

CONSENT AGENDA
to the Open Agenda of the 615th Meeting of the Board of Governors

Thursday, April 25th, 2019
Room 2440R River Building, Carleton University

4.1 ITEM(S) FOR APPROVAL

4.1.1 Approval of minutes of the previous meeting and Business arising from the Minutes

- Approval of the Open Session Minutes of the 614th meeting.

4.1.2 Statement of investment policies and procedures for retirement fund

- A report was circulated in advance.

4.1.3 Pension & Investment Committees Membership

- Executive summary and terms of reference for the committee were circulated in advance.

4.2 ITEM(S) FOR INFORMATION

4.2.1 Committee Minutes

- a) Community Relations and Advancement
 - 109th Meeting – February 20, 2019
- b) Finance
 - 296th Meeting – March 6, 2019
- c) Governance
 - 39th Meeting – March 6, 2019

4.2.2 Minutes from Senate

- Approved Minutes from February 15, 2019



Canada's Capital University

The Board of Governors acknowledges and respects the Algonquin First Nation, on whose traditional territory the Carleton University campus is located.

**Minutes of the 614th Meeting of the
Board of Governors**

**Thursday, March 28, 2019 at 3:00 p.m.
Room 2440R Richcraft Hall, Carleton University**

PRESENT:	Mr. D. Fortin (Vice-Chair)	Mr. J. Durrell (Phone)	Mr. O. Javanpour (Phone)
	Dr. B.A. Bacon (President)	Mr. K. Evans (Phone)	Dr. J. Malloy
	Ms. D. Alves	Mr. G. Farrell	Ms. Y. Osagie
	Mr. T. Arnt	Mr. K. Von Finckenstein	Dr. E. Sloan
	Dr. C. Carruthers	Ms. G. Garland (Phone)	Dr. P. Smith
	Mr. D. Craig	Ms. C. Gold (Phone)	Ms. A. Spiwak
	Ms. B. Creary	Ms. L. Honsberger	Mr. A. Ullett
	Ms. P. Dinsdale (Phone)	Ms. N. Karhu	Ms. E. Wohlbold
REGRETS:	Ms. Y. Baltacıoğlu	Dr. I. Lee	Mr. N. Nanos
	Mr. G. Courtland	Dr. P. Merchant	Mr. R. Wener
STAFF:	Mr. G. Aulenback	Mr. M. Charles	Mr. S. Levitt
	Dr. F. Afagh	Ms. J. Conley	Mr. M. Piché
	Dr. B. Appel Kuzmoarov	Mr. D. Cumming	Ms. B. Reid
	Ms. S. Blanchard	Ms. A. Goth	Dr. J. Tomberlin
	Ms. J. Chandler (Recording)	Dr. R. Goubran	
GUESTS:	Dr. P. Simpson		

OPEN SESSION

1. CALL TO ORDER AND CHAIR'S REMARKS

The Vice-Chair called the meeting to order at 3:01 p.m. All attendees, guests and observers were welcomed to the first meeting of 2019. The Chair expressed condolences on behalf of the Board for those lost in the Ethiopian Plane Crash of March 10th, 2019, including Prof. Pius Adesanmi, and Carleton alum Peter deMarsh.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked for any declarations of conflict of interest from the members. There were none declared.

3. APPROVAL OF AGENDA

The proposed agenda was circulated in advance. No additional items for discussion or questions came forward for consideration

It was moved by Dr. Malloy, and seconded by Mr. Ullett, that the open agenda of the 614th meeting of the Board of Governors be approved, as presented. The motion carried.

4. APPROVAL OF THE CONSENT AGENDA

The following items were circulated in the open consent agenda for approval: open session minutes of the 613th meeting on November 29, 2019, Capital Debt Policy, the Audit and Risk Committee Terms of Reference.

The following items were circulated in the open consent agenda for information: the Audited Financial Statements for the Pension Fund and the Report for the Year-Ended June 30, 2018, the Talk Exchange Report, the Building Program Committee minutes from October 15, 2018, Community Relations and Advancement Committee minutes from October 3, 2018, Finance Committee Minutes from November 8, 2018, Governance Committee minutes from October 4, 2018, the October 19, 2018, November 30, 2018 and January 25, 2019 Senate minutes.

Ms. Honsberger moved, and it was seconded by Dr. Sloan, that the items in the open consent agenda with the exception of the Audit and Risk Committee terms of reference be approved. The motion carried.

Section A of the Audit and Risk Terms of Reference in respect to the engagement of the External Auditor's firm for non-audit work was discussed. The Vice-Chair of the Audit Committee expressed that the external auditors should be considered for other audit related and non-audit work but should not be considered for assignments, the results of which may be subject of future audit examinations. Management, the Audit Committee and the external auditors developed a protocol for approving other work (outlined in Annex A) that requires the external auditors to confirm their independence and disclose all fees earned from the client in addition to audit fees.

Ms. Honsberger moved, and it was seconded by Mr. Evans, to approve the Audit and Risk Committee terms of reference be approved, as presented. The motion carried.

5. PRESENTATION ON COLLECTIVE BARGAINING

Peter Simpson, the Director General of the Federal Mediation and Conciliation Service in the federal Labour Program was welcomed to the Board meeting. Prior to joining the federal government Peter was the Assistant Deputy Minister for Labour Relations Solutions and the Director of Dispute Resolution Services in Ontario's Ministry of Labour where he mediated several challenging rounds of collective bargaining, including several in the post-secondary and secondary education sectors. Prior to joining the Ministry, Peter worked as a lead negotiator and negotiations policy point-person for the Canadian Association of University Teachers.

Mr. Simpson spoke to the Board about collective bargaining, the roles of unions and employers in a university sector suggesting that collective bargaining should be done frequently. When using a more recurrent approach for Labour Relations, items are dealt with sooner, and are therefore less overwhelming. Additionally, Mr. Simpson spoke to the importance of approaching collective agreements with a solution-oriented frame of mind.

6. ITEM(S) FOR APPROVAL

6.1 Carleton University General Operating By-law No.1

An executive summary, special resolution, and by-laws with track changes were circulated in advance.

Mr. Levitt, General Counsel outlined that the amendments to the General Operating By-laws reflect complimentary modifications in the Academic Governance of the University Policy, which is a joint document reviewed and approved in 2018 by the Board of Governors and Senate. Dr. Appel Kuzmoarov, Clerk of Senate, confirmed that the General Operating By-laws as proposed were provided to Senate for their information. Additionally, the General Operating By-laws have been reviewed and are recommended for approval by the Governance Committee.

Mr. Evans moved, and it was seconded by Mr. Von Finckenstein, to approve the amendments to section 9 and 10 of the General Operating By-law NO.1 effective immediately, as presented by special resolution. The motion carried unanimously.

6.2 Engineering Student Design Centre

An executive summary, memo, feasibility report and cost summary were circulated in advance.

Mr. Craig, Chair of the Building Committee introduced this item indicating that the Engineering Student Design Centre was reviewed and is recommended to the Board for approval by both the Building Program Committee and the Finance Committee.

Dr. Afagh, Interim Dean, Faculty of Engineering and Design (FED), outlined the importance of the addition to the MacKenzie Complex, which is student centered project to provide FED students design work space for fourth year capstone projects, which was identified as a current gap (for recruitment and retention) in the experience of engineering students at Carleton. Additionally, the proposed design space is in line with the university's principles of experiential learning and modern pedagogy.

With due considerations given to the Campus Master Plan, the green space next to parking lot R4 (on Library Road) was selected as an appropriate site to add an Engineering Student Design Centre as an extension to the northern face of 3rd block of Mackenzie Engineering complex. The addition will be visible from Colonel By Drive.

The architecture firm Perkins and Will were retained after a competitive RFP process, which involved developing a concept design study to create a model for an Engineering Student Design space. The project budget is based on a class D cost estimate of \$11M including all fees, and contingencies. Funding for this project is coming from FED's budget carry-over. The FED chairs and technicians were consulted during the design concept development. Estimated occupancy is projected for September 2020.

There was a preliminary discussion regarding Phase 2 of the project with a new Engineering Building. The proposed space for this project is across from the Student Design Centre on Library Road beside the residence complexes. The project budget for the Student Design Centre includes costs for the conceptual design of Phase 2.

It was moved by Mr. Ullett, and it was seconded by Dr. Smith, to approve the design and construction of the Engineering Student Design Centre addition at a cost not to exceed \$11M. The motion carried.

6.3 2019/ 2020 Ancillary Budget

An executive summary and report were circulated in advance.

Ms. Alves, Vice-Chair of the Finance Committee introduced the proposed 2019/20 ancillary budget which provides a total revenue of \$69.1M, operating expenses of \$46.7M, \$21M in renovations/debt reductions. Of the net operating surplus of \$1.4M, it is proposed that \$1M be transferred from the Ancillary Capital Fund to the University's operating fund to help address external fiscal challenges/pressures. This \$1 million will be invested into student success, which is in line with the core mission of the university.

Ancillary fees are reviewed annually to ensure they are competitive, and compliance with the ancillary fee protocol. Fee increases are based on the consumer price index.

Dominion Chalmers Centre (DCC) revenues and expenses are lower than expected for 2018/19. Management advised that the DCC operation is sustainable and will reach its anticipated goals, albeit on a longer timeline than originally anticipated.

The proposed 10% increase in parking rates for 2019/20 were discussed. The overall transportation strategy is currently under consideration, including a long-term pricing strategy. Carleton's parking rates are currently lower than the market. Parking rates are determined through a number of factors. The increase would allow for the accumulation of a reserve to fund a future parking structure when P9 is no longer functional in approximately five years.

It was moved by Ms. Alves, and it was seconded by Ms. Honsberger, to approve the 2019/20 Ancillary Budget, as presented. The motion carried.

6.4 2019/2020 Tuition Fees & Miscellaneous Fees

An executive summary and presentation were circulated in advance.

The domestic student fees are fully regulated by the provincial government under the Tuition Fee Framework, and Carleton is required to reduce domestic tuition fees by 10% in 2019-20, relative to the 2018-19 levels.

International fees are not regulated and are set using long-term strategy based on competitive market analysis and demand. There is a proposed increase of international fees by 3 – 8%.

Miscellaneous fees were proposed to follow the Consumer Price Index of 2.5% increase with the exception of the Graduate Application Fee, which was proposed to increase by \$10 which is matched by uOttawa and has not been increased for over 10 years.

It was moved by Ms. Alves, and it was seconded by Mr. Farrell, to approve the University's 2019/20 domestic and international tuition fees, in line with the new government tuition fees framework, and the miscellaneous administrative fees, as presented. The motion carried.

6.5 Board Award for Outstanding Community Achievement

A memo was circulated in advance.

Ms. Elinor Sloan, Vice-Chair of the Community Relations and Advancement Committee brought forward the recommendation from the Board Award Jury for the 2018/19 Board

Award recipient. The Jury had a very strong field of candidates with 20 nominations received. The jury sought an individual who engaged in longstanding volunteerism with an emphasis on service to others.

Ms. Frohan Foroutan was recommended for the award based on her passion for volunteerism. She has mentored a variety of demographics on campus, including: mature learners, students with disabilities, and international students. For the better part of a decade, she has guided peers in various capacities such as a Bounce-Back Mentor, First Year Connections' Mentor, Enriched Support Program Facilitator, Paul Menton Centre Tutor and Mentor, and as a teaching assistant and in various roles at the Carleton Undergraduate Economics Society.

It was moved by Ms. Sloan, and it was seconded by Ms. Spiwak, to approve Frohan Foroutan as the recipient for the 2018/19 Board of Governors Award for Outstanding Community Achievement, as presented. The motion carried.

7. ITEMS FOR INFORMATION

7.1 Free Speech Policy

On Aug. 30, 2018 the Premier's office issued a statement advising all Ontario colleges and Universities to develop and post publicly a free speech policy by Jan. 1, 2019. This statement contained eight minimum standards that should appear in the policy. Universities not in compliance were advised they could face budget cuts.

Professor Betina Appel Kuzmoarov, Clerk of Senate was tasked with coordinating an ad hoc task force to draft this statement. The task force consisted of two students, three faculty members, and one contract instructor. Once the draft was created, the policy was open for comments and review by the Carleton community. The policy received 135 comments, an open letter, and a petition.

The Free Speech Policy passed unanimously in Senate at the November 30th, 2018, meeting the Provincial Government's requirements and timelines.

There was a discussion regarding how Carleton's Free Speech Policy compared with other universities policies. A question was asked why Ontario Colleges were able to make a homogenous statement, while each Ontario University created a policy distinct to themselves. Based on each Universities autonomy, distinct history, different policy frameworks and in some cases already existing Free Speech Policies, it was decided that a unique policy was the best course of action was for each Ontario University but a general approach and set of principles were followed.

It was moved by Dr. Sloan, and it was seconded by Ms. Creary, to endorse the Free Speech Policy, as presented. The motion carried unanimously.

7.2 Annual Report on Sexual Violence:

Ms. Bailey Reid, Coordinator of Sexual Assault Services and Equity Advisor was welcomed to the meeting. It was noted that President Bacon and the Chair of the Board, have received the Sexual Violence Prevention and Response Training facilitated by Ms. Reid.

Ms. Reid delivered a presentation regarding the statistics of Sexual Violence disclosures, formal investigations, and training that took place on campus in 2018. The amount of disclosures received in the office of Equity Services rose from 61 to 168 in 2018. Formal investigations rose from 3 to 5. Additionally, there was a total of 125 hours of training provided on the topic of Sexual Violence.

Of the 168 disclosures made to Equity Services this year, 68 happened within one year of disclosing, 36 happened on campus, and 50 involved a respondent from Carleton. Approximately 70% of these incidents fell under the sexual assault and harassment umbrella as opposed to voyeurism, indecent exposure, sexual exploitation, and stalking. Largely, the increase of disclosures is seen as a positive statistic, as it means that individuals on campus are aware and feel comfortable using the services available.

Ms. Reid provided an overview of the training delivered on campus, which included but was not limited to: consent training for every student living in residence, training for all varsity athletes, and conjoined training between the Ottawa Police Service and Campus Safety for responding to disclosures. In 2019, there are plans to have a responding to disclosures 2.0 training, as well as an alternative resolution model, and a document titled campus strategy on sexual violence prevention – which will be a living document that everyone on campus can contribute to.

The discrepancies between the disclosures reported by Equity Services and a recent Ontario wide survey published in the Ottawa Citizen were brought to the Board's attention. Ms. Reid stated that the number of disclosures she reported were strictly based on the students who visited the Equity Services Office, and therefore did not account for those who may have disclosed to other campus members or to off campus services.

Ms. Reid was thanked for her work on prevention, training and support for survivors.

7.3 Report from the Chair

Mr. D. Fortin, Vice-Chair, congratulated Ms. Jennifer Conley, Chief Advancement Officer and the advancement team on reaching their \$300 million goal in the Collaborate Campaign. Additionally, Mr. Fortin thanked the three University Presidents who worked for Carleton throughout the duration of the campaign, including: Dr. Roseann Runte, Dr. Alastair Summerlee, and Dr. Benoit-Antoine Bacon.

7.4 Report from the President

Dr. Benoit-Antoine Bacon shared his condolences on behalf of the Carleton community to the victims of Ethiopian plane crash that took place on March 10th, including Carleton alum Peter deMarsh, and the Director of African Studies and member of the Department of English Language and Literature, Dr. Pius Adesanmi.

Dr. Bacon congratulated Jerry Tomberlin, Dana Brown, Larry Kostiuk, and Patrice Smith for their appointments as Provost and Vice-President (Academic), Dean of the Sprott School of Business, Dean of the Faculty of Engineering and Design, and Dean of the Faculty of Graduate and Postdoctoral Affairs respectively. Additionally, faculty member Sarah Todd in the School of Social work was recognized for her 3M teaching fellowship, which is the highest attainable honour for teaching at a University.

Both the Men's Basketball Team and the Men's Curling Team were congratulated for their National Championship Title. It is the Men's Basketball Teams 14th title, and the first title for Men's Curling.

The partnership between Dominion Chalmers Centre (DCC) and the Ottawa Symphony Orchestra was celebrated with an inaugural event of the collaboration on April 1st, 2019. The academic planning associated with DCC has been coordinated by Pauline Rankin, Dean of the Faculty of Arts and Social Sciences, who has made the decision to postpone any academic activity until Fall 2019. The focus for the DCC for the winter and summer terms will be conferences and special events.

7.5 Update on the Comprehensive Campaign

Ms. Jennifer Conley, Chief Advancement Officer thanked the Board of Governors for their support throughout the Here for Good campaign which reached its fundraising goal in February 2019. The celebration to commend this achievement will take place on April 17, 2019. A full Campaign Completion Report will be brought forward to the Board in June 2019.

