.0%	Note 2
	644,437	22,900	667,337	75.5%	
Non Salary Expenses - Strategic and Priority Spending					
Student Support	75,967	-	75,967	8.6%	Note 3
University Fund	43,100	-	43,100	4.9%	Note 4
Capital Project Fund	4,300	-	4,300	0.5%	Note 5
Deferred Maintenance Fund	6,000	-	6,000	0.7%	Note 6
	129,367	-	129,367	14.7%	
Non-Salary Expenses - Other					
Insurance	3,250	-	3,250	0.4%	
Municipal taxes	3,050	-	3,050	0.3%	
Utilities	22,925	-	22,925	2.6%	
Other non-salary expenses	81,501	(4,000)	77,501	8.8%	Note 7
Total other - before budget reduction	110,726	(4,000)	106,726	12.1%	
Budget reduction	-	(2,700)	(2,700)	-0.3%	Note 8
Total other - after budget reduction	110,726	(6,700)	104,026	11.8%	
Gross expenses	884,530	16,200	900,730	101.9%	
Cost recoveries	(11,900)	(1,000)	(12,900)	-1.5%	Note 9
Estimated net expenses	872,630	15,200	887,830	100.5%	
Estimated income	872,893		883,813		
Surplus (Unfunded deficit)	263		(4,017)		

UNIVERSITY OF WATERLOO
2023/24 Operating Expense Budget (in thousands)

Note 1 - The budget increase reflects current estimated May 1 salary increases (\$12 million) and estimated reallocation from non-salary budget for in-year deployments of available budgets to support new positions (\$5 million). Current salary agreements with employee groups apply for a 3 year period ending April 30, 2024 and incorporate a 1% annual scale increase based on the requirements of Ontario Bill 124.

Note 2 - The budget increase reflects increases in benefits costs related to a number of factors including the impact of salary increases, new positions and rate/premium increases.

Note 3 - Student Support includes Tuition Set Aside (TSA), as well as undergraduate and graduate support in the form of scholarships, bursaries and awards. The TSA amount (approximately \$27 million) is calculated based on a formula mandated by the Ministry of Colleges and Universities (MCU). It is to be used for needs based student support programs. Additional student support is provided through use of strategic funds available in the University Fund.

Note 4 - The University Fund is used for funding the University's strategic priorities and managing risk. In the current year, the University Fund has been decreased from 5% to 4.9% of income, representing a budget reduction of \$1 million.

Note 5 - The Capital Project Financing budget supports central funding of internally financed capital projects. Additional funding for capital projects includes other central operating funds, faculty funding, donations and other sources.

Note 6 - The Deferred Maintenance Fund supports central funding of deferred maintenance projects. Additional funding for deferred maintenance includes other central operating funds, faculty funding, grants and donations.

Note 7 - Other non-salary expenses reflects the budget for a variety of non-salary operating expenses of the Faculties and Academic Support Units including investments in capital and enterprise software, and expenses in professional services, maintenance and supplies. Faculties and Administrative Support Units determine use of this budget based on operational requirements. The decrease mainly reflects a reallocation of budget to salaries.

Note 8 - The allocation of and implementation plan for the budget cut is currently under review.

Note 9 - Chargeouts and cost recoveries primarily include recoveries from Ancillary Enterprises (Housing, Food Services, Print & Retail Solutions, Watcard and Parking) for space charges and administrative support.

University of Waterloo
Board of Governors
FINANCE & INVESTMENT COMMITTEE
Report to the Board of Governors
4 April 2023

This report is submitted following the committee's meetings of 9 March 2023 and 16 March 2023. This report is recommended for inclusion in the consent agenda.

FOR INFORMATION

1. General Oversight

Special Meeting to Discuss Investment Market Conditions. The committee held a special meeting on 16 March 2023 to discuss activity in the investments markets, and specifically the recent headlines pertaining to specific financial sector companies. The committee received an assessment of potential exposure to those companies within the various investment funds. The committee and Finance staff will maintain a watching brief on this topic, with ongoing assessment of the appropriateness of the asset mix for the various investment funds in light of market conditions.

Commitment of Funds to Velocity Fund II. The University has continued its due diligence on the fund and progress has been such that the University is able to commit funds to facilitate completion of the transaction. The committee approved the commitment of \$5 million CAD to the fund, though the actual amounts to be deployed are constrained as the University may hold only a maximum 20% position in the fund on the basis of fair market value. The actual funds deployed as the University's investment will depend on the degree to which Velocity is able to raise funds from other investors.

Real Assets Investments for the Endowment and the IQC Trust Fund. The committee approved the revised classification of Brookfield Infrastructure Partners investment within the endowment to be "infrastructure", subject to approval of the amended Statement of Investment Policies and Procedures for the endowment (see committee report in the regular agenda). The committee also approved a rebalancing of investments within the IQC Trust to purchase approved assets in real estate (iShares S&P/TSX Capped REIT Index ETF, XRE) and infrastructure (Brookfield Infrastructure Partners BIP.UN and Brookfield Renewable Partners BEP.UN), while directing that staff initiate investment contracts for two other previously-approved mandates: IFM Global Infrastructure Fund and CBRE Global Alpha (Real Estate) Fund.

/mg

Michael Ashmore
Chair

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University of Waterloo
Board of Governors
FINANCE & INVESTMENT COMMITTEE
and
PENSION & BENEFITS COMMITTEE
Report to the Board of Governors
4 April 2023

This report is submitted following the committee's meetings of 9 March 2023 (F&I) and 10 March 2023 (P&B). This report is recommended for inclusion in the regular agenda.

FOR APPROVAL

1. Responsible Investment Policy

Motion: To approve the amendments to the Responsible Investment Policy (RIP) as provided in Attachment #1.

Background: At the April 2022 meeting of the Board of Governors, Board approved the RIP. Under section 8 of the RIP, it is to be reviewed concurrently with the review of the endowment's investment guidelines (by the Finance & Investment Committee) and registered pension plan's Pension SIPP (by the Pension Investment Committee (PIC), with recommendation to the P&B for any amendments). At the 16 February 2023 meeting, PIC reviewed the RIP concurrently with the Pension SIPP and FIPP, and approved recommending the attached revisions to the F&I and P&B. The attachments reflect updates to:

- add clarification between the Pension SIPP and the Endowment SIPP; and
- minor text amendments to align and clarify language.

/twk

Michael Ashmore
Chair, Finance & Investment
Committee

Peter Barr
Chair, Pension & Benefits
Committee

ATTACHMENT #1

University of Waterloo Responsible Investment Policy

1. Introduction

The University's Board of Governors ("Board") exercises oversight of the investment portfolios, including the endowment fund and the registered pension fund (the "Funds" or, individually, the "Fund"), primarily through three Board Committees including the Finance & Investment Committee, the Pension & Benefits Committee and the Pension Investment Committee. (the "Committees" or, individually, a "Committee").

These Funds are normally invested through the selection and retention of external investment managers, investing in institutional pooled funds which serve a range of clients on a comingled basis. The Committees may also approve or recommend investing directly in securities to achieve specific outcomes.

In 2020, both the University and the Pension Plan for Faculty and Staff became signatories to the United Nations supported Principles for Responsible Investment ("UN PRI") which requires participation in a comprehensive annual assessment framework.

Each Committee fulfills its Board-assigned responsibilities prudently and in accordance with legislation, policies, guidelines and agreements governing the investment of the Funds. The Board acknowledges that as a pension plan administrator, it has a fiduciary duty to act reasonably and prudently and exclusively in the best financial interest of plan members and other beneficiaries.

The Board and its Committees will apply Environment, Social and Governance ("ESG") factors as part of ~~their~~ investment decision making processes, including the climate change mitigation/carbon reduction approach approved for those portfolios. ESG factors will be integrated into the Committees' investment analysis and asset management activities in accordance with this document, the registered pension fund statement of investment policies and procedures ("[Pension SIPP](#)"), the registered pension fund implementation procedures ("[Pension FIP](#)"), ~~and~~ the endowment investment [statement of investment policies and procedures guidelines](#) ("[Endowment SIPP Guidelines](#)"), ~~and the endowment investment fund implementation procedures~~ ("[Endowment FIP](#)"), as applicable. The decision to integrate ESG factors into investment decisions is based on the belief that this approach is expected to enhance the long-term value of the Funds' portfolios and reduce the risk of loss.

2. Defining ESG

- Environmental – factors which relate to the physical environment (including contamination, greenhouse gas emissions, extreme weather, water scarcity)
- Social – factors arising from relationships with employees, consumers, suppliers, and communities (including labour rights, health and safety, equity, diversity and inclusion, product safety)
- Governance – factors which relate to the structures in place to ensure the effective direction and control (including the delineation of roles, executive compensation, and board independence)

3. Responsible Investing Principles

Responsible investing actively incorporates ESG factors into each investment decision and monitors those decisions. While ESG factors are relevant throughout all stages of the investment process from pre-investment, to monitoring, to exiting, the degree to which ESG factors are integrated depends on many factors such as active vs. passive mandates, the asset type, the time horizon, and the specific investment strategy.

In June 2021, the Board affirmed climate change mitigation as a priority area among ESG factors requiring focused investment attention relating to its impact on the financial performance of investments; the Board also recognized that further consideration is required relating to other ESG factors such as social justice, equity, diversity and inclusion and their potential consequential impact on investment risk and reward.

4. Application

This policy applies to the investments of the endowment fund and the registered pension fund. This policy will be cited in both the [Endowment SIPP](#) and [Guidelines the Pension SIPP](#) and [will be](#) communicated to each investment manager.

This policy is intended to be read together with the [Endowment SIPP](#) or [Guidelines Pension SIPP](#), as applicable, for the Funds, as amended from time to time. While the Board will strive to maintain consistency between this policy and the [SIPPs or Guidelines](#), to the extent there is any conflict in the investment principles and approach as set out in this policy or the [SIPPs or Guidelines](#), the [SIPP or Guidelines](#) shall govern with respect to the relevant Fund.

To the extent possible, taking into account their particular fund's constating or disclosure documents ~~(and, in the case of the pension fund, the SIPP)~~, the Funds' investment managers are required to integrate this policy into their investment analysis and decision-making based on forecasted financial impacts (in conjunction with traditional financial analysis) to support each Fund's return objectives.

5. ESG Factor Integration

The Funds' investment approach focuses on long-term value creation in a constantly changing environment experiencing many risks and opportunities. The Committees do not seek to limit an investment manager's investible universe (i.e., no exclusions) but do specify some traditional limitations such as minimum credit quality and maximum single security exposure which are stated within the particular fund's [investment guideline SIPP](#) (or constating or other disclosure documents) ~~and the SIPP~~.

This approach is to be executed by the Committees principally through the rigorous selection of investment managers offering institutional pooled funds which are considered leaders in ESG factor integration. Each investment manager is monitored by the Committees on a quarterly basis to ensure consistency of style/approach including their ESG factor integration strategies, reviewing any significant personnel changes, reviewing the consistency of their proxy voting actions with their policy statement, and the Fund's investment performance metrics. The Committees encourage each investment manager to engage on ESG matters with the companies they invest in and report on such engagement and how it supports the manager's duty to act in the best interest of the Funds.

Investment managers will be required to consistently enhance their quarterly reporting to address evolving areas such as ESG factor integration, carbon metrics reporting, climate change risk assessment and scenario analysis.

The Committees prefer each Fund's investment managers to be signatories to UN PRI.

The Board has approved a carbon footprint reduction plan for the endowment and pension funds where progress is reviewed annually based on a percentage of the aggregate assets of the Funds. The Board is targeting to achieve a 50% carbon reduction by 2030 (relative to base year 2018) in the carbon footprint (scope 1 and scope 2) with an aspirational target/goal of achieving carbon neutrality by 2040. Any changes to these targets will be promptly reported to the investment managers.

To these ends, ~~h~~ investment managers must consider carbon-related emissions and climate change to the extent such factors may have a consequential impact on future investment values and performance. Specifically, in this regard, the investment managers shall:

- disclose how they address climate related risk and opportunities and potential impacts on their investment decisions;
- provide climate change related financial disclosures including appropriate carbon metrics which the University will consolidate to measure progress for each Fund on a total portfolio basis; and
- provide climate change risk assessments and scenario analysis when sufficient data becomes reliably available.

Notwithstanding the foregoing, any and all investment decisions in respect of the Funds shall be subject to appropriate due diligence and analysis that support the conclusion that the decision is in the best financial interest of the Fund as outlined in the governing documents for the Fund and, with respect to the pension Fund, as required by applicable law.

6. ESG Engagement by the University on behalf of the Committees

The University will participate in the appropriate investor coalitions and collectives (both formal and informal) where partner members have similar fiduciary responsibilities and will periodically review the effectiveness of those collective approaches.

7. ESG Analysis & Reporting

The Committees will require its investment consultant(s) and service providers to have the necessary systems, resources, and experience to support evolving ESG analysis and reporting standards.

The University will support responsible investment training opportunities for the staff involved in the day-to-day administration of the Funds.