7.6 Committee Chair Report

a) Building Program Committee

Mr. D. Craig provided an updated from the March 6th meeting of the Building Program Committee. The committee endorsed the Capital Planning Process Policy, which was created to ensure an efficient process for major capital projects from concept to implementation. Additionally, the plan for the Engineering Student Design Centre was discussed and recommended for approval. The audit recommendations from the Capital Planning Internal Audit were reviewed, and it was reported that all items have

been completed with the exceptions of the Project Management Framework and the Health and Safety Oversight, which were scheduled to be completed in March of 2019.

The Major Capital projects and Deferred Maintenance update reported:

- The ARISE Building phase 2 (fit up) is on schedule. The project overall is over budget due to site conditions.
- The Co-Generation plant is behind schedule but on budget.
- The Nicol Building is proceeding on schedule and on budget. Work on Level 2 has started.
- Athletics is completing an extensive consultation process to see how best to update the facilities.
- The expansion of P18 has been deferred.

Mr. Craig also mentioned the potential merger of the Building and Finance Committees in the upcoming year, which will be further reviewed at the Governance Committee.

Finally, members thanked Ms. Lesley Watson, former member of the Building Program Committee for her service on the Board of Governors.

b) Community Relations and Advancement

Dr. Elinor Sloan, Vice-Chair of the Community Relations and Advancement Committee provided an update from the February 20th meeting. The committee discussed the Board Award recommendation, where Ms. Frohan Foroutan was approved to be recommended to the Board of Governors as the recipient.

Additionally, the committee discussed the major projects that the Department of University Communications is currently engaged in upon campus, including: reputation research, senior leadership announcements, the President as keynote speaker at the Mayor's Breakfast, Carleton University Indigenous Strategic Initiatives Committee, and a number of events taking place at Dominion Chalmers Centre.

The committee received an update on student enrolment, which is presently seeing considerable growth as compared to last year. The committee also received an update on the Student Mental Health Initiatives Framework 2.0, which among other improvements, includes additional counselors and psychiatrists to eliminate wait times on campus.

The committee also made the decision to eliminate their Talk Exchange Events due to limited attendance, and instead encouraged Board Members to engage with the Carleton community through a variety of events.

c) Finance Committee

Ms. Debra Alves, Vice-Chair of the Finance Committee provided a brief overview of the March 6th meeting. The committee reviewed the Engineering Student Design Centre addition, and the 2019-20 Ancillary Budget and Tuition Fees and Miscellaneous Fees which were subsequently recommended to the Board of Governors for approval. Additionally, the committee received an update on the planning framework for the 2019-20 Operating Budget, the current Operating Budget was reviewed (currently forecasting a \$2.2 million shortfall, largely based on lower than budgeted tuition fees).

d) Governance Committee

The Chair of the Governance Committee, Mr. Ken Evans, a summary of the March 6th meeting. The committee discussed the Draft Sexual Violence Policy. Mr. Evans stressed the complexity of the document and stated that more user-friendly versions and attachments to the document are currently in the works, including an index and a flowchart. The Capital Debt Policy was also reviewed at the March meeting, which was subsequently recommended to the Board of Governors for approval. Additionally, the Governance Committee confirmed that the Board of Governors will be using the same self-assessment questionnaire as last year for reasons of consistency. Mr. Evans also described the potential merging of committees, including: Governance and Nominating, Building and Finance, and folding the HR subcommittee into Executive. Less standing committees is the most efficient practice, however there is still much work to be done on this issue before it can be implemented. Finally, the best practices review was discussed. Of the 26 best practices outlined in the report, 10 are completed, 9 are in progress, 5 are on hold, and 2 will be implemented in September 2019.

8. OPEN- OTHER BUSINESS

There was no other business to be addressed.

9. OPEN-QUESTION PERIOD

There was no other questions.

10. END OF OPEN SESSION AND BRIEF NETWORKING BREAK

There being no further business, it was moved by Mr. Craig, seconded by Ms. Yvonne to adjourn the Open Session of the Board of Governors at approximately 5:26 p.m.

BOARD OF GOVERNORS REPORT

To: Board of Governors	Date of Report: 28 March 2019
From: Pension Committee	Date of Meeting: 4/25/2019
Subject: Carleton University Retirement Plan – Approval of the Statement of Investment Policies and Procedures for the Retirement Fund	
Responsible	
Portfolio: Director, Pension Fund Management	

1.0 PURPOSE

☒ For Approval ☐ For Information ☐ For Discussion

2.0 MOTION

Approval of the Statement of Investment Policies and Procedures for the Trust Fund Created Under the Carleton University Retirement Plan, dated June 30, 2019.

3.0 EXECUTIVE SUMMARY

The Pension Benefits Act of Ontario requires that a Statement of Investment Policies and Procedures (“SIPP”) be established for every registered pension plan. The SIPP must be reviewed and approved annually. This annual process is part of the governance process in place to ensure that the assets of the Retirement Fund are invested prudently and effectively to support the goal of the Retirement Plan to assist Plan beneficiaries in attaining a financially secure retirement income at a reasonable cost.

The SIPP is filed with the Financial Services Commission of Ontario.

4.0 INPUT FROM OTHER SOURCES

The draft SIPP, effective June 30, 2019, as recommended by the Pension Committee for approval, is attached. Also attached is a glossary of investment terms; this is for information only.

5.0 ANALYSIS AND STRATEGIC ALIGNMENT

The University is the Sponsor of the Plan. Per the governance structure of the Plan, the Finance Committee and Board of Governors are required to approve certain decisions of the Pension Committee. One of these is a recommendation to approve the SIPP.

The SIPP is the document that formally outlines investment policy for the \$1.3 billion Retirement Fund (“the Fund”). In particular, it defines the asset mix policy for the plan, rate of return expectations, and categories of eligible investments. It also sets out the mandates for the Fund’s investment managers.

The Pension Committee reviews the SIP&P annually. The SIPP was approved by the Pension Committee at its meeting on March 7, 2019.

There are very few changes to the SIPP this year. They are highlighted in the attached document. They are:

- Change of the effective date of the document from June 30, 2018 to June 30, 2019.
- In Section 4.5 (Benchmark Portfolio, page 4-5), the table showing the benchmark portfolio has been revised to comply with new disclosure requirements under Ontario’s pension funding reform (new rules were released in May, 2018). The table shows the various asset classes in which the Fund is invested, the benchmark indices

against which performance of the Fund is measured, and the weighting of each asset class in the total portfolio. A new column was added to show the “investment category” of each asset class. The investment categories are defined in the Regulations that accompany the Pension Benefits Act. This additional disclosure does not have any impact on the policy asset mix for the Fund which has not changed.

- In section 5.1 (Asset Mix Policy, page 6), the table has been changed to include the additional disclosure as discussed immediately above.
- In section 6.1.B3 (Permitted Investments, Fixed Income, page 8), language has been added to allow clarify that all bond rating agencies used to classify fixed income investments must be recognized by competent authorities.

There were no changes to the policy asset mix of the Fund or the mandates of the external investment counsel who manage the assets.

6.0 FINANCIAL IMPLICATIONS

Investment policies define how plans will carry out their investment program, in order to strengthen both the financial condition of the plan and the promise to deliver benefits to plan participants. Investment policies set out investment goals and priorities, articulate the asset allocation strategy and convey performance review and measurement criteria to all interested parties.

The lack of a SIPP or the failure to review and update the SIPP annually could jeopardize rate of return achieved on the Fund. This return directly affects the funded status of the Retirement Plan and related university contributions.

7.0 RISK, LEGAL AND COMPLIANCE ASSESSMENT

This annual review of the SIPP assists the Finance Committee of the Board as it supports the University in its role as Sponsor and Administrator of the Retirement Plan.

The financial stability of the Plan is of strategic importance to the University, given its size, continued growth, and potential for volatility in funding requirements. Operational and financial risk are high as contributions to the Plan have been in excess of \$25M annually and are projected to increase. Volatility in funding requirements puts pressure on the operating budget. A related risk is market risk; i.e. the failure to achieve satisfactory returns due to capital market conditions, and related impairment of the assets supporting the Plan liabilities. Steps are taken to mitigate these risks through oversight and managing the Fund in accordance with prudent investment policy,

The Plan is subject to regulatory risk as well, in this case, in ensuring that the University complies with all disclosure requirements relating to the investment policy. Failure to do so could result in the application of a fine for lack of compliance.

8.0 REPUTATIONAL IMPLICATIONS AND COMMUNICATIONS STRATEGY

None

9.0 OVERALL RISK MANAGEMENT ANALYSIS

	LOW	MINOR	MODERATE	SERIOUS	VERY SERIOUS
STRATEGIC	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEGAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OPERATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TECHNOLOGICAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REPUTATIONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Carleton University Retirement Fund
Statement of Investment Policies and Procedures
Glossary of Investment Terms

Active Investing: A style of investing whereby investment counsel seek out securities that they believe will perform better than the market as a whole. (See also Passive Investing and Index.) The return on an active portfolio is expected to be greater than the return on the indices.

American Depository Receipts (ADRs): A system devised by the American investment community whereby the original stock certificate of a foreign security is registered in the name of an American trust company or bank and held in safekeeping by them. The trust company or bank then issues receipts against these stocks, and these are traded as ADRs.

AIMR: The Association for Investment Management & Research, this organization is the primary professional organization for securities analysts, investment managers and others involved in the investment decision-making process. The AIMR Code of Ethics and Standards of Professional Conduct are widely accepted.

Bankers Acceptance: A type of negotiable commercial paper issued by a non-financial corporation but guaranteed as to principal and interest payments by its bank.

Benchmark: A standard of measurement used to evaluate the performance of a portfolio. The benchmark can be a passive index or the performance of a universe of similar portfolios.

Bond: A long-term debt security on which the issuer agrees to pay the holder a specified amount of interest for a specified length of time, and to repay the loan on its maturity date.

Book value: The acquisition value of a security.

CBRS: Canadian Bond Rating Service. See Rating

Certificate of deposit: A fixed-income debt security issued by a chartered bank with maturities of one to six years.

Collateral: Securities or other property pledged by a borrower as a guarantee for repayment of a loan.

Commercial paper: Short-term negotiable debt securities issued by non-financial corporations with terms of a few days to a year.

Convertible: A bond, debenture or preferred shares which may be exchanged by the owner, usually for the common stock of the same company.

Carleton University Retirement Fund

Glossary of Investment Terms

Counterparty risk: The risk that the party on the other side of a transaction will be unable to fulfill its obligations under the contract.

Coupon: A portion of a bond certificate entitling the holder to an interest payment of a specified amount on or after its due date.

CPI: The consumer price index, a measure of inflation in the economy.

Credit Risk: The ability of a bond issuer to pay interest and principal on a timely basis or the likelihood that an issuer will default on principal or interest payments. Also known as default risk.

Credit Default Swap: A swap designed to transfer the credit exposure of fixed income products between parties. The purchaser of the swap makes payments up until the maturity date of a contract. Payments are made to the seller of the swap. In return, the seller agrees to pay off a third party debt if this party defaults on the [loan](#). A CDS is considered insurance against non-payment.

Currency risk: The risk that changes in foreign exchange rates will reduce the dollar value of overseas investments. A currency hedge seeks to eliminate this risk (see Hedging.)

DBRS: Dominion Bond Rating Service. See Rating

Debenture: A certificate of indebtedness of a government or company backed only by the general credit of the issuer.

Derivatives: Securities that have a relationship to an underlying asset or rate. The value is “derived” from the value of the underlying asset. Options, futures, and forward contracts are all forms of derivatives.

Diversification: Spreading investment risk by buying different securities in different countries, asset classes, and businesses.

Dividend: An amount distributed out of a company’s profits to its shareholders in proportion to the number of shares they hold. A preferred dividend remains at a fixed annual amount; a common dividend may fluctuate.

Duration: A measure of a bond’s average maturity. Specifically, it is the weighted-average maturity of all future cash flows paid by the bond, where the weights are the discounted present value of these cash flows.

Carleton University Retirement Fund

Glossary of Investment Terms

Emerging markets: Generally considered to be certain countries in Asia (China, India, Indonesia, Malaysia, South Korea, Taiwan and Thailand), Europe, Middle East and Africa (Czech Republic, Hungary, Poland, Russia, Turkey, Egypt, Morocco and South Africa), and Latin America (Argentina, Brazil, Chile, Columbia, Mexico, Peru and Venezuela).

Equity investments: Securities that represent ownership interest in a firm. Commonly called stock.

Fixed Income: Bonds, debentures or other debt instruments. These securities pay interest and repay the invested capital at a future date (maturity).

Forward contract: A customized contract to buy or sell an asset at a specified date and at a specified price. No payment is made until maturity. (See also Derivatives)

FTSE TMX 91-day T-Bill Index: An index used to measure the performance of managers investing in Canadian cash and short-term (less than 1 year) investments

FTSE TMX Canada Bond Index: An index used as a benchmark to measure the performance of managers who invest in bonds.

Futures contract: A standardized contract to buy or sell an asset at a specified date and at a specified price. The contract is traded on an organized exchange, and the potential gain/loss is realized each day. (See also Derivatives)

Growth investing: Selection of securities with good prospects for above-average earnings growth relative to the rest of the market.

Guaranteed Investment Certificate: A security, usually issued by a trust company, requiring a minimum investment at a predetermined rate of interest for a stated length of time.

Hedge: A transaction intended to reduce the risk of loss from price fluctuations.

High-yield debt: Fixed income investments that are typically rated lower than BBB.

Index: Widely-used measures of the performance of the stock or bond market, based on the performance of certain stocks or bonds that are components of the index. These are used as benchmarks for evaluating the performance of investment counsel.

Index participation unit: A security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange.

Carleton University Retirement Fund

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Infrastructure: The basic physical systems of a country. Transportation, ports, communication, energy, water and electric systems are all examples of infrastructure. Infrastructure investments tends to be less volatile than equities over the long term and generally provide a higher yield than conventional fixed income investments.

Installment receipts: A new issue of stock sold with the obligation that the buyers will pay the issue price in a specified series of installment payments instead of by a lump sum.

Interest rate risk: The potential for fixed income investments to decline in value as interest rates rise. (When current interest rates rise relative to the rates of bonds held by an investor, the principal value of the bonds in the investor's portfolio falls.)

Leverage: Seeking magnified returns on investment by using borrowed funds.

Liquidity: The ability of the market in a particular security to absorb a reasonable amount of buying or selling at reasonable price changes. Also refers to the Fund's ability to generate cash to meet ongoing pension payments.

Market risk: That portion of a particular security's risk that is common to all securities in its general class. This is the risk inherent across a broad market such as the bond market or stock market that cannot be eliminated by diversification; it is the chance that an entire financial market may decline.

Margin: The amount paid by an investor when credit is used to buy a security; the balance is loaned to the investor.

Maturity: The date on which a bond or debenture becomes due and is to be paid off.

Merrill Lynch U.S. High Yield Constrained Index: An index used as a benchmark for measuring the performance of high-yield debt managers.

Morgan Stanley Capital Investment (MSCI) World Index: A stock index used as a benchmark for measuring the performance of managers of non-Canadian stocks.

Mortgages, Direct – ownership of an interest in a single property by holding a mortgage

MSCI Emerging Markets Index: An index used to measure equity market performance in global emerging markets.

Option: The right to buy or sell specific securities at a specified price at a specified future date.

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Passive Investing: Investing by replicating the security positions held in market indices. The expected return on such a portfolio is very close to the expected return on the indices. (See also Active Investing and Index.)

Pooled Fund: An investment fund made up of a number of securities. The investor holds units in the fund. Each unit represents a share of the total fund. This is as opposed to holding direct investments in the securities.

Preferred Stock: A class of shares that entitles the owner to a fixed dividend ahead of the company's common shares. Usually do not have voting rights.

Present Value: The current worth of a future cash flow.

Private Placements: The sale of securities to a relatively small number of select investors (normally large financial or institutional investors) as a way of raising capital. Private placements are the opposite of publically-traded securities which are available for sale on the open market.

Real return: The investment return adjusted by the inflation rate.

Rating: Evaluation by a credit rating agency, such as CBRIS or DBRS, of a bond's investment quality.

Rebalancing: The act of reallocating assets within an investment fund in order to align the portfolio with the benchmark portfolio; that is, the policy asset mix for the fund as defined in the Statement of Investment Policies and Procedures.

Rights: A short-term privilege granted to a company's shareholders to purchase additional common shares, usually at a discount, from the company itself, at a stated price and within a specified time period.

Risk tolerance: Risk here is defined as the variability of investment returns. Investors with a low risk tolerance will look to invest in lower-yielding investments that do not have large fluctuations in the pattern of returns over time.

Scotia Capital Markets (SCM) 91-Day T-bill Index: see DEX Index

Scotia Capital Markets (SCM) Universe Index: See DEX Index

Sector: Industry groupings of the stocks in the equity market. Also the grouping of bonds by type of issuer (federal, provincial, municipal governments and corporate). Diversification by sector is a risk-control strategy.

Securities lending: A program, administered by the custodian, by which securities held in the portfolio are loaned on a short-term basis, for a fee, to another investor. The

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borrower under the program must provide collateral equal to 105% of the value of the loaned security to protect the fund from the risk that the security is not returned.

Section 144A securities: Privately placed securities that may be traded among qualified (i.e. large, sophisticated) investors. Section 144A is the Securities & Exchange Commission rule that permits this without the usual two-year holding period requirement on privately placed securities.

Small-cap: Refers to smaller companies in the portfolio, as measured by market capitalization (i.e. the total value of all outstanding shares). In Canada, small cap is defined as firms having a market capitalization of less than \$500 million; outside of Canada small cap is defined as those firms having a market capitalization of less than \$1 billion. Small cap stocks tend to be less liquid than large-cap stocks (see Liquidity).

Soft-dollar arrangements: An arrangement between an investment manager and a broker whereby a portion of the commission paid on a trade is used to cover the cost of research supplied by the broker to the manager, or to cover the cost of a third-party service used by the plan sponsor.

Solvency position: Refers to the funded status of the Retirement Plan on the hypothetical assumption that the Plan is wound up immediately. When the liabilities for accrued benefits in the Plan exceed the market value of the Plan's investments, the Plan would be in a solvency deficit position.

Sovereign debt: Bonds issued by national governments, in a foreign currency, to finance their countries' growth. The risk of these bonds is linked to a country's stability.

S&P/TSX Capped Composite Index: An index used as a benchmark to measure the performance of managers who invest in Canadian equities. The Capped Index does not allow the value any single stock position to exceed 10% of the total value of all the securities in the index.

Term deposit: A fixed-income security, most commonly available from chartered banks, requiring a minimum investment at a pre-determined rate of interest for a stated length of time.

Treasury bills: Short-term government debt. T-bills do not pay interest but are issued at a discount (i.e. less than the face value). At maturity, the investor receives the face value. The difference between the discounted purchase price and the face value is the purchaser's income.

Value-added target: The amount by which an investment manager is expected to outperform the returns that can be received on a passively-invested portfolio.

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Value investing: Seeking stocks that appear “cheap” relative to a valuation model; such equities typically have assets and earnings selling at a discount relative to the market.

Venture capital: Investments in new firms, usually before public offerings of shares of the company. Typically accessed through a pooled fund.

Volatility: A measure of the uncertainty about the future price of an asset. Usually measured by the standard deviation of returns on the asset, it reflects the range of gain or loss in a given investment.

Warrant: A certificate giving the holder the right to purchase securities at a specific price within a specified time period.

Yield: The return on an investment.

Statement of Investment Policies and Procedures
for the
Trust Fund Created Under
The Carleton University Retirement Plan

Prepared pursuant to
The Pension Benefits Act of Ontario
Registration Number 0526616

June 30, 2019

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Section 1 – Purpose

- 1.1 Carleton University (the “University”) provides pension benefits to its employees through the Carleton University Retirement Plan (the “Plan”). The primary goal of the Plan is to assist Plan beneficiaries in providing for a financially secure retirement income at a reasonable cost. The prudent and effective management of the Trust Fund (the “Fund”), as described in Section 13 of the Plan, will have a direct impact on the achievement of this goal.
- 1.2 This statement of investment policies and procedures (the “Statement”) addresses the manner in which the Fund shall be invested to achieve the primary goal of the Plan. The University has prepared the Statement to ensure continued prudent and effective management of the Fund so that there will be sufficient amounts to meet the obligations of the Plan as they come due. The Statement also defines the management structure and other procedures adopted for the ongoing operation of the Fund.
- 1.3 This statement has been prepared in accordance with all relevant legislation relating to the investment of registered pension plans assets. Investments shall be selected in accordance with the criteria and limitations set forth herein and in accordance with applicable legislation.
- 1.4 All references to the terms of the Carleton University Retirement Plan contained in this Statement are of a summary nature only. The Plan is administered in accordance with the terms of the Plan text as amended from time to time.
- 1.5 In accordance with section 78 of Regulation 909 of the Ontario Pension Benefits Act, this policy complies with the federal investment rules under Canada’s Pension Benefits Standards Regulation, 1985.

Section 2 – Governance and Administration

- 1.2 Section 15 of the Retirement Plan states that the Plan will be administered by the University. Section 15 also describes the composition and role of the Pension Committee (the “Committee”). The Committee is responsible for all matters in regard to the administration of the Plan. Various agents may be retained to assist the Committee in carrying out their duties in respect of the Fund. From an investment standpoint, the Committee is responsible for reviewing the performance of the Fund, and for the preparation of recommendations to the Board of Governors (the “Board”) of the University as to the appointment of the investment managers (the “Managers”) and the custodian.

- 2.2 The Board, the Committee, the Managers, and any agent or adviser providing services in connection with the investment of the Fund accepts and adheres to this Statement.
- 2.3 This Statement provides broad investment guidelines for the management of the Fund. The management of the assets of the Fund is delegated to professional investment managers. Neither the Board of Governors, the Pension Committee nor any employee of the University shall select securities on behalf of the Fund.
- 2.4 In developing the Statement, the Committee has considered factors such as the following:
- the nature of the Plan's liabilities;
 - the allocation of such liabilities between active members and retired members;
 - the funded and solvency positions of the Plan;
 - the net cash flow position of the Plan;
 - the investment horizon of the Plan;
 - expected risk tolerance of the University and Plan beneficiaries,
 - historical and expected capital market returns and volatilities; and
 - the benefits of investment diversification.
- 2.5 The mandate of each Manager appointed shall be determined by the Committee, subject to approval by the Board.
- 2.6 A Custodian will be appointed for all or part of the Fund assets. Any Custodian shall be a trust company registered in Canada. All investments and assets of the Fund shall be held by a Custodian.
- 2.7 The Fund's financial statements shall be audited by an independent auditor at least annually. The audited statements shall be reviewed and approved by the Committee and reviewed by the Board of Governors.
- 2.8 This policy shall be reviewed and approved by the Committee at least annually. It may be reviewed and amended from time to time by the Committee. It must be reviewed and approved annually by the Board of Governors.

Section 3 – Plan Overview

- 3.1 The Plan is fundamentally a money purchase plan, with contributions of 4.37% of pensionable earnings up to the Year's Maximum Pensionable Earnings (YMPE) plus 6% of pensionable earnings above the YMPE being made by each active member to that member's Money Purchase account. The University makes contributions of 4.62% of pensionable earnings up to the YMPE plus 6.25% of pensionable earnings above the YMPE to the member's Money Purchase account.

Members make an additional contribution of 1.7% of pensionable earnings up to the YMPE and 2.4% above the YMPE, to a maximum of an additional 2% of pensionable earnings to the Minimum Guarantee Fund. The University makes an additional annual contribution, based on actuarial requirements, and in accordance with relevant legislation to the Minimum Guarantee Fund.

Contributions to the Minimum Guarantee Fund are essentially used, as required, to ensure that an active member's pension on retirement is not less than that produced by a defined benefit formula.

- 3.2 An account is maintained for each active member and for each former member for whom a balance has been left in the Fund. This account is credited with relevant contributions as well as a proportionate share of the Fund's investment return. Money Purchase Pensions are based on the amount in a member's account. Active members and these former members therefore have a direct interest in the Fund's return.
- 3.3 For pensioners, annual member pension benefits, including lifetime and bridge benefits, are adjusted by a percentage equal to the four-year arithmetic average investment return earned by the fund minus 6%. So that annual adjustments are reasonably smooth, a four-year moving average of the Fund's return is used in the formula and there is a non-reduction provision for service prior to July 1, 2003. Pensioners therefore have a direct interest in the Fund's return.
- 3.4 As the Sponsor of the Plan, the University always has an interest in the success of the Plan, and therefore in the Fund's return.

Section 4 – Investment Objectives and Mandates

Investment Objectives

- 4.1 The Committee shall manage the Fund on a going concern basis, with the primary objective of providing reasonable rates of return, consistent with available market opportunities, a quality standard of investment, and commensurate with the University's risk tolerance level.
- 4.2 As the result of analyzing the relevant investment-related features of the Plan's design, the Committee has identified the fundamental risk policy issue as follows:
- To identify the best way of achieving an acceptable degree of opportunity for high long-term returns, subject to the following constraints:
 - safeguarding the University's contribution rate;
 - maintaining reasonable stability in pensioners' annual increases;
 - acceptably protecting the money purchase balances of active members nearing retirement.
- 4.3 After studying several different approaches, the Committee has noted that there is invariably a conflict between increased long-term investment opportunity and increased short-term safety.
- 4.4 The Committee expects the Benchmark Portfolio (as outlined in Section 4.5) to earn a 4.1% long-term real return, after investment management fees, over the long term (10 years or more). In any one year, however, the annual real return may be significantly above or below 4.1%

Benchmark Portfolio

- 4.5 The Committee believes that a portfolio (the "Benchmark Portfolio") invested in the following asset mix (based on market value) can, over the long term, achieve the stated investment objectives:

Asset Class	Investment Category	Benchmark Index	Benchmark Portfolio (%)
Cash and Short-Term ⁽¹⁾	Short term notes and Treasury Bills	FTSE Canada 91-Day T-Bill Index	0.0
Fixed Income ⁽²⁾	Canadian bonds and debentures	FTSE Canada Bond Universe Index	20.0
Canadian Equities	Canadian stocks	S&P/TSX Capped Composite Index	25.0
High-Yield Debt	Non-Canadian bonds and debentures	Merrill Lynch US High Yield Constrained Index	5.0
Global Infrastructure	Other investments	CPI + 5.0%	15.0
Non-Canadian Equities, Core	Non-Canadian stocks	Morgan Stanley Capital International (MSCI) World Index	25.0
Emerging Markets Equity	Non-Canadian stocks	MSCI Emerging Markets Equity Index	5.0
Non-Canadian Equities, Small Cap	Non-Canadian stocks	MSCI Global Small Cap Index	5.0
	Total		100.0

(1) Excludes temporary cash holdings arising from portfolio adjustments.

(2) Cash used as part of a bond duration strategy shall be deemed to be bonds for asset mix purposes

Where cash and short-term investments are held as part of a derivatives strategy to gain exposure to a particular asset class, then, for the purpose of the Fund's asset mix, such investments shall be deemed not to be cash and short-term investments, but rather investments of the asset class to which the derivatives relate.

Since the Fund will be actively managed, and since asset classes provide different returns, the actual asset mix at any time may deviate from the above. Section 5 defines the limits for such deviations.

Rate of Return Objectives

- 4.6 The Committee expects the total annualised returns of the Fund to exceed by 1.00% the returns that could have been earned by passively managing the Benchmark Portfolio, assuming quarterly rebalancing of the Benchmark Portfolio. For the purpose of measuring rates of return of the Fund, all returns shall be measured before investment management fees, but after transaction costs, and over rolling four-year periods. All index

returns shall be total returns. All foreign index returns shall be Canadian dollar returns.

To achieve its rate of return objectives, the Committee shall recommend the appointment of Managers. The Managers will be assigned such mandates and performance targets as the Committee deems to be in the best interests of the Fund.

The Committee shall monitor the Managers both qualitatively and quantitatively.

Section 5 – Asset Mix and Rebalancing Policies

Asset Mix Policy

- 5.1 The market values of the individual asset class components of the Fund shall be within the following minimum and maximum aggregate investment limits:

Asset Class	Investment Category	Minimum (%)	Benchmark (%)	Maximum (%)
Cash and Short-Term	Short-term notes and Treasury Bills	0.0	0.0	5.0
Fixed Income	Canadian bonds and debentures	10.0	20.0	30.0
High Yield Debt	Non-Canadian bonds and debentures	2.0	5.0	8.0
Global Infrastructure	Other Investments	5.0	15.0	20.0
Equities				
Canadian Equities	Canadian stocks	15.0	25.0	35.0
Non-Canadian Equities				
Global Core	Non-Canadian stocks	15.0	25.0	35.0
Emerging Markets	Non-Canadian stocks	2.0	5.0	8.0
Global Small Cap	Non-Canadian stocks	2.0	5.0	8.0
Total Equities		50.0	60.0	70.0

- 5.2 Notwithstanding the asset mix ranges shown above, the Committee may authorize temporary asset mix positions outside those ranges to accommodate a Fund restructuring, a Manager restructuring, or a Manager request submitted in writing and providing the rationale for the request.

Rebalancing Policy

5.3 The Committee believes, for the reasons set out below, that it is in the best interests of the Fund to control asset mix deviations:

- The Committee has adopted the Benchmark Portfolio and ranges based on the acceptability to the Committee of its risk/return trade-offs. Significant asset mix deviations from the Benchmark Portfolio would for the Committee's purposes, be sub-optimal.
- The Committee has established the investment manager structure to achieve goals of diversification and efficiency.

5.4 Therefore, the Committee may, from time to time and in its absolute discretion, rebalance the actual asset mix back to the Benchmark Portfolio so as to align the two more closely. Between rebalancing events, cash flow may be used to rebalance towards the asset mix of the Benchmark Portfolio.

5.5 Infrastructure assets are, by their nature, illiquid and may not be able to be rebalanced immediately; however the objective is to methodically move the allocation to within the investment policy range as soon as practicable.

Section 6 – Permitted Investments and Constraints

Permitted Investments and Constraints by Asset Class

6.1 The following investments may be made either directly, through pooled or mutual funds, private investment funds or through insurance contracts. The list of permitted investments and constraints outlined below apply to all relevant mandates. Additional constraints may be imposed by the Committee on certain mandates. Such additional constraints shall be documented in a separate manager mandate.

A. Cash

Permitted Investments

Cash on hand, demand deposits, treasury bills, short-term notes and bankers'

acceptances, term deposits, commercial paper and guaranteed investment certificates having a term of less than or equal to one year.

Investment Constraints

All cash investments shall have a minimum rating of R1 by the Dominion Bond Rating Service (DBRS) or equivalent.

B. Fixed Income

The provisions of this section do not apply to high-yield debt mandates. Permitted investments and constraints for high-yield debt mandates are outlined in Section 6.1.E of this document.

Permitted Investments

Bonds, debentures, or other debt instruments of corporations, Governments, Government agencies, or guaranteed by Governments, mortgage-backed securities, mortgages, preferred shares, and bonds where capital, interest, or both are linked to increases in the cost-of-living (i.e., real return bonds).

Investment Constraints

The investment constraints below apply to the total fixed income portion of the Fund and each Manager's fixed income portfolio.

1. Not more than 5% of the market value of fixed income securities shall be invested in any one non-government entity.
2. The bond portfolio may be invested to a maximum market value of:
 - 100% in Federal government bonds and guaranteed Federal agency bonds;
 - 60% in provincial bonds and guaranteed provincial agency bonds, subject to a single province a maximum of 15% for provinces rated AA or better and 10% for provinces rated less than AA (Standard and Poor's, DBRS, or equivalent rating);
 - 10% in municipal bonds; and
 - 50% in corporate issues and other bonds.
3. Investments in bonds and debentures shall have a minimum rating of BBB by Standard and Poor's or DBRS, or an equivalent minimum rating by at least one credit rating agency that is recognized by a competent authority. Not more than 10% of the market value of the fixed income portfolio shall be invested in BBB bonds or debentures. Where an investment in the portfolio is downgraded to below

BBB, the Manager, in consultation with the Committee, shall use its best judgement to determine whether the BBB rating is likely to be restored within a reasonable period of time. If so, the Manager may retain the investment and shall keep the Committee informed of its rating. If not, the Manager shall take all reasonable steps to liquidate the investment in an orderly fashion with due regard to price and liquidity constraints, while keeping the Committee informed.

4. Any direct mortgages in the fixed income portfolio shall meet the following requirements:
 - shall only be first mortgages, shall not exceed 75% of the appraised value, and shall be in metropolitan areas;
 - no one mortgage shall exceed 2% of the total market value of the fixed income portfolio, and the total value of all mortgages shall not exceed 5% of the total book value of the Fund.