The University will report annually on the Funds and the investment managers' responsible investing activities including proxy voting, company engagement, carbon metrics as well as the outcomes from UN PRI's annual assessments.

The University will undertake a climate change risk assessment and scenario analysis for each Fund at the portfolio level once sufficient reliable information is available.

8. Review

This Responsible Investment Policy will be reviewed concurrently with the review of the [endowment's investment guidelines](#) [Endowment SIPP](#) (by the Finance & Investment Committee) and [registered pension plan's Pension SIPP](#) (by the Pension Investment Committee, with recommendation to the Pension & Benefits Committee for any amendments) including an overall assessment of the current ESG landscape, future risk & opportunities, and the identification of any changes to priority areas of focus.

University of Waterloo
GOVERNANCE COMMITTEE
Report to the Board of Governors
4 April 2023

This report is submitted following the committee’s meeting of 10 March 2023, for inclusion in the regular agenda.

FOR APPROVAL

1. Amendment to Terms of Reference - Building & Properties Committee

Motion: That the Board of Governors approve the following amendment to the terms of reference for the Building & Properties Committee (strikethrough = deleted text, underline = new text):

2. Meetings

The committee will meet at the call of the chair of the committee, but not less than four times annually.

The quorum for the transaction of business at any meeting of the committee shall be a majority of the members of the committee, present either in person, by teleconference or by videoconference, provided that not less than a majority of those constituting the quorum shall be members appointed to the board by the Lieutenant Governor in Council or elected by the board from the community at large.

Rationale: In recent years it has been observed that the application of the “double quorum rule” has been an unnecessary hinderance in holding meetings and has caused slowdowns in decision-making processes. Moreover, the terms of reference for this committee are unique among the Board’s governance committees to require a double quorum. The proposed recommendation would contribute to streamlining governance processes.

2. Amendment to Terms of Reference – Finance & Investment Committee (F&I), Pension & Benefits Committee (P&B), and Pension Investment Committee (PIC)

Motion: That the Board of Governors approve the amendment to the terms of reference for the Finance & Investment Committee, the Pension & Benefits Committee, and the Pension Investment Committee as described in Attachment #1 to this report.

Rationale: The proposed amendments come forward as a product of the Governance Review undertaken by the Governance Committee and reflect the joint efforts of the three committee chairs. The draft amendments were brought forward to each of the three implicated committees in March 2023, with each recommending the amendments to the Governance Committee for further recommendation to the Board of Governors. The amendments broadly aim to harmonize language and responsibilities across the committees where appropriate, reflecting established practices and removing extraneous appendices.

The amendments are summarized as follows:

- **Proposed increase to the delegation of Board authority to committees.** The amendments provide greater scope of empowerment to the committees such that Board involvement would be focused on major policy decisions (e.g. changes to SIPP/investment guidelines), with the committees thereafter having scope to make all decisions on approval/termination of investment managers/mandates, as well as asset purchase/sale decisions within the Board-approved asset mix limits

- **Recognition of investment expertise on committees, and alignment of responsibilities to reflect expertise.** Following more than two years of operation for the Pension Investment Committee, the experience to date has shown that the PIC’s requirements to consult with either F&I and/or P&B is not reflective of the considerable expertise that resides with the committee and at times is cumbersome, causing delay in investment decisions. As well, the cross-appointment of members from F&I and P&B on PIC render much of the formal reporting/consultation to be somewhat redundant. The amendments proposed will establish PIC as a subcommittee of only P&B and signals a shift to principles-based consultation between the committees as appropriate, avoiding for the most part any prescriptive approach and promoting greater agility for investment decision making. PIC would continue to provide regular reports to F&I and P&B and would continue to receive advice from F&I given the latter body’s responsibility for oversight of the University’s financial affairs. It is important in streamlining to not lose the benefits of these synergies
- **Increase cumulative annual transactions for PIC approval from 15% to 20% of the Plan’s total assets at the beginning of the calendar year.** This is congruent with the good interaction and operations at PIC since inception, and signals the increased independence accruing to that committee
- Utilize common language for appointments/termination of managers, and also clarifying wording to delineate approval of investment managers vs. approval of manager for a specific mandate e.g. an investment manager that is approved for a global equity mandate is not automatically approved for asset categories beyond global equity
- **Enunciate mutual recognition of due diligence.** In approving new investment managers/mandates and monitoring performance, the proposed amendments will avoid duplication of efforts and will allow the option of relying upon due diligence conducted by the other body. The cross-representation between the two committees will enable participation from members of both committees in investment manager searches across the various pools of capital
- References to Statement of Investment Policy and Procedures to include the Fund Implementation Procedures (the “SIPP” and the “FIP”, respectively)
- Refer to new responsibilities as they pertain to the Board-approved Responsible Investment Policy
- Updated wording around meeting frequency

18 March 2023
/mg

Cindy Forbes
Chair

Finance & Investment Committee – Terms of reference

1. MEMBERSHIP

The membership of this Committee shall be appointed by the Board of Governors on the recommendation of the Governance Committee and shall consist of a maximum of nine members, with the majority being external members of the Board of Governors. One member shall also be a member of the Audit & Risk Committee, and at least one member shall also be a member of the Pension Investment Committee.

The Chair of the Committee shall be chosen from among the external members by the Board of Governors on the recommendation of the Governance Committee. All members are expected to have financial expertise and experience.

2. MEETINGS

The Committee will meet at least four times a year, approximately quarterly, and may meet more often as necessary.

3. TERMS OF REFERENCE

General

- a. To exercise oversight over the financial affairs of the University
- b. To monitor operating results relative to established budgets
- c. To review the framework within which the University's annual operating budget is developed and to recommend the University's annual operating budget to the Board
- d. To review, at least annually, the University's debt and debt retirement plan

Investment of non-pension assets

- e. To review, at least annually, all of the University's investment policies and guidelines
- f. To exercise oversight and responsibility for compliance with Board-approved Responsible Investment Policy for funds/investments falling within the committee's authority
- g. To recommend to the Board of Governors the investment policy for the University of Waterloo Endowment Fund and for the IQC Trust Fund as described in the Statement of Investment Policy and Procedures (SIPP) for those funds, and to approve the Fund Implementation Procedures (FIP) for those funds, and to review and provide input to the Pension Investment Committee in that body's annual review of the Statement of Investment Policies and Procedures and Fund Implementation Procedures
- h. To approve on behalf of the Board of Governors the approval/termination of external fund managers/mandates for all investment funds except pension investments. The committee may, at its discretion, rely upon the due diligence of the Pension Investment Committee in making decisions on external fund managers
- i. To approve investment decisions within the approved mix and amongst the approved managers/mandates in compliance with the University's investment policies and guidelines for all investment funds except pension investments
- j. To monitor the performance of all external fund managers/mandates and the market conditions for the University's investments funds, including meeting with external fund managers from time to time as appropriate. The committee may, at its discretion, rely upon the due diligence conducted by the Pension Investment Committee in carrying out its responsibilities under this article.

Reporting and Liaison

- k. To report on its activities at least quarterly to the Board of Governors, including all approvals/terminations and transactions under articles (h) and (i)
- l. To review, at least annually, the adequacy of the Committee's terms of reference as well as those of the Pension & Benefits Committee and the Pension Investment Committee, in consultation with the chairs of the other committees, and to propose any needed amendments to the Governance Committee
- m. The chair is to meet, at least annually, with the chairs of the Pension & Benefits Committee and the Pension Investment Committee to ensure efficiency and effectiveness of investment governance

Pension & Benefits Committee – Terms of reference

1. MEMBERSHIP

The membership of this Committee shall be appointed by the Board of Governors on the recommendation of the Governance Committee and shall consist of the following voting members:

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

In addition, a non-voting member representing the Affiliated and Federated Institutions of Waterloo (AFIW) shall be appointed by the Board of Governors on the recommendation of the AFIW Heads.

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

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

2. MEETINGS

The Committee will meet at least four times a year and may meet more often as necessary. Recent practice has been to meet monthly from September to March, and in May and June.

3. TERMS OF REFERENCE

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

Pension plan administration

- a. To make and enforce such rules and regulations as it shall deem necessary for the effective and efficient administration of the pension plan under the relevant legislation and regulations and to decide all questions concerning the pension plan, including who is eligible to participate. The Committee delegates day-to-day responsibility for the administration of the pension and benefits plans to the Human Resources department of the University.
- b. To prepare accounts and records showing the detailed operation of the pension plan and to make an annual report to the Board of Governors
- c. To review the annual audit of the Pension Plan Fund Financial Statements
- d. To appoint a consulting actuary and to commission research on pension or benefits
- e. To recommend changes in pension and benefits plans to keep them current with respect to other universities and major employers, being mindful of the financial context in which the University operates
- f. To make policy decisions relevant to administration of benefits plans and to periodically adjust plans as required to comply with: legislation; changes in medical fee schedules; changes in insurance premiums due to changing experience ratings or other causes; creation of new categories of employees; and other such changes required to keep benefit plans current

- g. To recommend to the Board the appointment of custodians/trustees

Oversight of pension investments

- h. 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
- i. To approve on behalf of the Board of Governors the approval/termination of external fund managers/mandates for the pension fund investments, on the recommendation of the Pension Investment Committee
- j. To exercise oversight and responsibility for compliance with Board-approved Responsible Investment Policy for funds/investments falling within the committee's authority, with delegation for this activity to the Pension Investment Committee
- k. To approve asset mix changes and investment decisions in compliance with the SIPP and FIP amongst the approved managers/mandates where the cumulative annual transaction(s) represents greater than 20% of the Plan's total assets at the beginning of the calendar year, upon the recommendation of the Pension Investment Committee, with review and advice from the Finance & Investment Committee

Reporting and Liaison

- l. To review, at least annually, the adequacy of the Committee's terms of reference as well as those of the Pension Investment Committee, in consultation with the chairs of the Finance & Investment Committee and the Pension Investment Committee, and to propose any needed amendments to the Governance Committee
- m. The chair is to meet, at least annually, with the chairs of the Finance & Investment Committee and the Pension Investment Committee to ensure efficiency and effectiveness of investment governance

4. GENERAL PROVISIONS

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

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

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

Pension Investment Committee – Terms of Reference

The Pension Investment Committee (the “committee”) is a subcommittee of the Pension & Benefits Committee that oversees the investment of the assets of the University of Waterloo Pension Plan for Faculty & Staff (“the Plan”).

1. Mandate

The committee is mandated to oversee the investments of the Plan recognizing that (a) the Plan is funded through employee and employer contributions and (b) investment decisions are based on a full understanding of the underlying liabilities, within acceptable risk tolerances, and also being mindful of the fees incurred by the Plan

2. Membership

The membership of the committee shall be appointed by the Board of Governors on the recommendation of the Governance Committee and shall include voting and non-voting members from the following constituencies:

- a. Three (3) voting members appointed from the Board of Governors, with pension risk management and/or investment expertise, of which at least one (1) member will be a member of the Finance & Investment Committee
- b. Two (2) voting members having pension risk management and/or investment expertise, drawn from the complement of regular faculty, staff, and retirees and appointed on the recommendation of and via consensus agreement by the presidents of Faculty Association of the University of Waterloo (FAUW), the University of Waterloo Staff Association (UWSA), Canadian Union of Public Employees Local 793 (CUPE), and the University of Waterloo Retirees Association (UWRA)
- c. Two (2) voting members to be drawn from the external community with expertise in pension risk and/or investment, recommended by the Pension & Benefits Committee from a master list of potential members with relevant expertise for the Pension Investment Committee, with said list updated annually, and

Four non-voting members appointed by the Board of Governors on the recommendation of the Governance Committee:

- d. Two (2) from university administration appointed on the recommendation of the university president, and
- e. Two (2) from the employee groups appointed on the recommendation of and via consensus among the presidents of CUPE, FAUW, UWSA, and UWRA. Normally these two representatives would not come from constituencies appointing voting members under 2(b)

At least three voting members shall have investment expertise and at least three voting members shall have experience in managing pension risk. The committee may engage experts from industry or academia if specific advice is required.

Appointments are for one (1) three-year term with the option to reappoint for one (1) additional three- year term. Members may be reappointed for two (2) additional three-year terms thereafter following a two-year break from the end of their most recent term.

The chair of the Committee is appointed from among the external members (under either 2(a) or 2(c)) of the committee by the Board of Governors, on the recommendation of the Governance Committee.

3. Meetings

The committee will meet at least four times per year, approximately quarterly, from September to June. Additional meetings will be called as required. In person attendance at meetings is encouraged, however, members may attend meetings electronically when the university and members have appropriate alternate means at their disposal. Between meetings, at the agreement of the committee and at the direction of the chair, the secretary may facilitate voting on a motion or motions through email or another suitable platform, provided none of the members object on the grounds that further information or discussion is reasonably required in order to make a proper decision. Meetings are restricted to committee members and guests invited by the committee.

Quorum will be at least four voting members, with: at least two members appointed from the Board, one member from the employee/retiree constituency, and one member from the external community.