C. Equity

Permitted Investments

Common shares, American depository receipts, global depository receipts, rights, warrants, installment receipts, securities convertible into common shares, real estate, venture capital, exchange traded index participation units or exchange traded funds, and Canadian income trusts which provide provincially-legislated limited liability protection to the unitholder.

Investment Constraints – Canadian Equities

The investment constraints below apply to the total Canadian equity portion of the Fund and to each Manager's Canadian equity portfolio.

1. The market value of any single equity holding shall not exceed its weight in the S&P/TSX Capped Composite Index plus 5 percentage points.
2. The proportion of the market value of the Canadian equity portfolio invested in one sector of the S&P/TSX Capped Composite Index shall not exceed the sector's weighting in the S&P/TSX Capped Composite Index plus 10%.
3. Not more than 10% of the Canadian equity portfolio shall be invested in small cap stocks (i.e., market capitalization of less than \$500 million).
4. Not more than 10% of the outstanding securities of any one company shall be purchased.
5. To achieve a reasonable level of diversification, there shall be at least 20 different Canadian equity holdings.

Investment Constraints – Non-Canadian Equities

The investment constraints below apply to the total non-Canadian equity portion of the Fund and to each Manager's equity portfolio.

1. An investment in the shares of any single company shall not exceed 5% of the market value of all non-Canadian equities held.
2. Not more than 10% of the outstanding securities of any one company shall be purchased.
3. Not more than 5% of the market value of the Fund shall be invested in small cap stocks.
4. Not more than 5% of the market value of the Fund shall be invested in emerging markets equities.
5. To achieve a reasonable level of diversification, there shall be at least 20 different foreign equity holdings.

For greater clarification, the investment constraints relating to non-Canadian small cap stocks and emerging market equities may from time to time exceed 5% in accordance with the asset mix ranges outlined in section 5.1.

Investment Constraints – Real Estate and Venture Capital

The investment constraints below apply to the real estate and venture capital portion of the Fund.

1. Investments in real estate shall not exceed 5% of the market value of the Fund, and an investment in any one parcel of real estate shall not exceed 2% of the market value of the Fund.
2. Investments in venture capital shall not exceed 3% of the market value of the Fund, and an investment in any one venture shall not exceed 1% of the Fund.

D. Other - Global Infrastructure

Infrastructure investments will be held through private long-term investment funds. The investment criteria for each fund (e.g. type of assets, geographic and sector focus) are outlined in the respective Private Placement Memoranda and related documents such as side letters. The Committee will review the investment guidelines for each infrastructure fund prior to recommending approval to the Board.

E. High Yield Debt

Permitted Investments

Bonds, debentures or other debt instruments of corporations, Governments, Government agencies, or guaranteed by Governments, private placement securities classified as 144a debt securities, bank loans, U.S. Treasury futures and options, currency forward or futures contracts, credit default swaps, common and preferred shares and warrants.

Constraints

The investment constraints below apply to the total high-yield debt portion of the Fund and each Manager's high-yield debt portfolio.

1. No more than 5% of the market value of high-yield debt securities shall be invested in any one non-government entity.
2. The maximum allocation to securities with ratings below B- or B3 is the Index weight +5%. If a security is unrated, a comparable rating shall be determined by the Manager. In the event that a security within the Manager's portfolio is downgraded and causes the Manager's portfolio to exceed the limit, the Manager shall immediately notify the Committee in writing of this occurrence and recommend a course of action for approval by the Committee.
3. No more than 25% of the market value of high-yield debt securities shall be invested in any one industry.
4. No more than 2% of the market value of high-yield debt securities shall be invested in equity or equity-related securities.
5. Short sales of securities are not permitted.
6. Security purchases on margin are not permitted except for futures or other over-the-counter derivatives.

F. Derivatives

1. Where appropriate and prudent, derivatives are used as a risk management tool. Derivatives will only be used after full consideration of the related risks and in compliance with market and regulatory obligations. Risk (such as counterparty risk) will be identified, measured, managed and monitored on an ongoing basis.

The Fund may use exchange-traded, over-the-counter and other forms of bilateral derivative contracts to gain or reduce exposure to interest rates, foreign exchange rates, credit debt instruments, commodities and public equities. Exchange-traded derivative positions are regularly valued using quoted market prices, where available, or discounted cash flows using current market yields for over-the-counter derivatives. Derivative instruments are classified in accordance with the underlying

exposure to fixed income or public equity.

2. Permitted Investments

Permitted derivative investments are:

- Option contracts, including stock, stock index, currency, bond, bond futures and interest rate
- Futures contracts, including stock index, currency, bond and interest rate
- Forward contracts, including currency, and interest rate
- Swap contracts, including credit default, equity, currency and interest rate
- Mortgage derivatives

Guidelines and Restrictions

1. Derivatives may only be used with the expressed written consent of the Committee.
2. Derivatives may be used as a hedge against existing investments or liabilities, provided their particular purpose/usage has been fully disclosed to the Committee.
3. Derivatives may be used to hedge financial risks associated with the underlying portfolio when they hedge those risks more efficiently than cash market instruments. Derivatives used for hedging purposes must have a reasonably high negative correlation with the underlying asset or liability being hedged.

Investment Constraints

1. Derivatives shall not be used to create leverage or for speculative purposes.
2. Counterparties will carry a minimum BBB or its equivalent credit rating unless approved by the Committee. The Managers shall be responsible for assessing all counterparty risk associated with derivative instruments, with regards to credit rating, and total exposure limits for each derivatives securities dealer and bank.
3. These guidelines and restrictions on derivative investments are not intended to restrict investments in derivative instruments by pooled vehicles, including limited partnerships, whose primary investment focus is to invest in other asset classes such as real estate, private debt and infrastructure.
4. The Managers shall implement internal procedures and controls in order to ensure that derivatives are used in compliance with the Statement at all times.
5. Derivatives shall be sold only for securities held in the Fund, and bought only when the Fund holds sufficient cash to make the required payment at maturity.

6. The Fund may post collateral as required to complete derivative transactions. Pledging of collateral for purposes of derivatives is permitted. Assets that can be pledged for collateral are set out in legal agreements or are defined by exchanges. The level of collateral pledged is determined and monitored as part of liquidity management.

G. Currency

A currency hedge on a portion of the Funds' U.S. and Non-North American equity and infrastructure exposure will be used to manage currency risk. This hedging activity will be subject to the constraints outlined in Section 6.1.F above. Those managers whose mandate(s) permit hedging of the foreign exchange risk of the underlying foreign equity securities may do so directly into Canadian dollars, or into U.S. dollars and then back into Canadian dollars. Speculative currency management is not allowed.

Investments Requiring Prior Written Approval

- 6.2 The Managers shall not make investments in investment categories other than those explicitly permitted in the Statement, unless the Committee first consents in writing.

Other Constraints

- 6.3 The Fund shall not borrow funds to acquire securities or otherwise deal in margin trading.
- 6.4 All investments shall be made in accordance with the Code of Ethics and Standards of Practice of the CFA Institute.

Exceptions to Statement

- 6.5 If at any time an investment or group of investments does not conform with the limitations provided herein, the Manager, in consultation with the Committee, shall use its best judgement as to the action required to correct the situation. If it appears that the situation shall be corrected within a reasonably short period of time through cash flow into the Fund, the Manager - with the approval of the Committee - may elect not to liquidate the temporarily non-conforming investments.
- 6.6 The Committee may direct a Manager to deviate from the investment guidelines of the Statement with respect to a portion of the Fund. Such direction shall be in writing and shall specify the value of the assets to be invested and how those assets are to be invested. Unless instructed otherwise by the Committee in the written direction, each Manager shall invest the remaining portion of the Fund according to the normal investment guidelines of the Statement as if the assets subject to the special instructions were not part of the Fund.
- 6.7 To the extent that the Committee invests all or part of the Fund in a Manager's pooled funds or private investment funds, the foregoing investment constraints, and any other

provisions of the Statement that may be affected, shall not apply, but the Manager shall be governed by the Manager's own investment policy for the pooled funds or private investment funds. The Manager shall provide such policy to the Committee and shall inform the Committee when and how the guidelines of the pooled funds or private investment funds differ from the guidelines of the Statement.

Section 7 – Liquidity

- 7.1 It is expected that cash flow from contributions and regular income (i.e., interest, coupons and dividends) generated from securities held in the Fund will be sufficient to meet most or all of the required disbursements under the Plan.
- 7.2 Disposing of securities from time to time can make up any shortfall. Considering the type of investments held in the Fund and the relatively small anticipated shortfalls, it is not expected that the disposal of securities will have significant implications on the investment of the Fund.
- 7.3 The difference between cash flow/income and disbursements will be monitored by the Committee on an ongoing basis. Should the shortfall become sizeable in the future, the Committee will consider the options available to meet the Plan's liquidity requirements in order to avoid untimely disposal of securities, and instruct the Managers of any related modification to their mandates.

Section 8 – Conflict of Interest Policy

Conflict of Interest and Procedures for Disclosure

- 8.1 A conflict of interest refers to a situation where financial, professional or other personal consideration may compromise or have the appearance of compromising an individual's professional judgment in the performance of his or her duties or in the exercise of his or her fiduciary obligations as a member of the Pension Committee.

A conflict of interest exists where (1) the member owes a duty to the beneficiaries of the Retirement Plan, and (ii) the member has a personal interest in the matter or owes a duty to act in the matter in the interests of a different person, group of persons, institution or organization.

A conflict of interest may arise in various cases. The following are definitions of the various types of interests that a member may have, which could give rise to a conflict of interest:

Financial Interest: A member has a pecuniary or financial interest where he or she stands to gain a financial advantage from a decision made. The financial interest may take the form of money, gifts, favors or other special considerations. This does not apply to compensation paid to University employees who are Members of the Pension Committee nor reimbursement of approved expenses to Members of the Pension Committee in the discharge of their duties.

Undue Influence: A private or personal interest that impairs, influence or appears to influence the objective exercise of his or her duties as a member of the Committee.

Adverse Interest: A member is a party to a claim or proceeding against the University.

Personal Relationship: A non-arm's length relationship, including but not limited to family members and persons with whom there is or has recently been a close personal relationship.

Apparent/Perceived Conflict of Interest: A reasonable apprehension which a reasonable person may have, that a conflict of interest exists, even if there is neither a potential nor a real conflict.

- 8.2 For purposes of this section 8, a Pension Committee member shall not be considered to have any such interest merely by virtue of being a member of the Plan.

8.3 Process for Dealing with a Conflict of Interest

Both prior to serving on the Pension Committee and during their term of office, Members must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Pension Committee deals with the matter at issue.

If there is any question or doubt about the existence of a real or perceived conflict, the matter may be referred to the Pension Committee, as the case may be, who will determine by majority vote if a conflict exists. The Member potentially in a conflict of interest shall be absent from the discussion and shall not vote on the issue.

It is the responsibility of other Members who are aware of a real, potential or perceived conflict of interest on the part of a fellow Member to raise the issue for clarification, first with the Member in question and, if still unresolved, with the Chair of the Pension Committee.

If a conflict is identified, the Member must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and, unless otherwise decided by the Pension Committee, must leave the meeting room for the duration of any such discussion or vote.

The disclosure and decision as to whether a conflict exists shall be duly recorded in the

minutes of the meeting.

- 8.4 The Committee shall satisfy itself that an appropriate policy regarding conflicts of interest exists and is followed by any Manager recommended by it to the Board. As a minimum, the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute shall be deemed to apply to such Manager. Any investigation required by the Committee shall be carried out before the recommendation is made.
- 8.5 The failure of a person to comply with the procedures described in this Section 8 shall not of itself invalidate any decision, contract or other matter.
- 8.6 If after a decision has been made, it comes to the attention of the Committee that a member had or has had a conflict of interest, the Chair will appoint an "ad hoc" committee of the members, excluding the person with the alleged conflict, to review all the circumstances and to recommend to the Committee the action to be taken.
- 8.7 This policy shall apply also to the Board of Governors, and any agent or advisor to the Committee who assists the Committee in the execution of its responsibilities under the Pension Benefits Act (Ontario).

Related Party Transactions

- 8.8 For the purpose of this section, a "related party" in respect of the Plan has the meaning given to such term in Schedule III of the Pension Benefits Standards Regulations, 1985 (Canada).
- 8.9 Prior to July 1, 2016, the following related party transactions are permitted for the Plan:
- any transaction that is required for the operation or administration of the Plan, the terms and conditions of which are not less favourable to the Plan than market terms and conditions; and
 - any purchase of securities of a related party, provided that those securities are acquired at a public exchange recognized under the Pension Benefits Standards Act and Regulations, 1985 (Canada).
- 8.10 On and after July 1, 2016, the following related party transactions are permitted for the Plan:
- any transaction for the operation or administration of the Plan, the terms and conditions of which are not less favourable to the Plan than market terms and conditions and the transaction does not involve the making of loans to, or investments in, the related party.

- 8.11 On and after July 1, 2016, the following exceptions apply to the restrictions on transactions with related parties:
- i. investments in an “investment fund” (as defined in the Pension Benefits Standards Regulations, 1985) or a segregated fund in which investors other than Carleton University and its affiliates may invest and which complies with the requirements applicable to a pension plan under Schedule III of the Pension Benefits Standards Regulations, 1985;
 - ii. investments in an unallocated general fund of a person authorized to carry on a life insurance business in Canada;
 - iii. investments in securities issued or fully guaranteed by the Government of Canada or a Province of Canada or an agency thereof;
 - iv. investments in a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada or a Province of Canada or an agency thereof;
 - v. investments in a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace; and
 - vi. investments that involve the purchase of a contract or agreement in respect of which the return is based on the performance of a widely recognized index of a broad class of securities traded at a marketplace.
- 8.12 A related transaction is also permitted if the value of the transaction is nominal or immaterial to the Plan. A transaction will be considered to be nominal or immaterial if its value is no more than one percent of the market value of the assets of the Fund at the time the transaction is entered into or completed.

Section 9 – Delegation of Voting Rights

- 9.1 The Committee delegates to the Managers the responsibility of exercising all voting rights acquired through the Fund. The Managers shall exercise such voting rights with the intent of fulfilling the investment objectives and policies of the Statement and for the long-term benefit of the Fund.
- 9.2 The Managers shall provide their voting rights policies to the Committee. Each Manager shall prepare an annual report to the Committee outlining and explaining any departures from, or exceptions to, the policies, any issues where the Manager has voted against corporate management, and any other extraordinary matters.

- 9.3 The Committee retains the right to exercise acquired voting rights at any time by notifying the Managers.

Section 10 - Valuation of Investments Not Regularly Traded

- 10.1 It is expected that most of the securities held by the Fund will have an active market and that the values of such securities will be based on their market values.
- 10.2 Investments that are not regularly traded shall be valued at least annually by the Custodian in co-operation with each Manager. In making such valuations, considerations shall be given to bid and ask prices, previous transaction prices, discounted cash flow, independent appraisal values, the valuations of other comparable publicly-traded investments and other valuation techniques that are judged relevant to the specific situation.
- 10.3 For untraded investments on which the Custodian has not been provided with a valuation, the Manager shall report to the Committee within ten days after such time as the investment became untraded.

Section 11 – Securities Lending

- 11.1 The Fund may enter into securities lending agreements provided the loaned investments are secured by cash or readily marketable investments having a market value of at least 105% of the loan, and that level of security is maintained daily. Collateral provided with respect to any such securities lending agreements shall be held by the Lending Agent for the benefit of the Fund, and the collateral will not be subject to a right of set-off by a third party. For purposes of securities lending, acceptable collateral shall consist of the following:
- Obligations of or guaranteed by the respective governments of Canada or the United States, their respective agencies, or any Canadian province;
 - Widely-traded debt instruments having a rating of at least single A (low) or the equivalent from a nationally recognized statistical rating organization ("NRSRO");
 - Commercial paper rated at least R-1 (low) or the equivalent by a NRSRO;
 - Acceptances of banks and trust and loan companies whose short-term deposits are rated at least R-1 (low) or the equivalent by a NRSRO;
 - High quality common and preferred shares;
 - Shares of an exchange-traded fund that trade on a major stock exchange, commonly known as Index Participation Units (when immediately convertible

into the underlying securities);

- Unconditional, irrevocable letters of credit that comply with the standards of the International Chamber of Commerce and which are issued by banks and trust and loan companies whose short-term deposits are rated at least R-1 (low) or the equivalent by a NRSRO;
- Convertible preferred shares and convertible debt instruments (when immediately convertible into the underlying securities);
- Sovereign debt obligations of countries other than Canada or the United States who are members of the Organization for Economic Co-operation and Development (OECD); and
- Canadian Hydro Bonds guaranteed by the respective Provincial governments having a rating of single A (low) or the equivalent by a NRSRO.

Section 12 – Soft Dollar Policy

- 12.1 No Manager shall enter a soft-dollar arrangement for trades on behalf of the Fund for the payment of third party services without the prior written approval of the Committee.
- 12.2 In the event a Manager receives soft dollars, these monies shall be used for the benefit of the Plan and not for the benefit of the Manager's firm.
- 12.3 The Managers shall be governed by the Soft Dollar Policy of the CFA Institute.

Section 13 – Statement Review

The Committee shall review the Statement at least annually, taking into account whether any developments such as the following have occurred:

- governance changes;
- changing investment beliefs;
- changing risk tolerance;
- changes to benefits provided by the Plan;
- changes to the Plan's membership demographics and liability distribution;
- changes to the Plan's cash flow and surplus/deficit position;
- changed expectations for the long term risk/return trade-offs of the capital markets;
- new investment products;
- changes to legislation; and
- any practical issues that arise from the application of the Statement.

Appendix

**Implementation Guidelines
for the
Statement of Investment Policies and Procedures
for the
Trust Fund Created Under
The Carleton University Retirement Plan**

June 30, 2019

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Section 1 - Purpose

- 1.1 This Appendix forms part of the Statement and shall be interpreted in accordance with and subject to the Statement. Except where the context requires otherwise, a capitalized term in this Appendix shall have the meaning that is given to that term in the Statement.
- 1.2 Carleton University (the "University") administers the Trust Fund (the "Fund") to pay benefits in accordance with the terms of the Carleton University Retirement Plan (the "Plan"). The Pension Committee (the "Committee"), acting through the Board of Governors (the "Board"), has prepared a statement of investment policies and procedures (the "Statement") pursuant to the requirements of The Pension Benefits Act of Ontario.
- 1.3 The Committee has prepared these guidelines (the "Guidelines") to support the Statement and direct its implementation.

Section 2 – Fund Governance

2.1 The University is the legal administrator of the Plan and is responsible for all matters relating to the administration of the Plan. The Board delegates tasks to the Committee, and through the Committee to various agents retained to assist it in carrying out its duties. The Board, however, retains overall responsibility for the Fund. The Board has allocated its responsibilities in respect of the Fund as set out below.

2.2 **The Pension Committee**

The Committee shall:

- establish the Statement for approval by the Board;
- review the Statement at least annually, and recommend confirmation or amendment to the Board as needed;
- recommend for the Board's approval one or more custodians (the "Custodian") to hold the assets of the Fund;
- establish the specific investment mandates and recommend for the Board's approval the investment managers (the "Managers") to manage the Fund in accordance with such mandates;
- Engage and monitor one or more investment consultants (the "Consultants") to assist the Committee with its fiduciary duties in respect of the Fund;
- Engage and monitor an actuary (the "Actuary") to review the financial status of the Fund at regular intervals and to perform such other duties as are required by legislation or deemed necessary by the Committee;
- evaluate, both quantitatively and qualitatively, each Manager's performance at least annually. The review shall include a comparison of the rates of return achieved relative to the objectives established, an analysis of the reasons for such return, and an assessment of the risk assumed in the pursuit of such returns;
- ensure that the Custodian's reports are prepared and reviewed by a designated body;
- review and recommend for approval to the Board the audited financial statements of the Fund; and
- delegate tasks relating to the overall management of the Fund to selected agents or advisers retained by the Committee.

2.3 The Managers

The Managers shall:

- manage the short-term asset mix within the long-term guidelines of the Statement and Guidelines and select securities within each asset class, subject to all relevant legislation and the constraints and directives contained in the Statement and Guidelines and in any supplementary document provided by the Committee;
- meet with the Committee at least annually, or more often if the Committee so requests, to present their analysis of the investment performance and to describe their current and future investment strategies regarding their specific investment mandates;
- prepare written reports of investment performance results at least quarterly;
- submit certificates at least annually, or more often if the Committee so requests, attesting to their compliance with the Statement and Guidelines, and notify the Committee if at any time an investment or group of investments does not comply with the Statement and Guidelines;
- give prompt notice to the Custodian of all purchases and sales of securities;
- advise the Committee on an ongoing basis of any changes in the organization, personnel or investment process;
- permit a tour of their premises and a review of their internal control systems and procedures by the Committee at least once a year;
- identify provisions in the Statement and Guidelines that may need to be revised due to new investment strategies or changes in the capital markets; and
- be governed by the Code of Ethics and Standards of Professional Conduct of the CFA Institute.

2.4 The Custodian

The Custodian shall:

- perform the regular duties required of a custodian by law;
- maintain safe custody over the assets of the Fund,
- perform the duties required of the Custodian pursuant to agreements entered into from time to time with the University, including the collection of contributions and payment of pension benefits and expenses relating to the administration of the Plan.
- Execute instructions of the University and the Investment Managers, process the security transactions that result from the buy and sell orders placed by the Managers

and record income; and

- provide the Committee with monthly portfolio reports of the assets of the Fund and monthly reports of the transactions during the period, as well as any reports containing additional information agreed upon between the Committee or its agents and the Custodian.

2.5 **The Performance Measurement Consultants**

The Performance Measurement Consultant shall:

- At least quarterly, provide the Committee with the annualised time-weighted rates of return for the Fund, for each asset class component of the Fund, and for each Manager;
- At least quarterly, provide the Committee with analyses of Fund performance relative to market indices or custom indices as may be agreed upon with the Committee, on a total Fund basis and for each Investment Manager,
- provide such other information and analysis as the Committee may from time to time as requested.

2.6 **The Actuary**

The Actuary shall:

- perform actuarial valuations of the Plan as required, but no less frequently than every three years,
- advise the Pension Committee on any matters relating to Plan design, funding, and regulatory matters,
- assist the Pension Committee in any other way as required in order for the Committee to meet its fiduciary duties,

2.7 **The Consultants**

From time to time the Committee may engage experts to assist them in meeting their fiduciary responsibilities in managing the Fund. Such consultants shall

- provide advice and deliverables to the Committee per the terms of the engagement;
- adhere to this policy as per section 2.3 of the Statement.

Section 3 – Investment Beliefs

3.1 The Committee has from time to time reviewed and confirmed its investment beliefs. Currently, the Committee believes:

- that equity investments will provide greater long-term returns than fixed income investments, although with greater short-term volatility;
- that it is prudent to diversify the Fund across the major asset classes;
- that a meaningful allocation to foreign equities increases portfolio diversification and thereby decreases portfolio risk while, at the same time, providing the potential for enhanced long-term returns;
- that investment managers with active mandates can add after-fee value mostly through security selection strategies and/or reduce portfolio risk below market risk, and that most of the Fund should be allocated to such managers;
- that investment managers with active balanced mandates can add incremental value through their short-term and mid-term asset allocation strategies and/or reduce portfolio risk below the risk of a portfolio with a static asset mix, and that a portion of the Fund should be allocated to such managers;
- that multiple investment managers are appropriate, given the size of the Fund, provided they offer asset class or style diversification;
- that the overall Fund should be rebalanced within prescribed limits to manage the risk of deviating too far away from the Benchmark Portfolio; and
- that it is prudent to manage currency risk on a non-speculative, non-leveraged manner to control the overall foreign currency exposure of the Fund.

3.2 Responsible Investing

The University provides pension benefits to its employees through the Plan. The primary goal of the Plan is to assist Plan beneficiaries in providing for a financially secure retirement income at a reasonable cost. The Committee has a fiduciary duty to act in the long-term interests of the beneficiaries of the Plan. The prudent and effective management of the Fund as described in this Statement has a direct impact on the achievement of this goal.

In this fiduciary role, the Committee is guided by certain principles as they relate to responsible investing. These are:

- That the fund must be invested to achieve the best possible risk-adjusted rate of return on the Fund's assets.
- That portfolio diversification is necessary to achieve these returns.
- That responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can have a positive effect on long-term financial performance (to varying degrees across companies, sectors, regions, assets classes and time)
- That taking into account ESG issues may better align the portfolio with the interests of our plan members.
- That imposing constraints on portfolio investments may increase risk or reduce returns or both.

These beliefs are consistent with the United Nations Principles for Responsible Investment (UNPRI) which are considered best practice in the area of responsible investing.

The principles will be applied by

- Encouraging investment counsel and other service providers to incorporate ESG issues into investment analysis and decision making,
- Requiring annual disclosure by Investment counsel of the processes by which ESG factors are incorporated into the investment decision making process,
- Examining ways to support the UNPRI by aligning with coalitions and/or industry groups that support ESG principles within the investment industry,
- Requiring disclosure of proxy voting records by investment managers.

Section 4 – Managers, Mandates and Objectives

- 4.1 The Committee has retained the following external Managers and assigned them the investment mandates shown:

Manager	Mandate
Phillips, Hager & North Investment Mgmt Ltd.	Domestic Balanced – Active
Foyston, Gordon & Payne, Inc.	Canadian Equities – Active
MFS Investment Management Canada Ltd.	Domestic Balanced – Active
MFS Investment Management Canada Ltd.	Non-Canadian Equities – Active
Alliance Bernstein	Non-Canadian Equities – Active
William Blair	Emerging Markets Equities - Active
Global Infrastructure Partners	Infrastructure
Macquarie Infrastructure Partners II	Infrastructure
Macquarie European Infrastructure Fund III	Infrastructure
Brookfield Infrastructure Fund III	Infrastructure
Mackay Shields LLC	High Yield Debt
Brandes Investment Partners	Global Small Cap Equities - Active
State Street Global Advisors	Strategic Currency Hedge

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- 4.2 The Committee expects that the annualised returns of the Manager's portfolio and its component asset classes shall exceed the returns of the representative benchmark indexes plus the value-added targets identified below for that Manager. Total portfolio value-added shall be the principal measure of performance; asset class value-added shall be a supplemental measure of performance.
- 4.3 A secondary performance objective for an active Manager shall be to equal or exceed the median of the returns of other managers with comparable mandates in a well-recognised manager performance universe, on an asset class level.

- 4.4 The Committee expects that the volatility of a Manager's quarterly returns shall be equal to or less than the median volatility of other managers with comparable mandates in a well-recognised manager performance universe.
- 4.5 For the purpose of measuring rates of return for the Managers, all returns shall be measured before investment management fees, but after transaction costs, and over rolling four-year periods. All index returns shall be total returns. All foreign index returns shall be Canadian dollar returns. The returns of all portfolio benchmarks utilizing more than one asset class shall be calculated assuming quarterly rebalancing.
- 4.6 In the benchmark tables below, the portfolio benchmark allocations and the minimum and maximum ranges are measured at market value.

Balanced Benchmark for Phillips, Hager & North

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Cash and Short-Term	FTSE TMX-Canada 91-Day T-Bill	0	10	0	0.00
Fixed Income	FTSE TMX-Canada Bond Universe	55	75	65	0.35
Canadian Equities	S&P/TSX Capped Composite Index	25	45	35	1.50
Total *	Portfolio Benchmark			100	0.75

*Includes value-added expectation for asset mix management.

Balanced Benchmark for Foyston, Gordon & Payne, Inc.

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Canadian Equities	S&P/TSX Capped Composite Index	40	60	100	1.50
Total	Portfolio Benchmark			100	1.50

Commented [KJH1]: Should Min & Max be 100% ?

*Operational cash is allowed up to 5% of the portfolio.

MFS Investment Management Canada, Ltd.

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Cash and Short-Term	FTSE TMXCanada 91-Day T-Bill	0	10	0	0.00
Fixed Income	FTSE TMX Canada Bond Universe	30	50	40	0.35
Canadian Equities	S&P/TSX Capped Composite Index	50	70	60	1.50
Total *	Portfolio Benchmark			100	1.00

* Includes value-added expectation for asset mix management.

Non-Canadian Equity Benchmark for MFS Investment Management Canada Ltd.

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Non-Canadian Equities	MSCI World	100*	100	100	1.5

* Operational cash is allowed up to 5% of the portfolio.

Non-Canadian Equity Benchmark for Alliance Bernstein

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Non-Canadian Equities	MSCI World	100*	100	100	1.5

* Operational cash is allowed up to 5% of the portfolio.

Non-Canadian Equity Benchmark for William Blair

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark	Value-Added Target
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				(%)	(% / annum)
Emerging Market Equities	MSCI Emerging Markets	100*	100	100	1.5

* Operational cash is allowed up to 5% of the portfolio.

Infrastructure Benchmark for Global Infrastructure Partners, Brookfield and Macquarie

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Global Infrastructure	CPI + 5.0%	100*	100	100	1.5

* Operational cash is allowed up to 5% of the portfolio.

High-Yield Debt Benchmark for Mackay Shields LLC

Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
High-Yield Debt	Merrill Lynch U.S. High Yield Constrained Index	100*	100	100	0.75

* Operational cash is allowed up to 5% of the portfolio.

Global Small Cap Equity Benchmark for Brandes Investment Partners

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Asset Class	Benchmark Index	Min. (%)	Max. (%)	Portfolio Benchmark (%)	Value-Added Target (% / annum)
Global Small Cap Equities	MSCI Global Small Cap Index	100*	100	100	1.00

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* Operational cash is allowed up to 5% of the portfolio.

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4.7 Reasons for Termination of Managers

The Committee shall from time to time determine whether any or all of the Managers should be replaced. Although not limited to the reasons set out below, a Manager may be

replaced due to:

- failure by a Manager to meet the value-added performance targets set out in herein;
- a change in a Manager's ownership or key personnel;
- a desire to change the investment management structure;
- a failure to satisfy the requirements of Section 2;
- a failure to adhere to the investment constraints set out in the Statement and Guidelines;
- a change in a Manager's investment process or style; and
- an increase in investment management fees.

Section 5 – Monitoring and Control

5.1 Performance

The performance of the Investment Managers will be reviewed at least quarterly by the Committee. Both quantitative and qualitative criteria will be used, including those listed in section 4.6 of the Appendix.

In cases of manager underperformance, the Committee will undertake a detailed review of the manager and record same in the Committee minutes and/or notes held in the Office of Pension Fund Management.

5.2 Compliance Reporting by Investment Managers

Each Fund Manager is required to complete and deliver a compliance report to the Committee on a quarterly basis. The report will indicate compliance with this policy. In the event that a Manager is not in compliance with this policy, the Manager shall advise the Committee immediately and recommend a course of action to remedy the situation.

5.3 Selection of Investment Managers and Consultants

In the event that a new Investment Manager must be hired, whether to replace a terminated manager or to expand the existing Manager structure, the Committee will undertake an Investment Manager search with the assistance of a third-party investment consultant. The criteria for selecting new managers will be consistent with the investment beliefs outlined in Section 3 of the Implementation Guidelines, the fit of the Manager within the policy asset mix and existing manager structure, and the investment constraints detailed in section 6. Other factors include, but are not limited to, the investment style and process of the Manager, risk controls, depth of key personnel, and organizational stability.

The process for selecting consultants to assist the Committee in the discharge of its duties shall follow the guidelines applicable to the Broader Public Sector for the sourcing of such services.

5.4 Control Reporting by Custodian

Annually, the Custodian will be required to provide a Service Organization Control report to the Office of Pension Fund Management and to the external auditors for the Fund.

COMMITTEE: Board of Governors
MEETING: April 25, 2019
ORIGINATOR: University Secretary
ITEM: Membership on the Pension and Investment Committees

I. INFORMATION PRESENTED TO THE EXECUTIVE

As per the Administration of the plan text
Section 15.02 Pension Committee (attached)

The Pension Committee shall be comprised of...one member appointed by the Board of Governors. Membership on the Pension Committee will normally be for a term of four years.

Carleton University Investment Committee Terms of Reference (attached)

The Investment Committee shall be composed of ...a Governor appointed by the Board of Governors. The membership term, excluding those of ex officio members, shall be three years. Terms may be renewed upon recommendation of the Investment Committee subject to approval of the Finance Committee.

II. RECOMMENDATION

That Debra Alves be approved as a members of the Pension Committee for a term of four years commencing on July 1, 2019 and a member of the Investment Committee for a term of three years.

Carleton University Investment Committee

Terms of Reference

Purpose

The Investment Committee shall oversee the investment of the funds of the Carleton University Endowment Fund, and such other University pools of investable capital as required. For purposes of this statement, these funds together constitute the “investable funds”.

Reporting

The Investment Committee shall report to the Finance Committee of the Board of Governors annually or upon request.