4. Terms of Reference

Investment of Pension Assets

- a. To review, at least annually, the Statement of Investment Policy and Procedures along with the Fund Implementation Procedures (the “SIPP” and the “FIP”, respectively) including any input from the Finance & Investment Committee, and to recommend any amendments to the SIPP and/or FIP through the Pension & Benefits Committee to the Board of Governors
- b. To make recommendations to the Pension & Benefits Committee from time to time on the selection and termination of investment manager/mandates for the Plan. The committee may also, at its discretion, rely upon the due diligence conducted by the Finance & Investment Committee in carrying out its responsibilities under this article. Each voting constituency and at least one member of the Finance & Investment Committee will be included on any selection subcommittee to facilitate efficiency and effectiveness of manager mandate selection across all the University’s funds
- c. To monitor the performance of all external fund managers and the market conditions for the plan’s investments funds, and to meet with the external fund managers from time to time
- d. To regularly review the Plan’s assets for compliance with Board-approved Responsible Investment Policy, exercising oversight and responsibility on behalf of the Pension & Benefits Committee
- e. To review at each meeting the investment returns of the Plan assets, the performance of the investment managers, the profile of the Plan assets with respect to acceptable risk tolerances, asset allocation, and the outlook for meeting the Plan’s liabilities
- f. To approve asset mix changes and investment decisions in compliance with the SIPP and FIP amongst the approved managers/mandates where the cumulative annual transaction(s) represents less than 20% of the Plan's total assets at the beginning of the calendar year. This activity includes allocations to newly-approved managers, or existing-approved managers. The committee may at its discretion place investment managers on watch based on criteria developed by the committee.

Reporting and Liaison

- g. To review any reports provided by the Pension & Benefits Committee including the annual valuation, investment-related risk/return assessments, and asset-liability studies and to advise the Pension & Benefits Committee on those reports
- h. To provide written reports to the Pension & Benefits Committee and to the Finance & Investment Committee at least quarterly, generally following each meeting, outlining the Pension Investment Committee’s activities, decisions, recommendations, future agenda items, and any other applicable information. The committee may seek the advice of either the Pension & Benefits Committee or the Finance & Investment Committee on any matter within the committee’s authority
- i. To request a meeting with the Pension & Benefits Committee in the event of a significant market event or shift, to discuss issues such as: specifics of significant changes in the investment environment; desirable changes to asset mix; overall risk appetite; the quality of specific investments and/or performance of investment managers/mandates during the event or shift; and market opportunities that may be presented due to the event or shift, and report on such deliberations to the Finance & Investment Committee and the Board of Governors
- j. To advise and/or make recommendations to the Board of Governors and/or the Pension & Benefits Committee on any matter within the committee’s authority
- k. The chair is to meet, at least annually, with the chairs of the Finance & Investment Committee and the Pension Investment Committee to ensure efficiency and effectiveness of investment governance
- l. To review, at least annually, the adequacy of the Committee's terms of reference as well as those of the Pension & Benefits Committee (in consultation with that committee’s chair), and to propose any needed amendments to the Governance Committee

Voting

Where a question is to be decided with a formal vote, the result of the vote must have the support of at least one member from each of the three voting constituencies to validly carry the motion. As is the case with all decision-making relating to the administration of the Plan and the investment of the Plan’s assets, a Committee member’s vote in respect of a question or resolution before the Committee shall be made in accordance with the best interests of all of the Plan’s members and pensioners.

Finance & Investment Committee – ~~Resolution~~ Terms of reference

1. MEMBERSHIP

The membership of this Committee shall be appointed by the Board of Governors on the recommendation of the Governance Committee and shall consist of ~~the following:~~

A maximum of nine members, with the majority being external members of the Board of Governors, ~~one of whom is.~~ One member shall also be a member of the Audit & Risk Committee, ~~and at least one member shall also be a member of the Pension Investment Committee.~~

The Chair of the Committee shall be chosen from among the external members ~~by the Board of Governors on the recommendation of the Governance Committee.~~ All members are expected to have ~~major~~ financial expertise and experience.

2. MEETINGS

The Committee will ~~normally~~ meet at least ~~two~~four times a year, approximately quarterly, and may meet more often as necessary.

3. TERMS OF REFERENCE

General

- a. To exercise ~~general~~ oversight over the financial affairs of the University. -
- b. To monitor operating results relative to established budgets
- c. To review the ~~general~~ framework within which ~~UW's~~the University's annual operating budget is developed ~~and to recommend the University's annual operating budget to the Board~~

~~To monitor general operating results relative to established budgets.~~

- d. To review, at least annually, ~~UW's~~the University's debt and debt retirement plan. -

Investment of non-pension assets

- e. To review ~~and recommend to the Board, directly or indirectly through the Pension & Benefits Committee,~~ at least annually, all UW of the University's investment policies and guidelines, ~~including rebalancing strategies.~~
- f. To exercise oversight and responsibility for compliance with Board-approved Responsible Investment Policy for funds/investments falling within the committee's authority
- g. To recommend to the Board of Governors the investment policy for the University of Waterloo Endowment Fund and for the IQC Trust Fund as described in the Statement of Investment Policy and Procedures (SIPP) for those funds, and to approve the Fund Implementation Procedures (FIP) for those funds, and to review and provide input to the Pension Investment Committee in that body's annual review of the Statement of Investment Policies and Procedures and Fund Implementation Procedures
- h. To approve on behalf of the Board of Governors the approval/termination of external fund managers/mandates for all investment funds except pension investments. The committee may, at its discretion, rely upon the due diligence of the Pension Investment Committee in making decisions on external fund managers
- i. To approve investment decisions within the approved mix and amongst the approved managers/mandates in compliance with the University's investment policies and guidelines for all investment funds except pension investments
- j. To monitor the performance of all external fund managers, to recommend their appointment to the Board, mandates and the market conditions for the University's investments funds, including meeting with external fund managers from time to time as required*, and to take actions as may be deemed appropriate. The committee may, at its discretion, rely upon the due diligence conducted by the Pension Investment Committee in carrying out its responsibilities under this article.

- k. To report on its activities, at least ~~annually~~, quarterly to the Board of Governors, including all approvals/terminations and transactions under articles (h) and (i)
- l. To ~~assess~~review, at least annually, the adequacy of the Committee's terms of reference as well as those of the Pension & Benefits Committee, and the Pension Investment Committee, in consultation with the ~~Chair~~chairs of the ~~Pension & Benefits Committee~~, other committees, and to propose any needed amendments to the Governance Committee.
- m. The chair is to meet, at least annually, with the chairs of the Pension & Benefits Committee and the Pension Investment Committee to ensure efficiency and effectiveness of investment governance.

~~*The Finance & Investment Committee recommends the appointment of all fund managers except those appointments made to the Board through the Pension & Benefits Committee. When the Pension & Benefits Committee is selecting a fund manager, the Chairs of the Finance & Investment Committee and of the Pension & Benefits Committee consult and reach agreement on the selection process of the fund manager as well as the extent to which the Finance & Investment Committee will act as a resource to the Pension & Benefits Committee.~~

~~**The Board of Governors on 30 October 2018 approved the delegation of specific powers and responsibilities of the Finance & Investment Committee to the Pension Investment Committee for the latter to be established as the operational locus of control for matter pertaining to the management of investment assets of the pension plan, as follows: (1) to review annually the Statement of Investment Policies and Procedures, with input from the Finance & Investment Committee; (2) to review and recommend the selection/termination of investment managers to the Pension & Benefits Committee for further recommendation to the Board of Governors; (3) to review and report on investment manager performance at least annually to the Finance & Investment committee and the Pension & Benefits Committee; (4) to approve asset mix changes and investment decisions within the list of approved investment managers where the cumulative transaction(s) represent less than 15% of the pension plans total assets at the beginning of the calendar year, with reporting to the Finance & Investment Committee and the Pension & Benefits Committee as appropriate.~~

Pension & Benefits Committee – Resolution

Pension & Benefits Committee – Terms of reference

1. MEMBERSHIP

The membership of this Committee shall be appointed by the Board of Governors on the recommendation of the Governance Committee and shall consist of the following voting members:

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

In addition, a non-voting member representing the Colleges Affiliated and Federated Institutions of Waterloo (AFIW) shall be appointed by the Board of Governors on the recommendation of the CollegeAFIW Heads.

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

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

2. MEETINGS

The Committee ~~normally meets~~ will meet at least four times a year and may meet more often as necessary. Recent practice has been to meet monthly from September ~~through to March, and in May and June;~~ additional meetings are called as required.

3. TERMS OF REFERENCE

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

†Pension plan administration

- a. To make and enforce such rules and regulations as it shall deem necessary for the effective and efficient administration of the pension plan under the relevant legislation and regulations and to decide all questions concerning the pension plan, including who is eligible to participate. The Committee delegates day-to-day responsibility for the administration of the pension and benefits plans to the Human Resources department of the University.
- b. ~~†To~~ prepare accounts and records showing the detailed operation of the pension plan and to make an annual report to the Board of Governors
- c. ~~†To~~ review the annual audit of the Pension Plan Fund Financial Statements
- d. ~~†To~~ appoint a consulting actuary and to commission research on pension or benefits

- ~~e. To~~ recommend changes in pension and benefits plans to keep them current with respect to other universities and major employers, being mindful of the financial context in which the University operates
 - ~~f. To~~ make policy decisions relevant to administration of benefits plans and to periodically adjust plans as required to comply with: legislation; changes in medical fee schedules; changes in insurance premiums due to changing experience ratings or other causes; creation of new categories of employees; and other such changes required to keep benefit plans current
- ~~To~~ recommend to the Board the appointment of custodians ~~+/trustees and fund managers~~

Oversight of pension investments

- h. To recommend to the Board for approval of Governors the investment policy for pension assets as described in the Statement of Investment ~~Policies~~ Policy and Procedures (SIPP) and to approve the Fund Implementation Procedures (FIP), both on the recommendation of the Pension Investment Committee

Note:

~~[1] The Finance & Investment Committee will assist, advise and review on matters related to the appointment of the custodians / trustees and fund managers and investment policy. When the Pension & Benefits Committee is selecting a fund manager, (SIPP) along with the Chairs of the Finance & Investment Committee and of the Pension & Benefits Committee consult and reach agreement on the selection process of the fund manager as well as the extent to which the Finance & Investment Committee will act as a resource to the Pension & Benefits Committee.~~

~~[2] The Human Resources Department has day to day responsibility for administering the benefits plans.~~

~~[3] The Board of Governors on 30 October 2018 approved the delegation of specific powers and responsibilities of the Pension & Benefits Committee to the Pension Investment Committee for the latter to be established as the operational locus of control for matters pertaining to the management of investment assets of the pension plan, as follows: (1) to review annually the Statement of Investments Policies and Fund Implementation Procedures, and to recommend any amendments to the Board of Governors through the Pension & Benefits Committee; (2) to review and recommend the selection/termination of investment managers to the Pension & Benefits Committee for further recommendation to the Board of Governors; (3) to review and report on investment manager performance at least annually to the Finance Investment Committee and the Pension & Benefits Committee; (4) to approve asset mix changes and investment decisions within the list of approved investment managers where the cumulative transactions(s) represent less than 15% of the pension plans total assets at the beginning of the calendar year, and to make recommendations to the Pension and Benefits Committee on asset mix changes where the cumulative transaction(s) represent more than 15% of the pension plans' total assets at the beginning of the calendar year, for further recommendation to the Board of Governors; (5) to review reports from the Pension & Benefits Committee including but not limited to the annual valuation of the pension plan, investment related risk/return assessments, and asset liability studies.~~

- i. To approve on behalf of the Board of Governors the approval/termination of external fund managers/mandates for the pension fund investments, on the recommendation of the Pension Investment Committee
- j. To exercise oversight and responsibility for compliance with Board-approved Responsible Investment Policy for funds/investments falling within the committee's authority, with delegation for this activity to the Pension Investment Committee
- k. To approve asset mix changes and investment decisions in compliance with the SIPP and FIP amongst the approved managers/mandates where the cumulative annual transaction(s) represents greater than 20% of the Plan's total assets at the beginning of the calendar year, upon the recommendation of the Pension Investment Committee, with review and advice from the Finance & Investment Committee

Reporting and Liaison

- l. To review, at least annually, the adequacy of the Committee's terms of reference as well as those of the Pension Investment Committee, in consultation with the chairs of the Finance & Investment Committee and the Pension Investment Committee, and to propose any needed amendments to the Governance Committee

- m. The chair is to meet, at least annually, with the chairs of the Finance & Investment Committee and the Pension Investment Committee to ensure efficiency and effectiveness of investment governance

4. GENERAL PROVISIONS

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

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

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

Pension Investment Committee – Terms of Reference

The Pension Investment Committee (the "committee") is a subcommittee of the ~~Finance & Investment Committee and Pension & Benefits Committee~~ that oversees the investment of the assets of the University of Waterloo Pension Plan ~~for Faculty & Staff ("the Plan").~~

1. Mandate

The committee is mandated to oversee the investments of the Plan recognizing that (a) the Plan is funded through employee and employer contributions and (b) investment decisions are based on a full understanding of the underlying liabilities, within acceptable risk tolerances, ~~while remaining and also being~~ mindful of ~~liability matching requirements and optimization of the~~ fees. ~~incurred by the Plan~~