Composition

The Investment Committee shall be composed of:

- Vice President (Finance and Administration) – Chair, ex officio
- Assistant Vice President (Finance) – ex officio
- Director, Pension Fund Management – ex officio
- A Governor appointed by the Board of Governors
- A Dean appointed by the Finance Committee on the President’s recommendation
- Two or more additional members with a relevant professional background, preferably relating to the investment industry, recommended by the Investment Committee and subject to the approval of the Finance Committee

The membership term, excluding those of ex officio members, shall be three years. Terms may be renewed upon recommendation of the Investment Committee subject to approval of the Finance Committee.

All members are voting members. A majority of the members shall constitute a quorum.

Responsibilities of the Investment Committee

- To oversee the management of the investable funds, including
 - Development and review of appropriate investment policies and objectives for the various pools of capital. This shall include a Statement of Investment Policies and Procedures for the Endowment Fund, including a responsible investing policy,
 - Monitoring compliance with investment policies,
 - Review of the distribution rate for the Endowment Fund and other investable funds, and make recommendations about its for modification where appropriate,
 - Monitoring investment performance against investment objectives,
 - Appointing and terminating suitable investment counsel and agents for the investable funds,
 - Rebalancing the investable funds between investment counsel and /or asset classes as deemed appropriate,
- To provide written reports on the performance of endowed funds to the Finance Committee.

- To make recommendations to the Finance Committee on changes to the Statement of Investment Policies and Procedures for the Endowment Fund.

Meetings

The Investment Committee will meet at least semi-annually or as deemed necessary.

Conflict of Interest Policy

A conflict of interest refers to a situation where financial, professional or other personal consideration may compromise or have the appearance of compromising an individual's professional judgment in the performance of his or her duties or in the exercise of his or her fiduciary obligations as a member of the Investment Committee (a "Member").

For the purposes of these guidelines, a Conflict of Interest includes the concept of a Conflict of Commitment, and is defined as follows:

A Member of the Committee is involved in a conflict of interest where (1) the Member owes a duty to the University, and (ii) the Member has a personal interest in the matter or owes a duty to act in the matter in the interests of a different person, group of persons, institution or organization.

A conflict of interest may arise in various cases. The following are definitions of the various types of interests that a Member may have, which could give rise to a Conflict of Interest, a Conflict of Commitment, or a perception of either:

Financial Interest: A Member has a pecuniary or financial interest where he or she stands to gain a financial advantage from a decision made. The financial interest may take the form of money, gifts, favors or other special considerations.

Undue Influence: A private or personal interest that impairs, influence or appears to influence the objective exercise of his or her duties as a Member of the Committee.

Adverse Interest: A Member is a party to a claim or proceeding against the University.

Personal Relationship: A non-arm's length relationship, including but not limited to family members and persons with whom there is or has recently been a close personal relationship.

Apparent/Perceived Conflict of Interest: A reasonable apprehension which a reasonable person may have, that a conflict of interest exists, even if there is neither a potential nor a real conflict.

For the purposes of these guidelines, the following are intended to be examples, and not an exhaustive list, of situations giving rise to a conflict of interest:

1. Entering into a business or other contract/transaction on behalf of the University with a company or firm in which a Member or a person related to the Member has a financial interest.
2. Influencing the purchase of equipment, materials or services for the University from a company or firm in which a Member or a person related to the member has financial interest.
3. Accepting gifts, benefits or favors from individuals or firms with which the University does business, except as token courtesies.
4. Directing students or staff of the University to carry out work for a company or firm in which a Member has a financial interest.
5. Using the University's resources or facilities for a Member's personal benefit or the benefit of related persons.
6. Using the position as a Member to obtain employment with the University.
7. Participating in the appointment, hiring, promotion or evaluation of a related person.
8. Representing the interests of a group of employees or contractors as a voting member of the executive body or as an officer of a staff or faculty association or union.

Process for Dealing with a Conflict of Interest

Both prior to serving on the Investment Committee and during their term of office, Members must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Investment Committee deals with the matter at issue.

If at any time a Member is not certain whether she/he is in a conflict of interest position, she/he may consult with the University Secretary or the President for advice and guidance.

If there is any question or doubt about the existence of a real or perceived conflict, the matter may be referred to the Board or the Investment Committee, as the case may be, who will determine by majority vote if a conflict exists. The Member potentially in a conflict of interest shall be absent from the discussion and shall not vote on the issue.

It is the responsibility of other Members who are aware of a real, potential or perceived conflict of interest on the part of a fellow Member to raise the issue for clarification, first with the Member in question and, if still unresolved, with the Chair of the Investment Committee.

If a conflict is identified, the Member must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and, unless otherwise decided by the Board, must leave the meeting room for the duration of any such discussion or vote.

The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting, or in a note to file in the Office of the University Secretary.

Where it has been determined by the Investment Committee that a Member has breached the Conflict of Interest Policy, the Investment Committee will consider the extent to which the policy has been breached in considering the need for redress.

Where there has been a failure on the part of a Member to comply with the Conflict of Interest policy, the Investment Committee may issue a verbal or written reprimand to the Member or request that the Member apologize, issue a retraction, take appropriate corrective action or resign.

Review of the Terms of Reference

The terms shall be reviewed and approved by the Investment Committee at least once every two years. Changes to the terms of reference recommended by the Investment Committee shall be approved by the Finance Committee of the Board of Governors.

September 2018

Section 15 — Administration Of The Plan

15.01 Responsibility For Administration

The administrator of the Plan shall be the University (the “Administrator”) which shall be responsible for all matters relating to the administration of the Plan.

15.02 Pension Committee

The Pension Committee shall be comprised of the Director of Pension Fund Management and the Assistant Vice-President (Human Resources) or the nominee of the Assistant Vice-President (Human Resources), as ex-officio members, two members to be appointed by the Carleton University Academic Staff Association, one to be appointed by Canadian Union Public Employees local 2424, one person elected by and representing Canadian Union Public Employees local 910, the United Steel Workers Association local 5297, and the Canadian Union Public Employees local 3778, together, one member appointed by the Board of Governors, and one Member to be elected by and from all other non-academic Members of the Plan. Membership on the Pension Committee will normally be for a term of four years. Should a vacancy occur other than at the expiration of a regular term of appointment, the unions concerned or the Vice-President (Finance and Administration), as the case may be, will name a replacement within 60 calendar days, to serve for the balance of the period of appointment. The Director of Pension Fund Management shall serve as Chair of the Pension Committee. The Pension Committee will elect its own Vice-Chair. The Assistant Vice-President (Human Resources), or nominee, will serve as Secretary of the Pension Committee. A quorum will consist of a simple majority of the Members. All Members will be voting Members.

15.03 Functions Of The Pension Committee – Effective July 1, 2010

- (a) Subject to Section 15.03(b):
 - (i) The Pension Committee shall determine all questions arising in the administration of the Plan, including the interpretation and application of the provisions of the Plan together with eligibility, service, earnings and retirement dates of Members for purposes of the Plan.

Section 15 — Administration Of The Plan

- (ii) The Pension Committee shall also be responsible for reviewing the performance of the Trust Fund, which includes meeting with the Investment Counsel periodically, and for the preparation of recommendations concerning any proposed changes in the Plan, including proposed changes to the plan design, as well as concerning any proposed changes in the appointment of the Trustee and/or Investment Counsel for the purposes of the Plan.
- (b) Any decisions or recommendations of the Pension Committee made pursuant to Section 15.03(a) shall be submitted to the Finance Committee for its review and shall be subject to the approval of the Board of Governors acting upon the recommendations of the Finance Committee.

15.04 **Administration Fee**

An administration fee may be applied to the account(s) of a Member who terminates employment and elects to leave the Member's account(s) on deposit in the Plan.

The Administrator may adopt an administrative policy that sets out the process and application of such administration fee, including the implementation of changes to the administration fee as at July 1, 2011. The administrative policy shall be determinative of matters relating to the administration fee.

**Minutes of the 109th Meeting of the Community Relations
and Advancement Committee**

**Wednesday, October 3, 2018
Room 2440R, Richcraft Hall**

Present:	Dr. E. Sloan, Chair Ms. T. Arnt Dr. B.A. Bacon Mr. D. Fortin (phone)	Ms. N. Karhu Dr. J. Malloy Ms. A. Spiwak Ms. J. Teron (non-voting member)
Staff:	Ms. S. Blanchard Ms. A. Cunningham Ms. A. Deeth	Ms. A. Goth (Recording Secretary) Mr. S. Levitt
Guests:	Mr. G. Aulenback Mr. R. Davies Dr. A. Forth	Mr. M. Savenkoff Ms. D. Chea
Regrets:	Ms. G. Garland	Dr. P. Merchant

1. CALL TO ORDER AND CHAIR'S REMARKS

The meeting was called to order at 3:01 p.m. The Chair welcomed the internal staff members present at the meeting as well as Professor Adelle Forth and her dog Zack from the Therapy Dog Program. The Chair informed that committee that Jay Nordenstrom stepped down from the Board and will no longer be chairing the committee. Dan Fortin has stepped in as chair of the committee but unfortunately could not join in-person at the meeting therefore Dr. Sloan chaired the meeting.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked if anyone on the Committee felt the need to declare a conflict of interest. There were none declared.

3. APPROVAL OF THE AGENDA

A proposed agenda was circulated in advance. It was moved by Dr. Malloy and seconded by Ms. Spiwak that the Community Relations and Advancement Committee approve the agenda of the 109th meeting, as presented. The motion carried.

4. APPROVAL OF MINUTES & BUSINESS ARISING

Minutes of the previous meeting were circulated in advance. It was moved by Ms. Arnt and seconded by Ms. Karhu that the Community Relations and Advancement Committee approve the minutes of the 108th meeting, as presented. The motion carried.

There was no business arising from the previous minutes.

5. ITEMS(S) FOR APPROVAL

A. Board Award Recommendation

The Board Award is given annually and recognizes the spirit of volunteerism and substantial community contribution by a student while at Carleton. The award is given at the June convocation. Dr. Sloan recognized and thanked all of the members of the Board Award Jury for their commitment. The members included:

- Dr. E. Sloan (Chair)
- Dr. J. Malloy
- Ms. N. Karhu
- Ms. T. Arnt
- Ms. A. Spiwak

For the 2019 Board Award recipient, the Jury recommended Frohan Foroutan. The Jury was impressed by Foroutan's significant volunteerism across campus at Carleton University and in the Ottawa community. The Jury noted that her volunteerism exemplified her passion for helping and her deep empathy for others. Her mentees across campus have included many marginalized and at-risk students including first-generation university students, international students, cancer patients, mature learners, blind students and student leaders. For the better part of a decade, she has mentored, coached, taught, tutored, and guided peers in various capacities such as a Bounce-Back Mentor, First Year Connections' Mentor, Enriched Support Program Facilitator, Paul Menton Centre Tutor and Mentor, as a teaching assistant and in various roles at the Carleton Undergraduate Economics Society. Foroutan contributes to the greater Ottawa community through the Student Experience Office's Carleton Serves and Day's of Service.

It was moved by Ms. Arnt and seconded by Ms. Spiwak to recommend the approval of Frohan Foroutan for the Board of Governors Award for Outstanding Community Achievements to the Board of Governors, as presented. The motion carried.

6. ITEM(S) FOR DISCUSSION

A. Reputation Protection and Enhancement

i) Department of University Communications Update

President Bacon outlined five projects that DUC is engaged in across campus.

- Reputation research will be conducted over the coming year to understand public perceptions of Carleton to inform the next strategic planning cycle. DUC has selected a research firm *The Strategic Counsel* (through RFP) to conduct this research under the guidance of a small working group. A final report will be presented to the Board of Governors on June 27, 2019.
- Recent senior leadership announcements – Carleton announced the appointment of Yaprak Baltacioğlu as Chancellor, Dr. Jerry Tomberlin as Provost and Vice-Chancellor, and Dana Brown as Dean of the Sprott School of Business. All announcements have been well received by the Carleton community.
- The President was the keynote speaker at the Mayor's Breakfast on February 12. He spoke to the importance of partnerships, Carleton's contributions to the city, the challenges facing post-secondary education and the announcement of the completion of the \$300M Comprehensive Campaign.
- As part of Carleton's commitment to revitalizing its Indigenous strategic plan, the university and CUASA will be working in partnership toward the goal of recruiting 10 additional faculty members over the next two years.
- A number of events will be hosted at the Dominion Chalmers Centre through the Spring including the annual Munro Beattie Lecture, Walrus Talks, and Capital Research Day: Thinking for the Future.

B. Relationship Development and Engagement

i) Student Enrolment Update

Overall, full-time and part-time undergraduate enrolment from high school applicants is 4% higher than 2017/2018. There has been a 6.6% increase in the number of offers. The team is working hard to convert applications into acceptances. It was noted that the higher education sector is at a demographic low and this is a remarkable achievement for Carleton largely due to 1,000+ high school visits, participation in the Ontario Universities' Fair and quality TV and cinema advertisements.

ii) Student Mental Health Initiatives Framework 2.0 Update

Greg Aulenback, Manager of Strategic Initiatives in the OVPSE provided an update on the implementation of Student Mental Health Initiatives Framework 2.0 which launched in October 2016. To date 28 of the 34 recommendations of the framework have been implemented or are ongoing. The implementation progress has focused on three main areas:

- Enhancing the Continuum of Mental Health Support
 - Carleton has a total of eleven counsellors, four psychiatrist available. There is essentially no wait time to see a counsellor on campus.

- A Grad Counsellor has been embedded for 2018-19 academic year as a pilot.
- 24/7 mental health service through Empower Me as well as online self-help.
- Increasing Awareness, Training and Education
 - 900+ staff, faculty and students have participated in the Supporting Student in Distress Workshop, 800+ in SafeTALK (suicide prevention) and the introduction of the Student Support Certification has had excellent uptake by faculty and staff.
 - In November 2018 the Supporting a Friend Resource and workshops were developed.
- Building Thriving Communities.
 - Pop-up wellness events led by students
 - Mental Health Peer Support offered across campus piloted in 2018-19 with Mental Wellness Mentors in Residence and CUSA Wellness Centre.

As part of the area of Building Thriving Communities Mr. Aulenback described the Carleton Therapy Dog Program which has seven training therapy dogs and handlers providing care and support throughout fall 2018. This program has also been successfully funded through FutureFunder and to date has raised \$14,251. Professor Adelle was introduced with her dog Zack and spoke to the support and care she and her dog have been able to provide through the program and the personally fulfillment she has experienced by being part of the program.

Mr. Aulenback outlined the next steps for the Student Mental Health Framework 2.0 as:

- Expanded mental health training for students, staff and faculty
- Resources and best practices for fostering well-being in the classroom
- Evaluation and assessment of programs and initiative to ensure accessibility, sustainability and campus coordination
- Comprehensive communication plan to continue to increase awareness of resources and supports and normalize mental health on campus.

The committee discussed student support during the summer months while not at Carleton, how the community continues to encourage students to seek help when needed. The importance and success of student engagement in developing the framework was emphasized.

iii) Talk Exchange Event

A report entitled *Carleton University Board of Governors Talk Exchange Report* was circulated in advance.

A Talk Exchange Event was held on October 30, 2018. The theme of the event was the ethos “Here for Good”. There were 21 participants, seven Board members and five note takers in attendance. This was the third event of its kind.

After an extensive discussion regarding the advantages and disadvantages of Talk Exchange events it was decided that Talk Exchange Events would be discontinued. Board members are encouraged to engage with the community is through specific community events such as the upcoming Walrus Talks being hosted at the Dominion Chalmers Centre, convocation or hosting a community event. The Secretariat will work towards a monthly newsletter highlighting upcoming community events on and off campus for members of the Board.

C. Here for Good Update

i) Comprehensive Campaign and Advancement Update

Diane Chea, Mark Savenkoff and Ryan Davies joined the committee to provide an update on the Comprehensive Campaign Completion. As of February 11, 2019, Carleton University officially surpassed the \$300-million goal of its Collaborate Campaign. The campaign continues and will officially close at the community celebration to be held on the evening of April 17.

University Advancement has developed a robust communications and engagement plan to celebrate this achievement. The plan is to highlight the campaign's impact and positive change created through campus and the communities served. Post-Campaign the Advancement team will continue to build on momentum to engage partners for our new Strategic Integrated Plan.

The committee members were thanked for their participation in the campaign as champions, donors and volunteers to Carleton. Ms. Chea, Mr. Savenkoff and Mr. Davies were personally thanked for their leadership and teamwork through the campaign which led to its success.

7. OTHER BUSINESS

No additional business was raised.

8. ADJOURNMENT

It was moved by Dr. Malloy and seconded by Ms. Spiwak to adjourn the meeting at approximately 4:38 p.m. The motion carried.

**Minutes of the Finance Committee
Wednesday, March 6th, 2019 at 11:00 a.m.
Room 2440R, Richcraft Hall**

Present: Mr. B. Wener, Chair
Ms. D. Alves, Vice-Chair
Dr. B.A. Bacon
Mr. G. Farrell
Mr. D. Fortin (phone)

Ms. L. Honsberger
Mr. O. Javanpour
Dr. J. Malloy
Mr. N. Nanos
Ms. Y. Osagie

Staff: Dr. F. Afagh
Ms. S. Blanchard
Ms. J. Chandler
Ms. A. Goth (Recording Secretary)
Dr. R. Goubran
Mr. E. Kane
Mr. S. Levitt

Ms. A. Marcotte
Ms. N. Merriman
Mr. M. Piché
Mr. T. Sullivan
Dr. J. Tomberlin
Mr. B. Winer

Regrets: Ms. C. Gold

1. CALL TO ORDER AND CHAIRMAN'S REMARKS

The meeting was called to order at 11:02 a.m. The Financial Services team, Bruce Winer and Fred Afagh were all welcomed to the meeting.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked if anyone on the Committee felt the need to declare a conflict of interest regarding any of the items on the agenda. No conflicts were declared.

3. APPROVAL OF AGENDA

It was moved by Ms. Honsberger and seconded by Mr. Javanpour that the agenda of the 296th Finance Committee be approved, as presented. The motion carried.

4. APPROVAL OF THE MINUTES

4.1 Minutes of Previous Meeting

The minutes of the 295th meeting of the Finance Committee were circulated in advance.

It was moved by Ms. Alves and seconded by Mr. Farrell that the minutes of the 295th meeting of the Finance Committee minutes be approved, as presented. The motion carried.

Business Arising

There were three matters arising from the minutes which included:

- a) An update on the 2019/20 budget framework which was included in the agenda;
- b) Ms. Springer reported that as there have been no additional capital calls, the infrastructure fund is not fully reached the 15% weighting.
- c) Mr. Sullivan reported that the 1% administrative levy (overhead recovery) is average for Endowment Funds are per the Canadian Association of University Business Officers annual survey. As per the December 2017 survey, of the 72 institutions surveyed – 37 had no administrative charge and 34 had an administrative charge which ranged from 1 – 500 basis points. Large universities all charge overhead recovery.

5. ITEM(S) FOR APPROVAL

5.1 Engineering Student Design Centre

An executive summary, presentation, memo, feasibility report and cost report were circulated in advance.

Dr. Fred Afagh, Dean of the Faculty of Engineering and Design (FED) was introduced to take the committee through the material. It was noted that the project was the concept by FED (through fulsome consultation) and is being fully funded by carry forward funds from FED. The project is student centered, providing FED students design work space for fourth year capstone projects, which was identified as a current gap (for recruitment and retention) in the experience of engineering students at Carleton. The architecture firm Perkins and Will were retained after a competitive RFP process, which involved developing a concept design study to create a model for an Engineering Student Design space.

It was noted that there is approximately 7,000 students in FED and the growth rate over the last 10 years has been approximately 71%. This growth was attributed to the type (innovative and multidisciplinary) and quality of the undergraduate

programming, an increase in high quality research by faculty – attracting graduate students, and innovative pedagogy such as fourth year capstone projects.

With due considerations given to the Campus Master Plan, the green space next to parking lot R4 (on Library Road) was selected as an appropriate site to add an Engineering Student Design Centre as an extension to the northern face of 3rd block of Mackenzie Engineering complex. The addition will be visible from Colonel By Drive and has an open concept design with work bay areas.

A major risk posed by the failure to proceed with this project is the negative impact on future recruitment, retention and student satisfaction. The existing shortage of space has affected the student experience and could threaten Carleton position as a leading Faculty in the field. There is also a risk to having students continuing to work on projects in hallways of the current building.

This project budget is based on a class D cost estimate and is estimated at \$11M (67% construction costs, 14% soft costs, 11% construction contingencies, 4.5% furniture and set-up, and 3.5% optional costs) including all fees, and contingencies. Funding for this project (and any cost overruns) will be originating from FED carry over. Estimated occupancy is September 2020.

Phase 2 for Engineering Buildings on campus was discussed with possible sites including: across from the Student Design Centre on Library Road beside the residence complexes, in the quad near the Mackenzie Building or near the north-entrance of campus. The project budget (~\$100,000) includes the conceptual design for phase 2.

There was a discussion about the project and potential government funding. The Provincial government focus on career ready graduates aligns very well with this project.

It was moved by Ms. Osagie and seconded by Ms. Honsberger, on the recommendation of the Building Program Committee to approve the design and construction of the addition to the Engineering Student Design Centre with a project budget not to exceed \$11M, contingent on the budget being presented in the new Project Planning Report. The motion carried.

5.2 2019/2020 Ancillary Budget

An executive summary, report and presentation were circulated in advance. Mr. Ed Kane, Assistant Vice-President University Services was introduced to give an update on 2018/19 highlights and 2019/20 priorities. The Ancillary units are mandated to generate sufficient revenues to fund the cost of providing service, in addition to establishing reserves to cover future capital improvements.

The proposed 2019/20 budget provides total revenue of \$69.1M, operating expenses of \$46.7M and \$21M for renovations/debt reductions. The budget includes increases in rates/fees. Of the net operating surplus of \$1.4M, it was proposed that \$1M be transferred from the Ancillary Capital Fund to the University's operating fund to help address external fiscal challenges/pressures due to the tuition reduction. The funds will be used to reinvest in student success to increase retention and graduation rates. It was noted that there was concern from the committee about the transfer of funds from the Ancillary Capital Fund to the operating budget due to the significant deferred maintenance required in the Ancillary Operations.

The ancillary units 2019/2020 budget summary:

- Housing & Residence Life, Conference Services and Dining Services – budgeted surplus of \$108K
- Physical Recreation & Athletics – budgeted surplus of \$190K
- Parking Services – budgeted surplus of \$1.2M
- Health & Counselling Services – budgeted surplus of \$32K
- The Print Shop – budgeted surplus of \$246K
- Ancillary Property Rentals – budgeted break-even
- The University Centre – budgeted deficit of \$2M related to required capital investments of \$2.5M
- Carleton (Dominion Chalmers) Performance Centre – budgeted surplus of \$55K
- The Bookstore – budgeted surplus of \$94K
- Ancillary Capital Fund – budgeted surplus of \$423K

There was a discussion on the risk management analysis of medium risk for financial and reputational categories. This analysis was attributed to the areas of parking and deferred maintenance, as they require ongoing monitoring. Significant financial risks were present in the Athletics portfolio, as significant expenditures are needed to upgrade the facilities.

The Student Choice Initiative being implemented by the Ontario government was discussed and the Committee was advised that safety, health and wellness initiatives are expected to be mandatory fees. The university centre fee will also continue to be mandatory and covers the rent of CUSA, GSA and RRR.

The Committee discussed having the ancillary function and budget as part of the fall strategic planning discussion.

The Committee discussed the proposed 10% increase in parking rates and considering parking not only as a revenue source, but also as a service to the campus. The overall transportation strategy is currently under consideration, including a long-term pricing strategy. Carleton's parking rates are currently lower than the market. It was noted that a ride-share system might be considered for students.

The Committee discussed the pool in Athletics. The pool was built in the 1970s and is in need of significant deferred maintenance. A consultant has been hired to do a needs assessment and look at possible investment options for Athletics and wellness. Consultations have started to draft a proposal for management by Spring 2019. A report back to the Finance Committee in the Fall of 2019 is anticipated.

It was moved by Dr. Malloy and seconded by Ms. Alves to recommend the approval of the 2019/2020 Ancillary Budget to the Board of Governors, as presented. The motion passed.

5.3 2019/2020 Tuition Fees & Miscellaneous Fees

An executive summary and presentation were circulated in advance.

The domestic student fees are fully regulated by the provincial government under the Tuition Fee Framework, and Carleton is required to reduce domestic tuition fees by 10% in 2019-20, relative to the 2018-19 levels.

International fees are not regulated, and are set using long-term strategy based on competitive market analysis and demand. There is a proposed increase of international fees by 3 – 8%. The Committee discussed the need to be cautious of depending on international student tuition revenues and/or a dependence on recruitment from particular markets as geopolitics has a tendency to affect enrolment numbers.

Miscellaneous fees were proposed to follow the Consumer Price Index of 2.5% increase with the exception of the Graduate Application Fee, which was proposed to increase by \$10 which is matched by uOttawa and has not been increased for over 10 years.

It was moved by Mr. Javanpour and seconded by Mr. Farrell to recommend the approval of the 2019/2020 domestic and international tuition fees, in line with the new provincial government tuition fees framework and the miscellaneous administrative fees to the Board of Governors, as presented. The motion passed with one abstention.

6. ITEM(S) FOR INFORMATION

6.1 Update on Planning Framework for 2019/20 Operating Budget

Dr. Jerry Tomberlin, Provost and Vice-President (Academic) was introduced and congratulated on his appointment. In December 2018, the Strategic Integrated Planning Committee met to have a preliminary discussion regarding budget planning. The committee held a retreat in late January to discuss budget priorities, progress and took into account the Strategic Mandate Agreement. The guiding strategic priorities were agreed to, and the twelve Resource Planning Committee (RPC) Chairs prepared

budget submissions based upon those priorities. This included a 2% decrease in base budget to each operating budget to allow for reinvestment into priorities. The budget presentations were done in an open and transparent format with all twelve RPC Chairs presenting to each other. There were more requests than budget available, and the Provost Budget Working Group will be meeting to consider all requests and prepare an operating budget for consideration by the Finance Committee in April.

6.2 Current Operating Budget (2018/19) Update & Status of Reserves

A working paper was circulated in advance. Mr. Michel Piché, Vice-President (Finance and Administration) was introduced to give a verbal update. The latest projections for the 2018/19 operating budget show a \$2.2M revenue shortfall, due to lower than budgeted tuition fees of \$2.7M, and government grants of \$0.3M, offset by favorable other income of \$0.7M. Expenses are expected to be lower by \$1.4M for the Enrolment-Linked Budget Allocation (ELBA), Mandated Student Aid, and other student supports. Expenses will also be lower by \$6.3M from decreased operating expenses such as salaries, benefits and utilities. The overall result in a net positive surplus of \$5.4M. A potential allocation for the surplus is to the Capital Reserve Fund.

Internally Restricted Assets are forecast to be \$422M at April 30, 2019. The Reserves are comprised of:

- \$90M – General Appropriations (decrease from 2017/18)
- \$78M – Capital Reserves (decrease from 2017/18)
- \$23M – Investment Income Equalization (decrease from 2017/18)
- \$38M – Ancillary Reserve Fund (increase from 2017/18)
- \$129M – Pension Liability Reserve (same as 2017/18)
- \$41M – Research Initiatives (increase from 2017/18)
- \$23M – Other (decrease from 2017/18)

The payment of the Pension Liability was discussed. It was expressed that the actuarial valuation will determine the amount that will be required to be paid immediately.

6.3 Capital Projects Update and Updates on Proposed Building Projects

A working paper and capital projects expenditures report were circulated in advance.

Capital projects totaling \$212.8M are currently underway. As of December 31, 2018, total expenditures incurred and value of work completed totaled \$117M, with forecast spending of \$98.9M.

The Health Science Building phase one is essentially completed. The vivarium (7th floor) is now 99% completed, with certification expected shortly. Occupancy for the vivarium is planned for late Spring 2019, and was delayed in order to accommodate the fit-up of floors 4 and 6.

The ARISE Building Phase 1 reached substantial completion in November 2018. The project is approximately \$0.5M over-budget due to delay claims with the contractors. Phase 2 fit-up commenced in December 2018, and is proceeding in accordance with the construction scheduled, and currently on target for substantial completion in July 2019. It was taken under advisement that the ARISE Building acronym might be doing a disservice to the research, innovation and smart environment aspect of the building.

The Cogeneration Facility (total \$25M) is behind schedule due to poor coordination between the design team and the general contractor. The university has escalated the issue to the contractor's executives with completion now expected in Fall 2019.

The Nicol Building is on budget and on schedule with substantial completion expected by fall 2020.

The capital renewal/deferred maintenance is behind schedule in implementation with continuation of 2017/2018 projects and the commencement of 2018/19 projects. The Assistant Vice-President, Facilities Management and Planning will be developing a 10-year capital plan based on a Facilities Condition Index Assessment, grounded on a risk assessment to prioritize projects on health and safety and occupancy risks.

The Building Program Committee endorsed a new Capital Planning Process Policy which defines the approval process and provides forms of how information will be presented to the various committees and to the Board of Governors.

The planned extension of the P18 parking structure was discussed with a change in direction on the project. The senior leadership team has reconsidered the project for a number of reasons including, but not limited to, the building location site, the uncertainty of the light-rail shut-down, potential for cost overrun, the need to close the existing structure to add an extension, the heavy traffic at the north-end of campus, and the unpleasant aesthetic of a six-story parking structure on campus.

7. IN-CAMERA SESSION

An in-camera session was held.

8. OTHER BUSINESS

8.1 Risk Management Analysis

Management was commended for the use of the Risk Management Analysis that is part of the Executive Summary to the committees and the Board, and it was asked that the presenters be prepared to speak to the elements surrounding the selection of the risk analysis.

9. ADJOURNMENT

It was moved by Mr. Javanpour and seconded by Dr. Malloy to adjourn the meeting at approximately 1:15 p.m.

**Minutes of the 39th Meeting of the Governance Committee
Wednesday, March 6, 2019 at 3:00p.m.
Room 2440R Richcraft Hall**

Present:	Mr. K. Evans (Chair) (Phone)	Mr. D. Fortin (Phone)
	Ms. G. Garland (Phone)	Mr. N. Nanos (Phone)
	Dr. B.A. Bacon	Ms. A. Spiwak
	Ms. T. Arnt	Mr. A. Ullett
	Mr. K. von Finckenstein (Phone)	
Regrets:	Mr. P. Dinsdale (Vice-Chair)	Dr. I. Lee
Staff:	Ms. S. Blanchard	Mr. S. Levitt
	Ms. J. Chandler	Dr. J. Tomberlin
	Ms. A. Goth (Recording Secretary)	

1. CALL TO ORDER AND CHAIR'S REMARKS

The Chair called the meeting to order at 3:00 p.m. The President chaired the meeting since the Chair of the committee was joining via phone.

2. DECLARATION OF CONFLICT OF INTEREST

The Chair asked if anyone on the committee felt the need to declare a conflict of interest regarding any of the items on the agenda. There were none declared.

3. APPROVAL OF AGENDA

Ms. Spiwak moved, and it was seconded by Mr. Ullett to approve the agenda, as presented. The motion carried.

4. ITEM(S) FOR APPROVAL

4.1 Minutes of Previous Meeting

The minutes of the 38th meeting of the Governance Committee were circulated in advance.

It was noted that subsequent to the meeting the Signing Authorities Policy was amended to include language to address should either the Director, Risk and Insurance or the General Counsel, or both, be unavailable to complete the assessments (of legal implication) required within the time reasonably required to finalize the Document for signature by the University, then the matter shall be referred to one of the Vice-Presidents for advice and direction, in which case the strict requirements of paragraphs 1(a) or 1(b) (as the case may be) may be waived or modified by such Vice-President.

Ms. Spiwak moved, and it was seconded by Mr. Ullett, to approve the minutes of the 38th Governance Committee meeting, as amended. The motion carried.

5. ITEM(S) FOR APPROVAL

5.1 Review of Draft Sexual Violence Policy

An executive summary, feedback report and draft policy with track changes were circulated in advance.

Pursuant to Bill 132, the University is required to have a stand-alone sexual violence policy which is reviewed and approved every three years by the Board. The purpose of the Policy is to articulate Carleton University's commitment to a safe, supportive and healthy campus and to confirm its commitment to provide support to those members directly affected by sexual violence. As such, the Policy sets out the University's statement of values and commitments to address sexual violence; provides information about supports and services available at Carleton University and in the community; ensures follow-up once a report is made to the University and provides information about the University's process for responding to and addressing incidents and complaints of sexual violence.

While the Sexual Violence Policy has provided enough flexibility to support survivors while balancing the requirement for procedural fairness, opportunities to further clarify and improve policy language were noted. Beginning in September 2018, the Office of the Vice-President (Students and Enrolment) and Equity Services undertook an extensive collaborative consultation process with the university community to review and revise the Sexual Violence Policy.

Following the completion of the listening phase, the OVPSE, Equity Services, General Counsel and Housing met to review all the feedback received and discussed appropriate revisions and improvements. Updates to the Sexual Violence Policy were made by General Counsel based on feedback from members of the Carleton community while balancing legal requirements. Subsequently, a draft of the Policy has been released to the Carleton community for feedback.