2. Membership

The ~~details~~ membership of the ~~mandate~~ are as follows:

- ~~1. To review, at least annually, the Statement of Investment Policy and Procedures (SIPP) with input from the Finance & Investment Committee, and to recommend any amendments of the SIPP through the Pension & Benefits Committee to the~~ committee shall be appointed by the Board of Governors
- ~~2. To review reports provided by the Pension & Benefits Committee including the annual valuation, investment related risk/return assessments, and asset liability studies and to advise the Pension & Benefits Committee on those reports~~
- ~~3. To meet annually with the investment managers that the Plan has retained~~
- ~~4. To make recommendations to the Board of Governors from time to time, through the Pension & Benefits Committee, on the selection and termination of investment managers or specific investments of the Plan~~
- ~~5. To review at each meeting the investment returns of the Plan assets, the performance of the investment managers, the profile of the Plan assets with respect to acceptable risk tolerances and asset allocation, and the profile of the Plan assets with respect to applicable liability matching requirements~~
- ~~6. To provide written reports quarterly to the Pension & Benefits Committee and to the Finance & Investment Committee outlining the Pension Investment Committee's activities, decisions, recommendations, future agenda items, and any other applicable information. The Chair will meet at least annually with the Pension & Benefits Committee and the Finance & Investment Committee. A summary report will be provided quarterly to the Board of Governors through the Pension & Benefits Committee and the Finance & Investment Committee~~
- ~~7. To approve asset mix changes and investment decisions in compliance with the SIPP amongst the approved investment vehicles where the cumulative annual transaction(s) represents less than 15% of the Plan's total assets at the beginning of the calendar year. This activity includes allocations to newly approved managers, or existing approved managers. The committee may at its discretion place investment managers on watch based on criteria developed by the committee. Written reports on the recommendation of all such investment decisions shall be provided to the Pension & Benefits Committee, the Finance & Investment Governance Committee and the Board of Governors~~
- ~~8. To consult with the Finance & Investment Committee prior to recommending investment decisions shall include voting and/or asset mix changes to the Board of Governors through the Pension & Benefits Committee, where the cumulative transactions in that calendar year would result in exceeding 15% of the Plan(s) total assets~~
- ~~9. To convene a meeting with the Pension & Benefits Committee in the event of a significant market event or shift, to discuss issues such as: specifics of significant changes in the investment environment; desirable changes to asset mix; overall risk appetite; the quality of specific investments and/or performance of investment managers during the event or shift; and market opportunities that may be presented due to the event or shift~~
- ~~10. To advise and/or make recommendations to the Board of Governors and/or the Pension & Benefits Committee on any matter pertaining to the management of the assets of the Plan~~

3. Meetings

~~The committee normally will meet four times per year, approximately quarterly, from September to June. Additional meetings will be called as required. In person attendance at meetings is encouraged, however,~~

~~members may attend meetings electronically when the university and members have appropriate alternate means at their disposal. Between meetings, at the direction of the chair, the secretary may facilitate voting on a motion or motions through email or another suitable platform, provided none of the members object on the grounds that further information or discussion is reasonably required in order to make a proper decision. Meetings are restricted to committee members and guests invited by the committee.~~

non-Membership

~~The three voting members from the following constituencies among members are as follows:~~

- ~~1.a. Three (3) voting members appointed from and by the Board of Governors, with pension risk management and/or investment expertise, of which at least one (1) member will be a member of the Finance & Investment Committee~~
- ~~2.b. Two (2) voting members having pension risk management and/or investment expertise, drawn from the complement of regular faculty, staff, and retirees and appointed on the recommendation of and via consensus agreement by the presidents of Faculty Association of the University of Waterloo (FAUW), the University of Waterloo Staff Association (UWSA), Canadian Union of Public Employees Local 793 (CUPE), and the University of Waterloo Retirees Association (UWRA)~~
- ~~3.c. Two (2) voting members to be drawn from the external community with expertise in pension risk and/or investment, appointed by the Governance Committee of the Board of Governors. The prospective members in this category will be recommended by the Pension & Benefits Committee to the Governance Committee, and the Pension & Benefits Committee would be responsible to prepare from a master list of potential members for the Governance Committee and update it annually to ensure that the Governance Committee has a list of members with relevant expertise for the PIC: Pension Investment Committee, with said list updated annually, and~~

~~The committee will include four~~

~~Four non-voting members: two appointed by the Board of Governors on the recommendation of the Governance Committee:~~

- ~~d. Two (2) from university administration appointed by on the recommendation of the university president, and two~~
- ~~e. Two (2) from the employee groups appointed on the recommendation of and via consensus of among the presidents of CUPE, FAUW, UWSA, and UWRA. It is intended that all of CUPE, FAUW, UWSA and UWRA Normally these two representatives would be represented through the two not come from constituencies appointing voting plus two non-voting members. under 2(b)~~

At least three voting members shall have investment expertise and at least three voting members shall have experience in managing pension risk. The committee may engage experts from industry or academia if specific advice is required.

Appointments are for one (1) three-year term with the option to reappoint for one (1) additional three-- year term. Members may be reappointed for two (2) additional three-year terms thereafter following a two-year break from the end of their most recent term.

The chair of the Committee is appointed from among the external members (under either 2(a) or 2(c)) of the committee by the Board of Governors, on the recommendation of the Governance Committee.

3. Meetings

The committee will meet at least four times per year, approximately quarterly, from September to June. Additional meetings will be called as required. In person attendance at meetings is encouraged, however, members may attend meetings electronically when the university and members have appropriate alternate means at their disposal. Between meetings, at the agreement of the committee and at the direction of the chair, the secretary may facilitate voting on a motion or motions through email or another suitable platform, provided none of the members object on the grounds that further information or discussion is reasonably required in order to make a proper decision. Meetings are restricted to committee members and guests invited by the committee.

Quorum

At will be at least four voting members, with: at least two members appointed from the Board, one member from the employee/retiree constituency, and one member from the external community.

Chair

~~The chair~~

4. Terms of Reference

Investment of Pension Assets

- a. To review, at least annually, the Statement of Investment Policy and Procedures along with the Fund Implementation Procedures (the “SIPP” and the “FIP”, respectively) including any input from the Finance & Investment Committee is appointed from among the committee membership by the , and to recommend any amendments to the SIPP and/or FIP through the Pension & Benefits Committee to the Board of Governors
- b. To make recommendations to the Pension & Benefits Committee from time to time on the selection and termination of investment manager/mandates for the Plan. The committee may also, at its discretion, rely upon the due diligence conducted by the Finance & Investment Committee in carrying out its responsibilities under this article. Each voting constituency and at least one member of the Finance & Investment Committee will be included on any selection subcommittee to facilitate efficiency and effectiveness of manager mandate selection across all the University’s funds
- c. To monitor the performance of all external fund managers and the market conditions for the plan’s investments funds, and to meet with the external fund managers from time to time
- d. To regularly review the Plan’s assets for compliance with Board-approved Responsible Investment Policy, exercising oversight and responsibility on behalf of the Pension & Benefits Committee
- e. To review at each meeting the investment returns of the Plan assets, the performance of the investment managers, the profile of the Plan assets with respect to acceptable risk tolerances, asset allocation, and the outlook for meeting the Plan’s liabilities
- f. To approve asset mix changes and investment decisions in compliance with the SIPP and FIP amongst the approved managers/mandates where the cumulative annual transaction(s) represents less than 20% of the Plan's total assets at the beginning of the calendar year. This activity includes allocations to newly-approved managers, or existing-approved managers. The committee may at its discretion place investment managers on watch based on criteria developed by the committee. , on the recommendation of

Reporting and Liaison

- g. To review any reports provided by the Pension & Benefits Committee including the annual valuation, investment-related risk/return assessments, and asset-liability studies and to advise the Pension & Benefits Committee on those reports
- h. To provide written reports to the Pension & Benefits Committee and to the Finance & Investment Committee at least quarterly, generally following each meeting, outlining the Pension Investment Committee’s activities, decisions, recommendations, future agenda items, and any other applicable information. The committee may seek the advice of either the Pension & Benefits Committee or the Finance & Investment Committee on any matter within the committee’s authority
- i. To request a meeting with the Pension & Benefits Committee in the event of a significant market event or shift, to discuss issues such as: specifics of significant changes in the investment environment; desirable changes to asset mix; overall risk appetite; the quality of specific investments and/or performance of investment managers/mandates during the event or shift; and market opportunities that may be presented due to the event or shift, and report on such deliberations to the Finance & Investment Committee and the Board of Governors
- j. To advise and/or make recommendations to the Board of Governors and/or the Pension & Benefits Committee on any matter within the committee’s authority
- k. The chair is to meet, at least annually, with the chairs of the Finance & Investment Committee and the Pension Investment Committee to ensure efficiency and effectiveness of investment governance
- l. To review, at least annually, the adequacy of the Committee's terms of reference as well as those of the Pension & Benefits Committee (in consultation with that committee’s chair), and to propose any needed amendments to the Governance Committee.

Voting

Where a question is to be decided with a formal vote, the result of the vote must have the support of at least one member from each of the three voting constituencies to validly carry the motion. As is the case with all decision-making relating to the administration of the Plan and the investment of the Plan's assets, a Committee member's vote in respect of a question or resolution before the Committee shall be made in accordance with the best interests of all of the Plan's members and pensioners.

University of Waterloo
PENSION & BENEFITS COMMITTEE
Report to the Board of Governors
4 April 2023

This report is submitted following the committee's meetings of 17 February 2023 and 10 March 2023, for inclusion in the regular agenda.

FOR APPROVAL

1. Statement of Investment Policies and Procedures, Fund Implementation Procedure

Motion: To approve the amendments to the Statement of Investment Policies and Procedures (SIPP), and Fund Implementation Procedures (FIP) as provided in Attachments #1 and #2.

Background: The Pension Investment Committee (PIC) reviews the SIPP and FIP annually, and at the 16 February 2023 meeting, PIC approved recommending the attached revisions to the Pension and Benefits Committee (P&B). The attachments reflect updates to:

- add reference to the newly approved Funding Policy & Guideline for the Registered Pension Plan (RPP) to the SIPP and FIP;
- allow more flexibility for active and passive investment strategy under the SIPP;
- specify Regulation 909, under the Pension Benefits Act, in the SIPP; and
- minor text amendments to align and clarify language.

/twk

Peter Barr
Chair

ATTACHMENT #1

Statement of Investment Policies and Procedures

University of Waterloo Pension Plan
(2011)

Registration number: 0310565

Effective ~~February 2, 2022~~

Replaces previous version which was last revised and effective on ~~November 1, 2020~~
[February 2, 2022](#)

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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, ~~or~~ 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 $(CPI^1 + 3.5\%)$ 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 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 that of the Benchmark Portfolio.

7) Equity Returns/Risk

While the level of equity exposure drives much of the risk level of the Fund assets, equities are

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

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 obligations of the Plan at a reasonable cost.

8) Active and Passive Investments

The investment strategy ~~will~~ 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) 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) 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.

12) 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.

13) 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 %	Maximum %	Benchmark Portfolio %	Assets
Cash	0	5	2	FTSE TMX Canada 91-Day T-Bill
Fixed Income	20	35	25	FTSE TMX Universe Bond

Total Fixed Income	20	40	27	
Canadian Equity	0	10	5	S&P/TSX Composite
Global Equity	40	55	48	MSCI ACWI
Total Equity	40	65	53	
Infrastructure	5	15	10	FTSE Developed Core Infrastructure 50/50
Real Estate	5	15	10	FTSE EPRA/NAREIT Developed (CAD)
Total Real Assets	10	30	20	

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 the [Regulations 909 under the Pension Benefits Act \(Ontario\)](#) is as follows:

Asset Class under Sub-section 76(12) of Regulation 909, under the Pension Benefits Act (Ontario)	Long Term Target Allocation	Accessed Through Pooled funds (Y/N)
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%	N
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	25.0%	-
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 ²	10.0%	N

14) Rebalancing

At all times, the market value of the individual asset classes will be within the minimum and

² Refers to the long-term target allocation to Infrastructure

maximum aggregate investment limits prescribed in Section 13 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.

15) 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

16) Permitted Investments

In general, and subject to the restrictions in Sections 17 & 18, 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) Pooled Funds

Investments in open-ended or closed-ended pooled funds 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) Minimum Quality Requirements

a) Quality Standards

- i) The minimum quality standard for individual bonds and debentures is 'BBB' or equivalent as rated by at least two 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:
 - 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 four agencies rate a security, use the middle of the three lowest ratings.

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;
- ii) Standard & Poor's;

- iii) Moody's Investors Services; and
- iv) Fitch Ratings

18) 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. No other foreign currency debt will be purchased.

c) Equities

No one equity holding shall represent more than 10% of the total market value of the [Fund investment manager portfolio](#).

19) 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) 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) Short Selling

Short selling and/or pair trading are not permitted.

22) 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) 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) 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) 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) 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

The fair value of infrastructure and real estate 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) 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

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.

ATTACHMENT #2

Fund Implementation Procedures

University of Waterloo Pension Plan (2011)

Registration number: 0310565

Effective: ~~11 March 2022~~ [date of approval by Pension & Benefits Committee]

Replaces previous version which was last revised and effective on ~~1 February 2022~~ March 11, 2022

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Fund Implementation Procedures

This Fund Implementation Procedures (FIP) document outlines the monitoring and reporting obligations of Board committees, University staff, and third parties engaged to provide services to the Plan. With respect to the investment of pension assets, this policy is intended to be read together with the Statement of Investment Policies and Procedures (SIPP) established for the Plan, as amended from time to time. To the extent there is any conflict in the investment principles and approach as set out in this FIP or the SIPP, the SIPP shall govern.

1) Delegation of Responsibility

The Board of Governors of the University of Waterloo (the “Board”) has established a Pension Investment Committee (“PIC”) to assist in the determination and execution of the Plan’s overall investment philosophy, policies, objectives and strategies for the Plan, a Finance & Investment Committee (F&I) established to provide expert investment advice to PIC, and a Pension & Benefits Committee (P&B) to provide oversight of the pension plan (the “Committees”).

The Committees, contracted third party professional firms and University staff will carry out the responsibilities listed below.

- a) PIC will:
 - i. review this document annually and recommend any changes to P&B;
 - ii. review Fund Manager performance, total Fund performance and achievement of the total return objective on a quarterly basis;
 - iii. make recommendations on the selection of Fund Managers to P&B, consulting with F&I as applicable;
 - iv. approve asset mix changes and investment decisions where the cumulative annual transaction(s) represent less than 15% of market value of the Plan’s total assets at the beginning of the calendar year;
 - v. consult with F&I, prior to making recommendations to P&B, for additional investment decisions which cumulatively impact more than 15% of the market value of Plan’s total assets as measured at the beginning of the calendar year;
 - vi. commission asset liability studies at least every 10 years and in cases of significant changes in actuarial assumptions or capital market forecasts, consulting with P&B as applicable
 - vii. determine when active vs passive management strategies are appropriate
 - viii. review Plan liquidity requirements
 - ix. convene a meeting with P&B in the event of a significant market event or shift to discuss issues and market opportunities; and
 - x. provide quarterly reports to P&B and F&I.
- b) P&B will make recommendations to the Board in the following areas, consulting with PIC with respect to investment philosophy, policies, objectives and strategies for the Plan:
 - i. the content of the SIPP after its annual review and consideration of recommendations from PIC;

- ii. the selection of a Consulting Actuary;
 - iii. the selection of an Investment Consultant;
 - iv. the selection of Fund Managers, based on the recommendation from PIC;
 - v. asset mix changes and investment decisions where the cumulative annual transaction(s) exceed 15% of the market value of the Plan's total assets at the beginning of the calendar year, based on the recommendation from PIC; and
 - vi. the selection of a Custodian/Trustee to hold the pension fund assets.
- c) In addition, the P&B Committee will:
- i. approve the content of this FIP in consultation with PIC;
 - ~~ii.~~ review the Fund's Funding Policy & Guideline at least every three (3) years, and approve changes as necessary;
 - ~~iii.~~ review reports from PIC on Fund Manager performance and pension fund performance on at least a semi-annual basis, as well as reviewing the outlook of the fund overall; and
 - ~~iv.~~ report to Plan members on at least an annual basis.
- d) The Fund Managers will:
- i. forward to University staff (for review and discussion at PIC) quarterly reviews of investment performance, expectations of future returns on various asset classes and proposed investment strategies for the following 12 to 24 months;
 - ii. manage asset mix and select securities within each asset class, subject to applicable legislation and the philosophy and other constraints set out in the SIPP, this document and the Responsible Investment Policy (RIP);
 - iii. forward to University staff (for review and discussion at PIC) quarterly reports describing their ESG analysis, approach and metrics, and periodically forward a climate risk assessment of their portfolio including any scenario analysis;
 - iv. advise University staff (for review and discussion at PIC) immediately of any changes in its senior investment personnel and/or significant changes in the size or mix of assets managed;
 - v. comply with all applicable legislation concerning the investment of the pension fund, including the Pension Benefits Act (Ontario) ("Applicable Laws");
 - vi. complete and deliver a compliance report (see Appendix A) to University staff and the Fund's Investment Consultant each quarter. The compliance report will indicate whether or not the Fund Manager was in compliance with Applicable Laws, the SIPP and the RIP during the quarter. In the event that the Fund Manager is not in compliance with Applicable Laws, the SIPP and/or the RIP, the Fund Manager is required to immediately advise University staff (for discussion at PIC), detail the nature of the non-compliance and recommend the appropriate course of action to remedy the situation;
 - vii. comply, at all times and in all respects, with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute;
 - viii. in managing the Plan assets, the Fund Manager shall at all times exercise the degree of

care that a person of ordinary prudence would exercise in dealing with the property of another person and shall use all relevant knowledge and skill which it possesses, or by reason of its profession, ought to possess.

- e) The Consulting Actuary (or his/her delegate approved by P&B) will:
- i. assist in the preparation and subsequent annual reviews of the SIPP and any supplementary documents;
 - ii. comment on any changes in the Plan's benefits, membership or contribution flow which may affect how the Plan's assets are invested;
 - iii. assist University staff, the PIC and P&B, as needed, in the implementation of the SIPP and this document;
 - iv. support PIC and P&B on matters related to investment risk management and administration of the Plan; and
 - v. meet with University staff, PIC and P&B as required.
- f) Investment Consultant will:
- i. participate in all reviews of the Fund Managers;
 - ii. report quarterly on the performance of the Fund Managers and the Plan;
 - iii. comment on the impact of potential investment opportunities/strategies/legislative changes which may affect how the Plan's assets are invested;
 - iv. monitor the performance of the Plan and the Fund Managers on a regular basis, and contact University staff immediately if there are adverse changes of any kind, which warrant further review and/or discussion with PIC;
 - v. meet with University staff, PIC and P&B as required.
- g) Performance Measurement Service Providers will:
- i. Provide detailed performance reporting in the required format including ESG integration by Fund Managers as well as the carbon metrics for the total Plan asset portfolio
- h) The Custodian/Trustee will:
- i. fulfill the regular duties required by law of a Custodian/Trustee and perform the specific duties required of the Custodian/Trustee pursuant to agreements entered into from time to time with the University on behalf of the Plan; and
 - ii. provide University staff with monthly portfolio reports of all assets of the Plan and transactions during the period.
- i) University staff will:
- i. Prepare reporting for the PIC, P&B and F&I committees on Plan investment matters and act as resources to these Committees in this regard
 - ii. Act as a contact for contracted third party professional firms relating to the investment of the Plan's assets and provide administration and monitoring related to these firms' contracts and deliverables

- iii. Provide cash flow information as necessary or requested by PIC
- iv. Monitor Fund Manager's and overall compliance with the SIPP, FIP, and RIP
- v. Appoint Performance Measurement Service Providers.

2) Performance Measurement & Monitoring

For purposes of evaluating the performance of the Fund Managers, all rates of return are measured over rolling four-year periods. Return objectives are net of fees and include realized and unrealized capital gains or losses plus income from all sources.

Performance reporting provided by the Fund Managers and the Investment Consultant will include annualized returns when available for 15 or greater years; as well as a detailed attribution analysis for the most recent quarter and year-to-date periods.

The Investment Consultant will report on each Fund Manager's performance relative to their peers.

In addition to performance criteria, the following factors will also be monitored and evaluated:

- a) Stability of the investment firm (personnel, assets under administration, operational capabilities, etc.);
- b) Investment objective and portfolio composition;
- c) Changes in the investment philosophy used in the investment fund;
- d) Consistency of style or approach;
- e) Adherence to investment policy statement; and
- f) ESG analysis and reporting including climate risk assessment and carbon metrics

3) Compliance Reporting by Fund Manager

The Fund Manager is required to complete and deliver a compliance report to University staff and the Plan's investment consultant each quarter. The compliance report will indicate whether or not the Fund Manager was in compliance with Applicable Laws, the SIPP, FIP and the RIP during the quarter.

In the event that a Fund Manager is not in compliance with Applicable Laws, the SIPP, FIP and/or the RIP the Fund Manager is required to immediately advise University staff, detail the nature of the non-compliance and recommend an appropriate course of action to remedy the situation.

While the guidelines in the SIPP are 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 this section. However, the Fund Manager is required to advise University staff, in advance, if there are any material discrepancies between the SIPP and the pooled fund's own investment guidelines. In addition, the Fund Manager will ensure that University staff have received a copy of the most recent version of the pooled fund policy and of any amendments made to the pooled fund policy.

4) Audit

The Plan's financial reporting for the regulatory authorities shall be audited annually by external

auditors appointed by the University.

5) **Monitoring of Asset Mix**

In order to ensure that the assets of the Plan operate within the minimum and maximum asset mix ranges, as prescribed in the SIPP, PIC shall review the asset mix at least quarterly. Please refer to the section on Rebalancing Policy.

6) **Selecting Fund Managers**

Should PIC determine that there is a requirement for an additional Fund Manager, PIC will establish a sub-committee to undertake a Fund Manager search. The criteria used for selecting a Fund Manager will be consistent with the investment and risk philosophy set out in the SIPP. Although each search process will apply a specific list of considerations, the evaluation criteria shall include:

- a) Establishing the relevant performance benchmark
- b) Performance history
- c) Quality of the firm and the fund specific investment team
- d) Quality and consistency of the fund's investment process
- e) Quality and transparency in reporting including valuation methods
- f) ESG integration within the investment process and related reporting, including reporting on the Manager's integration of climate related risk factors and disclosure of carbon metrics
- g) Risk management approach
- h) Competitiveness of fees
- i) Terms of the applicable investment management agreement

7) **Monitoring Fund Manager Performance**

At least quarterly, PIC will monitor and review:

- a) Each Fund Manager's staff turnover, consistency of style and record of service;
- b) Each Fund Manager's current economic outlook and investment strategies including ESG approach;
- c) Each Fund Manager's compliance with the SIPP, FIP and RIP; and
- d) Investment performance of the assets of the Plan in relation to the rate of return expectations outlined in the SIPP.

8) **Dismissal of Fund Manager**

Reasons for considering the termination of the services of a Fund Manager include, but are not limited to, the following factors:

- a) Performance results which are below the stated performance benchmarks;
- b) Changes in the overall structure of the Plan's assets such that the Fund Manager's services are no longer required;
- c) Change in personnel, firm structure or investment philosophy which might adversely affect the

potential return and/or risk level of the portfolio; and/or

- d) Failure to adhere to the SIPP, FIP or RIP.

9) Rebalancing Policy

PIC shall monitor the asset mix and the net cash flow on a quarterly basis. Rebalancing will occur when the market value of an asset class varies from the limits set out in the SIPP or if any individual Fund Manager's component exceeds a limit set out in the SIPP.

Rebalancing will be generally implemented within two quarters by:

- a) Redirecting the net cash flows [administered monthly by University staff and not included in PIC's cumulative 15% asset mix change threshold]
- b) Transfer of cash between portfolios
- c) Liquidating exceedances and directing those to assets below the benchmark taking into account the transaction costs and liquidity of the particular asset class

Notwithstanding the rebalancing policy, in certain circumstances, PIC may adjust the weight of any asset class within the permitted ranges for the purpose of protecting capital and managing risk.

10) Liability Hedging

PIC will determine the type of investment strategies, if any, to be implemented to hedge the interest rate and/or inflation sensitive liabilities of the plan.

Appendix A — Fund Manager Compliance Letter

To be completed by fund managers each quarter.

**UNIVERSITY OF
WATERLOO**

_____, 202_

This is to certify that I/we have complied with the *Pension Benefits Act* (Ontario) and all other laws and regulations applicable to the investment of the Pension Plan's assets and adhered to the guidelines contained in the Statement of Investment Policies and Procedures, the Fund Implementation Procedures for the University of Waterloo Pension Plan (2011), and the Responsible Investment Policy as approved by the Board of Governors of the University of Waterloo as well as the investment management agreement in place

Signed _____

On behalf of _____

Date _____

University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Report to the Board of Governors
4 April 2023

This report is submitted following the committee's meetings of 17 February 2023 and 10 March 2023 for inclusion in the consent agenda.

FOR INFORMATION

1. Cost-of-Living Adjustment (COLA)

Section 7.01 of the plan text defines the COLA Factor as the ratio of the average of the monthly Consumer Price Indices (CPI) for the preceding calendar year divided by the average of the monthly CPI for the previous calendar year, minus 1. Section 7.02 of the plan text stipulates if the 100% COLA Factor exceeds 5% in any year, it may be reduced to the extent deemed necessary by the Pension Committee on the advice of the Actuary, to 5% (not lower), and a corresponding 3.75% limit applies to the 75% COLA Factor. The Committee was informed that the 100% COLA Factor was at 6.8% and decided effective May 1, 2023 to cap the COLA for pension benefits earned up to December 31, 2013 at 5%, and to increase the COLA for pension benefits earned on and after January 1, 2014 to 5%. Pensionable earnings for employees on Long Term Disability will increase by 1% effective May 1, 2023 (to be further adjusted if the salary scales effective May 1, 2023 are adjusted by a different percentage) and to apply a 5% COLA adjustment for deferred pensions effective May 1, 2023.

2. Annual Report to the Community

The committee prepared a [report to the University community](#) regarding its activities in 2022.

3. Group Benefits Program – Annual Renewal

Based on the claims experience, a 10% increase in the contract rate for Basic Life insurance with Sun Life Financial is warranted; the contract rate is currently subsidized by 10% by utilizing the funds available from the Unrestricted Deposit Account, and the committee decided to continue this 10% subsidy for the upcoming year. There will be no changes to the Optional Life premium rates for this year.

The insurer of the LTD benefit transitioned from Canada Life to Sun Life Financial effective May 1, 2022. The premium rate with Sun Life Financial is guaranteed for a 24-month period and as such, the first rate renewal will be effective May 1, 2024. The committee approved indexation of the maximum insured salary effective 1 May 2023 from \$190,549 to \$192,454.

The provider for the healthcare benefits (i.e. prescription drugs, paramedical practitioners, out-of-country, hospital, medical services & supplies, and dental) transitioned from Canada Life to Green Shield Canada (GSC) effective January 1, 2023. These benefits are provided mainly on an Administrative Services Only (ASO) basis. The ASO fees/charges with GSC effective January 1, 2023 are guaranteed for a 60-month period with the exception of individual pooling/travel assistance charges which are guaranteed for a 24-month period. As such, the first renewal with GSC will be effective January 1, 2025 for individual pooling/travel assistance and January 1, 2028 for claims settlement charges (to be adjusted to May 1 to align with the fiscal year).

The budget rates for Extended Health and Dental will increase by 4.7% on a combined basis, based on projected claims experience and incorporates recent plan amendments.

NB: LTD premium is 100% employee paid. Individual pooling insurance covers Extended Health claims totaling over \$50,000 per individual per calendar year. Basic Life insurance provides employees with a choice of 1, 2, or 3 times earnings; the University pays 100% of the cost for 1 times earnings and 67% of the

cost for 2 or 3 times earnings with employees paying the balance. The premium for Optional Life insurance, in excess of three times salary for employees and any amount of spousal coverage, is 100% employee paid.

4. Revisions to Pension Benefits Committee, and Pension Investment Committee Resolutions/Terms of Reference

The Committee reviewed revisions to its Terms of Reference and to the Terms of Reference for the Pension Investment Committee, and approved recommending to the Governance Committee that they recommend that the Board of Governors (Board) approve the revision.

5. General Oversight

The committee receives regular reports from the consulting actuary on legislative and policy changes anticipated and in force that impact public sector pensions, as well as changes implemented by other public sector pension plans. The committee discusses implications for the pension plan and takes the information into account when making decisions on matters including plan design, funding and administration.

As part of the general oversight function exercised by the committee, the committee has devoted attention to following issues: the funded status of pension plan and Green Shield Canada transition the Extended Health and Dental (EHD) benefits provider.

/twk

Peter Barr
Chair

University of Waterloo
BOARD OF GOVERNORS
Minutes of the Tuesday 07 February 2022 Meeting
[in agenda order]

Present: Nyla Ahmad, Michael Ashmore, Peter Barr, Carol Cressman, Lori Curtis, Jack DeGooyer, Catherine Dong, Michael Eubanks, Cindy Forbes (chair), Teresa Fortney, Murray Gamble, Vivek Goel, Rob Gorbet, Susan Grant, Nancy Heide, Russell Hiscock, Andre Hladio, Andrea Kelman (acting secretary), Achim Kempf, Sheryl Kennedy, Ellen MacEachen, Dorothy McCabe, Mary Robinson, Matthew Schwarze, Jagdeep Singh Bachher, Stanley Woo, Stephanie Ye-Mowe

Guests: Suman Armitage, Sandra Banks, Jean Becker, Bruce Campbell, Sam Charles, Daniela Cross, Charmaine Dean, David DeVidi, Nenone Donaldson, Lori Gamble, Anne Galang, Diana Goncalves, Mike Grivicic, Sarah Hadley, Michelle Hollis, Ross Johnston, Jennifer Kieffer, Christiane Lemieux (for Mark Giesbrecht), Robert Lemieux, Lili Liu, Peter Lowe, Nick Manning, Norah McRae, Cathy Newell Kelly, Fayaz Noormohamed, Nahannee Schuitemaker, Leanne Perreault, Bill Pristanski, Alice Raynard, Chris Read, Jacinda Reitsma, James Rush, Daniela Seskar-Hencic, Jeremy Steffler, Brandon Sweet, Christopher Taylor, Mathew Thijssen, Sean Thomas, Sarah Willey-Thomas

Regrets: Dominic Barton, Lisa Mak, Karen Redman, John Saabas, Naima Samuel, Kevin Strain, Berry Vrbanovic, Dan Weber

OPEN SESSION

Elder William Woodworth provided the Board with a lesson on the meaning and ceremony associated with the Wampum belts displayed in the Board and Senate Room, and noted:

- Wampum belts commemorate first encounters with settlers.
- Overview of the three wampum belts:
 - The first belt has two lines to represent the canoe and tall ships, traveling side by side, as separate but equal.
 - The second belt has three rows to represent the good mind, the unifying power when we work together as nations and peace and wellness.
 - The third belt is the dish with one spoon wampum, given to the President at the commitment ceremony in September and is often shared between Indigenous nations.

Elder Woodworth was thanked, on behalf of the Board, for his sharing of knowledge.

1. CONFLICT OF INTEREST

Governors were asked to declare any conflicts they may have in relation to the items on the agenda. The following conflicts were declared:

- Cindy Forbes declared that she began acting as an advisor to Green Shield Canada in January 2023, however, which took place after the procurement process for GSC.
- Carol Cressman declared a conflict of interest regarding item 9a: noting her role as Co-Chair of the Fundraising effort and volunteer.
- Nasser Mohieddin Abukhdeir declared a conflict of interest regarding item 5a as it relates to approval of his sabbatical.

2. REMARKS FROM THE CHAIR

Cindy Forbes provided opening remarks:

- Welcomed Jacinda Reitsma, Nasser Mohieddin Abukhdeir, Berry Vrbanovic, Karen Redman and Dorothy McCabe.
- Thanks to Jeff Casello and Dave DeVidi for the recent Board Education session on program quality assurance.
- Highlighted upcoming Board and Committee meetings at the end of the agenda.
- Expressed concern and condolences for those impacted by the devastating earthquake in Turkey and Syria and noted support services available for students, staff and faculty.

-
- Acknowledge February as Black History Month, noting that as we celebrate Black excellence, we should also reflect upon the struggle and sacrifices that continue.

3. AGENDA/ADDITIONAL AGENDA ITEMS

The Board heard a motion to approve the agenda as presented. Fortney and Ye-Mowe. Carried.

Consent Agenda

The Board heard a motion to approve and/or receive for information by consent items 4-6 as below. Gamble and Gorbet. Carried with one abstention.

4. MINUTES OF THE 25 OCTOBER 2023 MEETING

The minutes were approved as presented.

5. REPORT OF THE VICE-PRESIDENT, ACADEMIC & PROVOST

- a. Sabbatical and Administrative Leaves**
- b. Accountability Status Report**

The Board approved the sabbatical and administrative leaves and cancellations and received the remainder of the report for information.

6. REPORTS FROM COMMITTEES

- a. Audit & Risk Committee.**
- b. Finance & Investment Committee.**
- c. Governance Committee.**
- d. Pension & Benefits Committee.**

The Board received reports (a)-(d) for information.

Regular Agenda

7. BUSINESS ARISING FROM THE MINUTES

There was no business arising.

8. REPORT OF THE PRESIDENT

a. General Update

The President provided an update to the Board, and noted the following:

General Update:

- Highlighted monthly updates to the Board as an opportunity to communicate on important matters between Board meetings.
- Extended thanks to Elder Bill for sharing wisdom on wampum belts and his ongoing work as well as thanks to Elder Henry and Jean Becker for their role in planning the commitment ceremony. The President also noted the progress towards reconciliation as an institution while acknowledging there remains a great deal of work to be done.
- Highlighted recent luncheon with the President, Provost and the Black Faculty Collective for Black History month.
- 2022 holiday message focused on winter solstice and discussion with Savannah Seaton – her experience as a UW student reminds us of the importance of sharing traditional knowledge and the lands we share.

Government Relations Update:

- Financial sustainability as a top priority with provincial government, including continued advocacy for increases for support for institutions and examination of tuition framework.
- Status update related to Bill 124 and consideration of next steps.
- Approval of Bill 26, which requires a sexual misconduct policy for employees, required for 1 July 2023.

- Research security update to be discussed in further detail later in the agenda.
- Update on the Auditor General reports released in the Fall, noting positive impact of Senate Governance Review, Board Governance Review and policy work at Waterloo.

Reputational Research 2022:

- Reputational research study and results, including Waterloo as #1 market leader for innovation, entrepreneurship and co-op/experiential education; comparator institutions; recognition as compared to other institutions; and key issues to address to remain relevant.

Waterloo at 100:

- Update on the Waterloo at 100 report and Global Futures Report.
- Upcoming opportunity for Board engagement on the final draft of the report on 1 March 2023.

The Board discussed further opportunities for the Auditor General reports to be discussed and that the Governance Committee would be tasked to consider next steps.

b. Strategic Plan Update: Talent – Panel Discussion

i. Indigenization of Curriculum and Anti – Racist Pedagogies

The Board heard an update from a School of Pharmacy panel, including Andrea Edginton (Professor; Hallman Director School of Pharmacy; Associate Dean, Faculty of Science), Leslie Wexler (Senior Educational Developer, Indigenous Knowledges and Anti-Racist Pedagogies), Celine Huab (Pharmacy Resident), Breanna Quan (student), Elaine Lillie (Adjunct Assistant Professor; School of Pharmacy) on the Indigenization of the curriculum.

The Board heard and discussed the following:

- Impact of pharmacies as highly accessible health care.
- Shift to include EDI through regulatory body and across all Canadian pharmacy schools.
- School of Pharmacy developed an Indigenization strategy as important first step.
- Admissions pathway, Northern placements and other opportunities for students.
- Use of Four Seasons course to facilitate guided talking circles as part of curriculum.
- Experiences of pharmacy resident with placement in Northern fly-in community, including understanding barriers to health care; providing culturally safe care; and self-education.
- Experiences of a first-year pharmacy student including benefits of talking circles; exploring topics such as implicit bias; and cultural competence.
- Incorporation of indigenous ways of knowing and healing methods throughout the curriculum.
- Use of upper-level case studies in the program to generate more conversations around Indigenization and the creation of new courses.

9. REPORT FROM COMMITTEES

a. Building & Properties

Murray Gamble presented the revised project budget for the Waterloo Eye Institute, noting the cost breakdown on page 43 of the package; additional items not included in the original budget as part of reason for cost increases; and a summary of monies raised for the project as well as a shortfall commitment.

The Board heard a motion to approve a revised project budget of \$50.34 million (previous approval was \$45.25 million) for the Waterloo Eye Institute and that the project proceed to final design and tender.

Gamble and Fortney. Carried with one abstention.

Murray Gamble presented the changes to the type of contract for the Math 4 building., noting change to a Construction Management form of contract to proactively mitigate price risks.

The Board heard a motion to approve the Math 4 building constructed using a Construction Management form of contract rather than the previously contemplated Stipulated Price Contract form of agreement.

Gamble and Barr. Carried with one abstention.

Murray Gamble presented the third motion, noting two motions relating to this item, as included in the meeting materials. Gamble noted the appointment of Diamond Schmitt Architects, noting it is typical for a preliminary design before budget; initial estimate cost of \$90 million expected to change.

Catherine Dong joined the meeting.

The Board discussed the following:

- Process by which an architect is selected, noting competitive RFP process.
- Ongoing work of the President’s Advisory Committee on Design, and the Committee’s review of the entire process.
- Building of new space while society is rethinking use of physical spaces post-pandemic.
- University’s efforts to provide all first-year students with residence experience.
- Impact of shortages of housing in the region.
- Additional new housing to allow for renovation of current housing on campus and in alignment with a 25-year campus housing strategy.
- Improvement of student life.
- Consideration of Indigenous design elements and other cultural design elements, including the engagement of Two Row Architects of Six Nations.

The Board heard a motion to approve the appointment of Diamond Schmitt Architects Inc. (DSAI) as the prime consultants to prepare design and construction documents for a proposed 500-bed undergraduate student residence.

Gamble and Fortney. Carried unanimously.

Murray Gamble presented the second portion of the motion, noting the proposed location of the residence; consideration of alternative sites; location relative to complementary buildings; gateway to residences; and high traffic location.

The Board discussed the following:

- A summary of alternate locations to be provided to the Board.
- Impact of location on reduction of parking, and anticipated minimal loss of parking and green space
- Consideration of LRT train noise in location and related design and construction considerations to address noise, noting sound mitigation as a key consideration for the Building & Properties Committee.

The Board heard a motion to approve the site location for the proposed building on Parking Lot A.

Gamble and Mohieddin Abukhdeir. Carried with one abstention.

b. Finance & Investment Committee and Pension & Benefits Committee

Peter Barr presented the joint report and noted the SIPPs updated for various funds; shift to asset mix; and appointment of CBRE in alignment with the asset allocation.

The Board heard a motion to approve the Coldwell Banker Richard Ellis (CBRE) Group to provide an open-ended real estate fund (CBRE Global Alpha) for the Registered Pension Plan (RPP), the university endowment fund, and the IQC trust fund.

Barr and Ashmore. Carried with one abstention.

c. Finance & Investment Committee

Michael Ashmore presented the changes to the Statement of Investment Policies and Procedures, noting inclusion of venture capital at 0-5% for the endowment.

The Board heard a motion to approve the amendments to the Statement of Investment Policies and Procedures for the University of Waterloo Endowment, as described in Attachment #1 to this report.

Ashmore and Barr. Carried unanimously.

Michael Ashmore presented the 2023/24 tuition fee changes and co-op fee.

The Board heard a presentation on the tuition and co-op fees from James Rush, Vice-President, Academic & Provost and discussed the following:

- Overview of the typical tuition setting process, beginning in early-mid Fall, which was followed for this year.
- Factors used to determine tuition rates including comparator rates, geographical considerations, and similar programs, among other factors.
- Tuition brought forward without confirmation from the Province on tuition framework, noting the request to approve tuition by up to the maximum amount permitted in the domestic category and that the University does not expect significant changes to the current framework.
- Consideration of global comparators in setting tuition rates.
- Impact of differential tuition on out of province students and impact on student mobility, student experience and differentiation between students.
- Opportunities where government permits increases in domestic tuition and related impact on government relations.
- Anticipated work of a government expert panel on financial sustainability.

The Board heard a motion to approve the 2023/24 tuition fee changes and the 2023/24 co-op fee, as described in Attachment #2 to this report.

Ashmore and Hiscock. Carried with five opposed and one abstention.

James Rush presented an update on the 22/23 Operating Budget and planning for 23/24 and the Board heard and discussed the following:

- Overview of revenue/income side and changes from the projects, in particular changes to tuition and interest income.
- Impact of pandemic for students accelerating degree progress and continued impact in next year's budget.
- Impact of salary expense increases.
- Commitment to deferred maintenance given anticipated investment over many years, noting conversations and consultation on this budget line.

- Deferred maintenance considerations as buildings reach end of life cycle as issues are much more acute.

The Board took a 15-minute recess.

10. REPORT FROM THE VICE-PRESIDENT, ADMINISTRATION AND FINANCE

a. Student Services Fee 2023/2024

b. Campus Housing Fees

Jacinda Reitsma, Vice-President, Administration and Finance, presented the proposed Student Services Fees for 23/24, noting management's contributions to the development of fees; the role of the Student Service Advisory Committee and associated role originally presented to the Board in 1994; slight decrease in fees as a result of some cost savings from the pandemic; comparator data for fees noting some differences between university fees; and housing fees changes with exception of family housing because of regulatory requirements.

The Board heard a motion to approve the Student Services Fees for all full-time and part-time undergraduate and graduate students' effective 1 May 2023 and to approve campus housing 2023/24 residence fee rates, effective Fall 2023 as presented.

Ye-Mowe and Dong. Carried unanimously.

11. REPORT FROM THE VICE-PRESIDENT, ACADEMIC & PROVOST

a. Co-Op Annual Update

Norah McRae, Associate Provost, Co-operative and Experimental Education, provided the annual Co-op update and the Board heard and discussed the following:

- Five key pillars associated with the strategic plan.
- Changes to major reflective reports and shift to reflective reports associated with professional development courses.
- Upcoming conference for employers.
- Efforts to future proof students and improve the student experience.
- Opportunities for smaller, local employers to attract students.
- Creation of opportunities of work integrated learning at the graduate level.

12. OTHER BUSINESS

There was no other business.

The Board convened in confidential session.

7 February 2023

Andrea Kelman
University Secretary (Acting)

University of Waterloo
SABBATICAL AND
SPECIAL LEAVES
Report to the Board
4 April 2023

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

Boychuk, Gerard, Political Science, July 1, 2023 to December 31, 2023 at 100% salary
*I will complete research on a major SSHRC-funded (awarded 2019) project on female suffrage in the northern Great Plains states and prairie provinces from 1910-21. This project will require significant research travel within Canada and the United States. The project will culminate with a book manuscript entitled *Not a Tinker's Damn: Female Suffrage in the Northern Great Plains States and Canadian Prairie Provinces, 1910-21*.*

Brisley, Neil, Accounting and Finance, July 1, 2023 to December 31, 2023 at 85% salary
I research corporate finance, governance, incentives, and contracts. In addition to ongoing projects in executive compensation, I expect to visit Oxford University to work with a co-author on the measurement and reporting of returns in the Private Equity and Venture Capital industry. This has synergy with my activity in UW's Student Venture Fund, combining innovation, entrepreneurship, and experiential education.

Chaussé, Pierre, Economics, May 1, 2023 to April 30, 2024 at 100% salary
My area of research is econometric theory and statistical package development. I plan to complete and submit for publication some of my research papers on causal inference; add more functionalities to my R packages; publish their vignettes in the journal of statistical software; and move them to github for improved visibility and collaboration. I do not plan to travel.

Faber, Riemer, Classical Studies, September 1, 2023 to August 31, 2024 at 85% salary
I shall pursue research in Greek and Latin poetry, and in neo-Latin literature, that will result in the submission of articles for publication. I especially shall conduct research towards producing an English translation and edition of a Latin commentary by Erasmus, for the series, Collected Works of Erasmus. As opportunities arise, I shall present the results of my research at conferences and colloquia.

Harley, Daniel, Interaction Design and Business, January 1, 2024 to June 30, 2024 at 100% salary
My research focuses on digital media studies and human-computer interaction. Overall, my goal is to disseminate research from two grants. I will finalize publications from my SSHRC Insight Development Grant (ends May 2024) and begin planning for the next stages of that project. I will also develop and disseminate work as co-applicant for our SSHRC Insight Grant (2022-2027).

Marino, Patricia, Philosophy, July 1, 2023 to December 31, 2023 at 100% salary
The application of formal, numerical, optimality methods to difficult social problems pervades contemporary life, in contexts as diverse as health care, transportation planning, fiscal policy, and environmental regulation. I will complete a book project exploring the nature and limits of such methods, by considering the problem that they ignore ethical norms and by analyzing responses to that problem.

McGuirk, Kevin, English Language and Literature, July 1, 2023 to December 31, 2023 at 85% salary
I'll continue my work on sound, ethos, and the novel. The outcome will be two essays on the essayist and novelist Marilynne Robinson.

Nguyen, Kim, Communication Arts/Philosophy, September 1, 2023 to August 31, 2024 at 85% salary
My first book is forthcoming in 2023 by University of Illinois Press and I hope to use this time to both write journal articles that advance the theory and method outlined in the book, and pursue a new line of research that centres anti/decolonial practices in Vietnam, possibly other parts of Asia, and beyond.

Parker, Thomas, Economics, July 1, 2023 to December 31, 2023 at 85% salary
My research is in econometric theory and its applications in economics. I will prepare an article on estimation of the distribution of the impacts of social programs for submission to an academic journal. I will start a new project on the statistical properties of a related (to the previous project) estimator specifically for longitudinal data.

Riddell, Chris, Economics, September 1, 2023 to August 31, 2024 at 94.7% salary
I am a labour economist with a particular interest in the effects of income maintenance programs. I will use the data of the Manitoba Income Maintenance Experiment at the Archives of Canada in Winnipeg to construct a novel dataset, and analyze hitherto, overlooked aspects of one of Canada's most important social experiments. The research will result in a new database and publications in peer reviewed academic journals.

Rybczynski, Kathleen, Economics, May 1, 2023 to October 31, 2023 at 85% salary
My research area is labour economics. I will advance a new SSHRC-IDG funded research project on immigrant women's long-term labour market outcomes. I will also advance two existing research projects: 1) on women's earning trajectories surrounding childbirth, and 2) on outcomes of self-employment in early childrearing years. This research will lead to academic publications, conference presentations, and policy briefs.

Savarese, John, English Language and Literature, September 1, 2023 to August 31, 2024 at 100% salary

I have two current research projects ongoing: 1) on gothic literature and its relation to the history of science; and 2) on the eighteenth-century “ballad revival,” and the role of literary song in the acoustic environment. I plan to continue primary research and to prepare a piece from each project for publication in peer-reviewed venues.

Voorhees, Gerald, Communication Arts, July 1, 2023 to December 31, 2023 at 100% salary
I will edit two books about new formations of game genres for Bloomsbury’s Approaches to Digital Game Studies series focused on Epistemic Genres and Emerging Genres, respectively. I will also continue to administer my SSHRC Connections Grant “ADE for Games Communities” and set the groundwork for further knowledge mobilization by publishing a handbook for anti-racist, decolonial, and equity-oriented games research.

Zhang-Kennedy, Leah, Interaction Design and Business, January 1, 2024 to June 30, 2024 at 100% salary
My research focuses on Usable Privacy and Security and User Experience. I expect to split my six-month sabbatical leave between research visits with collaborators in Germany and Canada. I expect two scholarly publications to result from the research collaborations, which will be submitted to premier interdisciplinary international venues.

Faculty of Engineering

Craig, James, Civil and Environmental Engineering, May 1, 2023 to April 30, 2024 at 100% salary
In addition to continuing my active research program as Canada Research Chair, I intend to spend a significant portion of my sabbatical working on my book entitled ‘Applied Hydrologic Modelling’. I have obtained funding support to travel to the University of Heidelberg (Germany) from Jun-Aug 2023 to work with Dr. Lucas Menzel and other European colleagues.

Elkamel, Ali, Chemical Engineering, January 1, 2024 to December 31, 2024 at 92.6% salary
I will focus on finalizing a book on optimal product design and start writing another book entitled: “Carbon Capture, Utilization, and Storage: A Concept Towards More Sustainable Cities”. I plan to visit research laboratories in Canada, United States, Turkey, and the Middle East to start new collaborations in sustainable process systems engineering. I also plan to update my lecture notes and develop new ones.

Jahed, Hamid, Mechanical and Mechatronics Engineering, September 1, 2023 to February 29, 2024 at 100% salary
My main research areas are cold spray (CS) technology, and durability of materials. On the CS research I would like to focus on the application in printing sensors/circuits on flexible electronics. On the durability of materials, I will be revising and updating the notes for a new “Continuum Mechanics” textbook. It is expected that by the end of sabbatical at least one patent (CS) and a textbook is completed.

Lacroix, Daniel, Civil and Environmental Engineering, May 1, 2023 to October 31, 2023 at 100% salary
The sabbatical is needed to prepare for the submission of my tenure package. My research focuses on the development of innovative structural systems and rehabilitation techniques using advanced materials (e.g., FRP, SMA) for mass timber structures (e.g., buildings, bridges). I plan to stay on campus to conduct research, apply for an NSERC Alliance, and publish at least three papers.

Naik, Kshirasagar, Electrical and Computer Engineering, May 1, 2023 to October 31, 2023 at 100% salary

I will visit the following institutes for international collaboration in the area of security of cyber-physical systems: 1) Indian Institute of Technology (IIT), Dhanbad; and 2) L N Mittal Institute of Information Technology (LNMIIT), Jaipur, India. Presently, I am remotely collaborating with Dr. C. Kumar in IIT Dhanbad and Dr. J. Kar in LNMIIT, and I plan on strengthening this collaboration by visiting their institutes. To complete the second edition of our book, I will visit Dr. P. Tripathy at National Institute of Science and Technology, Berhampur, India.

Nairn, David, Electrical and Computer Engineering, May 1, 2023 to April 30, 2024 at 100% salary
I plan to pursue a new research avenue and continue the work started in my previous sabbatical. The new research is directed at data-dependent calibration of data converters (ADCs). In addition, I intend to expand the automation of undergraduate lab marking to include facilities for automatic grading of design-oriented labs and projects.

Pellizzoni, Rodolfo, Electrical and Computer Engineering, May 1, 2023 to April 30, 2024 at 85% salary
My research project is related to computer hardware and software architectures for safety-critical embedded systems; specifically, the key problem I will address is enforcing timing isolation among software partitions sharing the same hardware platform. I will collaborate with academic partners in Europe to introduce new methodologies and tools to optimally partition hardware resources among the competing software applications.

Poudineh, Mahla, Electrical and Computer Engineering, May 1, 2023 to October 31, 2023 at 100% salary
My research focus is to develop devices for different biomedical applications. Our platforms enable answering fundamental biological questions in diabetes and cancer as well as allow tracking of patient's health status. I am planning to take my sabbatical leave at a top university with access to a top medical school (University of Columbia, MIT, or Cornell Medical School) to learn more about where we can apply our technologies as well as developing new collaborations.

Rosenberg, Catherine, Electrical and Computer Engineering, September 1, 2023 to February 29, 2024 at 85% salary
I will do research in 6G wireless systems at the University of Melbourne (Australia) and the Laboratoire (Paris).

Wei, Lan, Electrical and Computer Engineering, May 1, 2023 to April 30, 2024 at 100% salary
I will continue to conduct research on semiconductor electronic devices and integrated circuits and supervise HQP in my group. I plan to visit my overseas collaborators (in China and US, tentatively) When away from Waterloo, I will continue engaging with HQP through remote meetings and email exchanges (similar to the remote supervision during the pandemic period).

Wu, Yimin, Mechanical and Mechatronics Engineering, September 1, 2023 to February 29, 2024 at 100% salary
My research focuses on materials interfaces for sustainability and electronics. I will devote more time to my research group and supervising graduate students to accelerate the research. Expected outcome would be publishing more papers and filing more patents.

Faculty of Health

Meehan, Sean, Kinesiology and Health Sciences, September 1, 2023 to August 31, 2024 at 94.7% salary

I will conduct human neuroscience research into how the brain uses sensory information to generate movement and how these processes change with practice (neuroplasticity). Studies will use noninvasive methods to measure brain activity and correlate brain activity with behavior.

Potwarka, Luke, Recreation and Leisure Studies, May 1, 2023 to April 30, 2024 at 95.4% salary
My research focuses on consumer behaviour and sport events. I plan on engaging three research initiatives: 1) advancing the work of my Spectator and Experience Technology (SEAT) laboratory (publishing a study; applying for a SSHRC IG); 2) advancing the work of the International Collaborative for Trickle-Down Effect Research (applying for a SSHRC partnership grant); and 3) co-authoring a book “Sport Events and Community Development”.

Snelgrove, Ryan, Recreation and Leisure Studies, September 1, 2023 to August 31, 2024 at 85% salary
This research will develop an understanding of the impacts that illness-based events can have for participants (i.e., people living with an illness, family, friends) and the event conditions and psychosocial mechanisms that facilitate those impacts. Data will be collected at numerous events across Canada in partnership with charitable organizations.

Wood, Laura, Recreation and Leisure Studies, September 1, 2023 to August 31, 2024 at 85% salary
The purpose of my research is to develop greater understandings of international students’ precontemplation perceptions, how they develop those perceptions, and the nature of their experiences with campus recreation. Working with campus recreation interventions will be developed and implemented to increase international students’ participation rates in campus recreation and enhance their experiences.

Faculty of Mathematics

Asokan, N., Computer Science, January 1, 2024 to December 31, 2024 at 91.9% salary
I work in systems security, exploring security/privacy in two classes of systems: (computing) platforms (e.g., hardware, OS, and runtimes) and systems based on machine learning. I plan to spend the first half of my sabbatical at ETH Zurich, and the second half partly in KTH Stockholm and the rest visiting several institutions in Southeast Asia, especially for attracting potential future graduate students.

Brecht, Timothy, Computer Science, May 1, 2023 to April 30, 2024 at 94.7% salary
I plan to work with the NHL on advanced real-time hockey analytics and possibly a sports analytics company like SMT or Sportlogiq. I may also work with and visit sports analytics groups and Simon Fraser University and/or Linköping University in Sweden.

Karigiannis, Spiro, Pure Mathematics, January 1, 2024 to June 30, 2024 at 85% salary
I will complete the writing on two projects: 1) the curvature of the moduli space of torsion-free G_2 -structures, and 2) extensions of the del-delbar lemma from Kahler geometry to more general second order $U(m)$ -structures. I will also spend some time at the CRM in Montreal, where I am co-organizing a Thematic Semester on Geometric Analysis. As part of this program, I will host several of my collaborators for long-term visits to work on our existing research projects.

Liu, Fangda, Statistics and Actuarial Science, July 1, 2023 to December 31, 2023 at 100% salary
My research focuses on insurance design problems and model uncertainty. I will be conducting research and academic visits. Publications on peer reviewed research journal are expected.

Marcoux, Laurent, Pure Mathematics, July 1, 2023 to December 31, 2023 at 85% salary
My research concerns an area of pure mathematics known as Operator Theory and Operator Algebras. I intend to pursue my research on generalisations of Specht’s Theorem to operator algebras, on the

study of the norm-closure of the set of commutators of nilpotent operators on Hilbert space, and to complete a graduate-level monograph on Banach algebras and Operator Algebras.

Salihoglu, Semih, Computer Science, September 1, 2023 to August 31, 2024 at 85% salary
I study software systems to manage and process graph-structured data and have expertise in query processing. I plan to remain in Waterloo to focus on: 1) writing a book on novel techniques for query processing in graph database management systems; and 2) develop the background to study a new component, called transaction management.

Shen, Yi, Statistics and Actuarial Science, September 1, 2023 to August 31, 2024 at 85% salary
My research areas include probability, financial mathematics, and applied statistics. I plan to visit National University of Singapore and Cornell University to discuss various problems in the above areas. Scientific research articles published in good journals are expected as the outcomes of these visits.

Tran, Giang, Applied Mathematics, July 1, 2023 to December 31, 2023 at 100% salary
My area of research is scientific computing with the focus on image and signal processing and data science. I plan to focus on conducting research and writing papers.

Zeng, Leilei, Statistics and Actuarial Science, May 1, 2023 to April 30, 2024 at 85% salary
The general goal is to expand my research into new areas such as causal inference for life history data and observational longitudinal data, and semi-parametric methods for life history data subject to mixed types of censoring. I plan to accomplish this by taking time to just focus on research and travel to other universities/institutions to establish connections and collaborations with people working in these areas.

Faculty of Science

Bizheva, Kostadinka, Physics and Astronomy, September 1, 2023 to February 29, 2024 at 100% salary
I will prepare new grant applications (NSERC RTI, CIHR Projects, NIH and NFRF), all of which have submission deadlines during the F2023 term. I plan to conduct experiments that will generate preliminary results for future grant applications to be submitted in 2024. I will visit potential research collaborators at (University of Luebeck, Germany; Medical University of Vienna, Austria; and IChF, Poland) and clinical collaborators at (Ophthalmic clinic in Sofia, Bulgaria).

Campbell, Melanie, Physics and Astronomy, September 1, 2023 to August 31, 2024 at 93.3% salary
My research will include retinal imaging of a novel, early biomarker of Alzheimer's disease; testing improved methods of remote screening of diabetic retinopathy; studying normal eye development and short sightedness; and testing a novel instrument for two photon ocular therapies. I will apply for funding to move some of these projects forward, travel to collaborate and further develop the associated technologies, including through patents and commercialization.

Doxey, Andrew, Biology, September 1, 2023 to August 31, 2024 at 100% salary
I will continue my research in bioinformatics and genomics, complete unfinished manuscripts, write research grants, and visit the labs of various collaborators around the world.

Endres, Anthony, Earth and Environmental Sciences, May 1, 2023 to April 30, 2024 at 100% salary
My area of research is near-surface geophysics. I plan to publish data and results from my graduate students' research and develop a draft of an e-textbook on hydrogeophysics. The outcome will be the submission of three to four papers to referred journals and a completed first version of the e-textbook.

Holyoak, Todd, Biology, September 1, 2023 to August 31, 2024 at 100% salary

To expand the lab's expertise in protein-structure function relationships that is primarily centred on the characterization of the activities of various proteolytic enzymes, I will gain expertise in small-angle X-ray scattering (SAXS), proteomic identification of cleavage sites (PICS), and computational approaches.

Hudson, Chris, Optometry and Vision Science, January 1, 2024 to December 31, 2024 at 86.4% salary
My area of research is imaging of the eye; ocular physiology and disease. I plan to speed the development of my research as described in the CFI proposal titled "Canadian Vision Imaging Center". If this proposal is unsuccessful, I will work on the re-submission and progressing my research by other means. The outcomes will be improved understanding of the etiology of ocular disease, especially of Diabetic Retinopathy and Space-flight Associated Neuro-ocular Syndrome.

Irving, Elizabeth, Optometry and Vision Science, July 1, 2023 to December 31, 2023 at 100% salary
My study areas include patient eye health awareness, and vision in aviation. My goal is to initiate the process of making UW School of Optometry and Vision Science the 'go-to' for reliable eye health information. The aviation projects have tight timelines but exciting opportunities supporting the Waterloo Institute for Sustainable Aeronautics.

Jamison, Alan, Physics and Astronomy, July 1, 2023 to December 31, 2023 at 100% salary
At the dates requested, my ultracold atoms and molecules lab should be completed and taking some of its first important scientific data. I want to be in the lab full time to teach my students the necessary skills for being successful scientists and guide them to high-impact results.

Leonenko, Yuri, Earth and Environmental Sciences, September 1, 2023 to August 31, 2024 at 100% salary
My area of research is development of novel technologies to mitigate global warming. I am planning to focus on my research working on existent projects/grants as well as expect establishing new collaborations and applying for new funding.

Liu, Juewen, Chemistry, July 1, 2023 to December 31, 2023 at 100% salary
I plan to establish new collaborations with Indian researchers with a VAJRA (Visiting Advanced Joint Research). I will write a major review paper on aptamer research and I plan to develop new grant applications including: 1) an NSERC CREATE grant (I will be the UWaterloo Co-PI and the PI will be in Guelph), and 2) an NSERC Alliance grant.

Mariantoni, Matteo, Physics and Astronomy, September 1, 2023 to February 29, 2024 at 100% salary
I work on superconducting quantum circuits. I am planning to work partly at the Technology Innovation Institute (TII) in Abu Dhabi, UAE, where I will help build a large-scale superconducting quantum computer. For the remainder of my sabbatical, I will help the graduate students in my laboratory at the University of Waterloo, Canada.

Marsden, Mungo, Biology, September 1, 2023 to August 31, 2024 at 100% salary
I am a cell/developmental biologist. This is my final sabbatical leave and I will spend it wrapping up research in the lab. There are a number of manuscripts that need revisions or small amounts of supplemental research done. I will collaborate with colleagues elsewhere to complete the studies. I will also spend the time to start to close my lab down as I will retire September 1, 2025.

2. Sabbatical Cancellations

Faculty of Engineering

[Elkamel, Ali](#), Chemical Engineering, May 1, 2023 to April 30, 2024 at 85% salary

Faculty of Math

[Salihoglu, Semih](#), Computer Science, May 1, 2023 to April 30, 2024 at 96.1% salary

3. Administrative Leaves

Faculty of Arts

[Marino, Patricia](#), Philosophy, January 1, 2024 to April 30, 2024 at 100% salary

The application of formal, numerical, optimality methods to difficult social problems pervades contemporary life, in contexts as diverse as health care, transportation planning, fiscal policy, and environmental regulation. I will complete a book project exploring the nature and limits of such methods, by considering the problem that they ignore ethical norms and by analyzing responses to that problem.

UNIVERSITY OF WATERLOO
BOARD OF GOVERNORS
Report of the Vice-President, Academic & Provost
April 4, 2023

FOR INFORMATION

UNIVERSITY PROFESSOR DESIGNATION

The 2023 University Professor designations are **Philip Beesley** (architecture) and **Geoffrey Fong** (psychology and public health sciences).

Since 2004, Waterloo has awarded this distinction to 33 other individuals. Please visit the following website for a complete list of designations. [University Professors | Provost Office | University of Waterloo \(uwaterloo.ca\)](#)

UNIVERSITY PROFESSOR

The University of Waterloo owes much of its international reputation and stature to the quality of its eminent professors. UW recognizes exceptional scholarly achievement and international pre-eminence through the designation “University Professor”. Once appointed, a faculty member retains the designation until retirement.

Not counting retirees, it is anticipated there will be one University Professor for approximately every 60 full-time regular faculty members, with at most two appointments each year. Such appointments are reported to Senate and the Board of Governors in March and April respectively.

Selection Process

1. Annually, nominations will be sought from Faculty deans, directors of schools and department chairs, as well as from the university community generally. A nominee shall have demonstrated exceptional scholarly achievement and international pre-eminence in a particular field or fields of knowledge. The individual who nominates a colleague is responsible for gathering the documentation and submitting it to the vice-president academic & provost before the December break. The University Tenure & Promotion Committee will act as the selection committee; its decisions are final.
2. A nomination must be supported by at least six signatures from at least two UW departments/schools and must be accompanied by a curriculum vitae and a short, non-technical description of the nominee’s contributions.
3. A nomination must also be accompanied by letters from the nominee’s Dean, and from at least two and no more than five scholars of international standing in the nominee’s field from outside the University. The scholars are to be chosen by the nominee’s Chair/Director in consultation with the Dean and the nominator. The letter of nomination should explain why these particular scholars were chosen.
4. Letters soliciting comments from scholars shall be sent by the Chair/Director. Scholars shall be asked to comment on the impact and specific nature of the nominee’s most influential contributions, addressing their responses directly to the Vice-President, Academic & Provost.
5. The dossiers of unsuccessful nominees remain in the pool for two additional years. The appropriate Dean should provide updated information each year.

James W.E. Rush
Vice-President Academic & Provost

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