At this time, the extensive process has included consultation meetings with 11 stakeholder groups and 13 design-thinking workshops for the Listening Phase of the consultation, with eight more workshops planned and several stakeholder meetings booked for the Fine-Tuning Phase of the process. In addition, Equity Services, in partnership with OVPSE set up a consultation website on the Sexual Violence Policy review process. The community submitted feedback on the Sexual Violence Policy Consultation website, or by contacting through email.

Many of the feedback items identified in the feedback on the Sexual Violence Policy will be used in the development of the Campus Sexual Violence Prevention Strategy. This strategy will be created by the SVPEC and will serve as their work plan. The SVPEC continues to be committed to providing sexual violence training and information to members of the university community. Since January 2018, **over 5,000 members** of the campus community were trained on response to sexual violence, including specialized training for varsity athletes, Campus Safety Services, and Fall Orientation leaders.

Throughout the listening phase of the consultation process, several main themes emerged:

- Policy Administration
 - Accommodation process
 - Composition of the Sexual Violence Review Committee (SVRC)
 - Immunity clause for drug and alcohol use
 - Off campus and non-Carleton community member processes
 - Accessibility of the Policy
 - Question of false claims and due process, including restorative or educational options
- Response
 - Communication around timelines including the appeal time limit
 - Faculty-student relationships
 - Confidentiality constraints, including speaking publicly about the experience
 - Face-to-face meetings
 - Fear of reprisal
- Education and Continuous Improvement
 - Role of the Sexual Violence Prevention and Education Committee (SVPE)
 - Support services offered

The feedback report has been organized by these themes and has the aggregated feedback received during the consultation process. This feedback has been examined and assessed in the review of the Sexual Violence Policy and updates to the policy have been made based on the above feedback where appropriate.

The changes to the policy include:

- Relationship guidelines strongly discouraging relationships with students/staff and disclosure requirements;
- Clarified definitions;
- Strengthened role of SVPEC to make recommendations;
- Strengthen and revised composition of SVRC;
- Strengthened accommodation and interim measures process;
- Improved accessibility of policy;
- Immunity clause for minor drug/alcohol offense;
- Clarified confidentiality and ensure compliance with legal requirements;
- Providing timely progress updates that meets the specific needs of the parties in a complaint process;
- New conflict of interest, alternative resolution (including restorative and educational options) and procedural fairness clauses;
- Clarified application of policy to visitors and individuals that the University does not have jurisdiction over;
- Clarified that parties can request accommodations from the SVRC regarding their participation at any meetings; and
- Revised appeal timelines to 15 days.

The committee members discussed various parts of the policy which included clarification on the following:

- All decisions of the Sexual Violence Review Committee are communicated to the complainant and respondent via their Carleton email. Each individual also has a support person who reaches out to them via phone to inform them that the decision has been communicated.
- Student engagement was discussed. Communication in various forms (email, social media, CU app, etc.) to promote open consultation sessions was done. All student groups and unions were engaged individually to have involvement with the review including CUSA, GSA, CASG, RRRRA and OurTurn to ensure there was broad student and employee perspectives considered when revising the policy. As well as feedback was received through the consultation website.
- To ease accessibility a table of contents as well as dividing into parts will be added to the policy. A flowchart will also be prepared.
- Consideration might be given to a definition of what “minor” refers to when discussing drugs and alcohol when socializing and communicating the policy.
- Specify decision maker in communication to complainant and respondent was discussed.
- Timelines associated with decision was discussed.
- Consultation numbers were discussed.

Mr. Evans moved and Mr. Ullett seconded to recommend to the Board of Governors the approval the Sexual Violence Policy, as presented. The motion passed with one abstention.

Ms. Arnt left the meeting.

5.2 Capital Debt Policy

A draft policy was circulated in advance.

The policy was up for mandatory review in January 2019. The policy was updated to ensure consistency with the Act and Bylaws. The policy describes how and if the university will engage in capital borrowing.

Mr. Ullett moved and Ms. Spiwak seconded to recommend to the Board of Governors the approval the Capital Debt Policy, as presented. The motion passed.

5.3 2018/2019 Board Self-Assessment

2017/2018 Board self-assessment was circulated in advance. In April or May, a Board self-assessment is distributed annually. The survey includes questions about the operation of the full board meetings, the performance of the Chair, Secretary, the board's ability to exercise oversight, programs such as orientation, the mentor program, engagement, and specific questions about committee work and questions about the upcoming year. The purpose the survey is to help the Board Chair, Secretary and Governance Committee to continue to improve board governance practices. It was proposed to use the same format as the 2017/18 survey which will allow comparison of responses to view data trends over the last five years.

Next year, the committee could consider streamlining the survey in 2019/20.

Mr. Ullett moved and Ms. Spiwak seconded to approve the 2018/2019 Board Self-Assessment Survey, as presented. The motion passed.

5.4 Audit and Risk Committee Terms of Reference

The revised terms of reference were circulated in advance. The Audit Committee over the last few years has taken on the oversight function of enterprise risk management. The committee has reviewed its terms of reference in Fall 2018 and are recommending the proposed changes in the terms of reference circulated. The terms of reference amendments are inline with best practice.

It was noted that the section under A. External Audit that refers to "review any request to use the External Auditor's firm for non-audit work as stipulated in Annex A." should be reconsidered by the Audit and Risk Committee and discussed with the Chair of the Audit Committee.

Ms. Spiwak moved and Mr. Ullett seconded to recommend to the Board of Governors the approval the Audit and Risk Committee Terms of Reference, as presented. The motion passed with one opposed.

6. ITEM(S) FOR DISCUSSION

6.1 Recommend Revision to Standing Committee Terms of Reference

A report and draft terms of reference were circulated in advance. In December, under the direction of the Chair, the University Secretary undertook a benchmarking study of Ontario Universities board committees. Carleton University Board is an outlier with eight board committees. The average number of committees for university board is five. There is no standard committee structure and these structures are usually the result of each universities history. There is no correlation between the size of the university or the size of the Board and the number of committees.

There are common committees across Ontario include: Finance, Audit and Risk, Executive, oversight of buildings (either as stand-alone or often combined with Finance), Nominating/Governance, and about half have external relations. It is best practice to have committees that are focused on the Board's main oversight functions to help them do in-depth review of items before coming to the board for approval.

It was moved by Mr. Nanos, seconded by Mr. Evans, to recommend in principle to the Executive Committee the merger of Finance & Building Program Committees, Governance & Nominating Committees and a revised Executive term of reference to include the duties of Human Resources/Compensation subcommittee. The motion passed.

7. ITEM(S) FOR INFORMATION

7.1 Review of Best Practices Review Final Report and Implementation

A report was circulated in advance. The report summarizes the planning session was held on October 30th. A best practices review was conducted by Bonnie Patterson and Harriet Lewis. A summary of the ideas discussed included in the report under the themes of communications and transparency, governance training, continuing education, meeting mechanics, materials and timing. The Board priorities identified were: 1) Support University Operations; 2) Strategic Orientation and Culture; 3) The Student Experience; 4) Board Functioning.

A summary of the committee breakout discussions was also summarized in the report.

An appendix of the report outlines 26 best practices with direction received from the Executive Committee as well as the status of the item. Of the 26 items: 10 are

completed, 9 are in progress/ongoing, 5 are on hold, and 2 will be implemented in September 2019.

Possible areas of focus for the Governance committee include exit interview survey creation, improvements to the orientation handbook and agenda, and educational resources/training ideas.

8. OTHER BUSINESS

There was no other business declared.

9. ADJOURNMENT

Ms. Spiwak moved and Mr. Ullett seconded to adjourn at approximately 5:00 p.m. The motion carried.



Carleton University acknowledges and respects the Algonquin people, traditional custodian of the land on which the Carleton University campus is situated.

**Carleton University Senate
Meeting of February 15, 2019 at 2:00 p.m.
Senate Room, Robertson Hall**

MINUTES – OPEN SESSION

Present: F. Afaq, S. Ajila, B.A. Bacon (Chair), S. Blanchard, S. Boyle, A. Chandler, C. Cruickshank, J. Deaville, T. Di Leo Browne, D. Dragunoiu, L. Dyke, J. Erochko, P. Farrell, R. Goubran, E. Grant, N. Grasse, A. Harrison, W. Horn, W. Jones, C. Joslin, J. Kovalio, S. Kroff, B. Kuzmarov (Clerk), E. Kwan, C. Macdonald, N. Nanos, H. Nemiroff, M. Neufang, D. Nussbaum, M. Piché, A. Plourde, B. Popplewell, P. Rankin, M. Rooney, L. Schweitzer, E. Sloan, P. Smith, T. Tandon, J. Tomberlin, C. Trudel, P. Watzlawik-Li, J. Wolfart

Regrets: A. Bowker, J. Coghill, B. Creary, C. Dion, A. Dodge, M. Esponda, K. Evans, P. Gunupudi, B. Hallgrimsson, B. Hughes, S. Klausen, P. Lagasse, J. Liu, J. Paulson, A. Shotwell, D. Siddiqi, J. Smith, C. Viju

Absent: F. Afagh, A. Ahmad, J. Cheetham, H. Gupta, J. Hayes, F. Hosseinian, D. Howe, A. Maheshwari, R. McKay, D. Oladejo, S. Paul, J. Ramasubramanyam, W. Shi, S. Shires, J. Stoner, K. von Finckenstein

Open Session:

1. Welcome & Approval of Agenda (open)

It was **MOVED** (D. Dragunoiu, J. Wolfart) that Senate approve the open agenda for the meeting of Senate on February 15, 2019, as presented.
The motion **PASSED**.

2. Minutes: January 25, 2019

It was **MOVED** (E. Grant, J. Wolfart) that Senate approve the minutes of the

Senate meeting of January 25, 2019, as presented.

L. Dyke requested a small change in *Matters Arising*. She asked that the word “potentially” be added to the first sentence of Item 3(b), so that the sentence reads as follows:

A question was raised at the Senate meeting in October 2018 regarding the potentially heavy workload for faculty involved in co-teaching courses in this new program.

The change was approved, and the minutes were approved with this change.

3. Matters Arising

a. Second language requirement for PhD programs at Carleton – statistical analysis (M. Neufang)

- At the Senate meeting on January 25, 2019, some Senators expressed concern with a program modification that eliminated a second language requirement from the PhD in Legal Studies. As a result of the ensuing discussion, Senators requested a follow-up discussion based on information on existing requirements for all PhD programs at Carleton.
- An overview of the language requirements for the 35 PhD programs at Carleton was circulated to Senators prior to this Senate meeting. Dean Neufang presented an analysis of the data to Senators.
- Dean Neufang noted that close to 70% of all PhDs at Carleton do not require a second (foreign) language. It is only required in seven PhD programs in two faculties (4 in FASS and 3 in FPA). Second (foreign) language proficiency is generally not required for PhDs in Business, Science or Engineering.
- A Senator asked if comparable data for other Ontario universities is available, but noted that decisions on Carleton's requirements

should be based what is right for students in our programs, and not necessarily on what other universities are doing.

- There was no further discussion of the issue.

4. Chair's Remarks

The Chair presented the following campus news highlights of interest to Senators:

- Dr. Dana Brown has been appointed as the new Dean of Carleton's Sprott School of Business. Dr. Brown is currently Pro Vice-Chancellor (Enterprise) and Dean of Business at de Montfort University in the United Kingdom, and previously held the position of Director of the MBA program at Oxford University's Saïd Business School.
- Carleton's current Interim Provost, Jerry Tomberlin, has been appointed Provost of Carleton University. He was the unanimous choice of the Provost Search Committee. The Chair congratulated Jerry Tomberlin on his appointment.
- Carleton University and the Carleton University Academic Staff Association (CUASA) have signed a renewed collective agreement. The four-year agreement covers the period from May 1, 2017 to April 30, 2021. The Chair congratulated both negotiating teams for their hard work throughout this process.
- A renewed collective agreement between Carleton University and PSAC 77000, which represents postdoctoral fellows, was announced on February 1 by Provost Jerry Tomberlin and President of PSAC Donald Fowler. The Chair congratulated both negotiating teams for their hard work throughout this process.
- Professor Sarah Todd, from the School of Social Work, was awarded an esteemed 3M National Teaching Fellowship, for her exceptional contributions to teaching and learning. This award is the most prestigious recognition of excellence in post-secondary teaching in

Canada, and demonstrates Carleton's support for creativity in teaching and learning.

- The Provost and VP Research also recently announced the 2019 Achievement Awards in Teaching and Research. Thirty members of the Carleton community were honoured. A full list of awards with the profiles and accomplishments of the winners are available online: <https://carleton.ca/provost/2019/award-winners-announced/>
- On the Monday following the last Senate meeting, a false alarm about an active shooter created considerable stress on campus. The Chair provided a written commentary on this event in his blog (P15) on Monday February 11. The Chair notes that he has requested a full action plan from several departments on campus to ensure that Carleton is adequately prepared in the event of a real emergency.
- More information has been received regarding the provincial government's plans for a 10% tuition rollback, reductions to the OSAP program and changes to student fees. Carleton is committed to working together with student leaders to adapt to these changes. More discussion of this issue is scheduled for today's Question Period.
- On Monday, Carleton announced that the Collaborate Campaign reached its goal of raising \$300M. This is a tremendous accomplishment. The public phase of the campaign was launched in 2015, and continued to gain momentum under the *Here for Good* ethos. The Chair acknowledged and thanked former Presidents Roseann O'Reilly Runte and Alastair Summerlee for their crucial role in this shared success, and he acknowledged the exceptional leadership of Jennifer Conley and her team in the Department of University Advancement. The campaign will continue until the end of the fiscal year. Celebratory events will be held in March and April.
- The Chair concluded by wishing everyone a happy Family Day and a great Winter Reading Week.
- There were no questions.

5. Question Period

a. CASG Questions regarding changes to student fees.

Given the proposed changes to tuition and ancillary fees from the provincial government, the student body is concerned about the affect this will have on academics, services, and the overall campus community. The Carleton Academic Student Government has consulted with students to form a short list of questions to pose to Carleton's administration and the university Senate. They are as follows:

- 1. How are "essential services" being interpreted by the university? Does the university anticipate it will be allowed to determine what "essential services" are, or will it be determined by the province? Will the essential role played by groups such as CASG be recognized by the university in its implementation of the Students Choice Initiative?*
- 2. Marginalized communities receive a lot of support from the Service Centres put at risk of losing funding through student opt-out. How can the university support these Service Centres in continuing to deliver their services?*
- 3. Does the university anticipate that the U-Pass will be put at risk with the opt-outs? Especially considering that some students already choose to go through the extensive process of opting out.*
- 4. How can the university increase its support of career development and employability skills?*
- 5. Would Academic Advisors/supports on campus be put at risk due to changes in budget or funding allocation?*
- 6. What is the Omnibus ancillary fees? What does it pay for?*

The University Registrar, Suzanne Blanchard, responded to these questions:

1. Carleton has had one technical briefing by telephone with the provincial government; a more detailed framework has yet to be received. However, it appears that the provincial government will identify which fees are mandatory, and will provide a list of those fees. Students will be able to opt out of all others.
2. It is too early to comment on plans, but this issue is being addressed through ongoing discussions with student groups.
3. The ministry has confirmed that the UPASS, and Health & Dental Plan fees will be mandatory.
4. Carleton's focus is to commit to student success and to minimize any negative impact on our academic mission.
5. (answered together with #4)

6. The omnibus ancillary fees cover fees for graduation, transcripts and other administrative fees that, in other institutions, students pay for individually.

The Registrar added that discussions are continuing, and information will be shared with the Carleton community as it becomes available.

6. Administration (Clerk)

a. Student Senators Membership Ratification

A by-election was held recently to fill Student Senator vacancies for the remainder of the 2018/19 academic year.

It was **MOVED** (B. Kuzmarov, N. Nanos) that Senate ratify the new Senate appointments, as presented.

The motion **PASSED**.

The Clerk extended a welcome to the following four new Student Senators:

- Millie Close (Science)
- Bashar Hnidi (FASS)
- Brendan O'Malley (FED)
- Taylor Arnt (FPA)

b. Senate and Committee members – Call for student nominations for 2019/2020

The Clerk noted that the Senate Office will be holding elections next month (March) for student positions on Senate for the 2019/20 academic year. Previously, student elections have been held in September and October, which resulted in a late start for students to Senate. As first year students are not eligible to serve on Senate, there are no obstacles to holding these elections in the spring for service beginning in the fall.

A Call for Expressions of Interest will be circulated in early March and elections will take place prior to the next Senate meeting.

The Clerk confirmed that moving forward, this new schedule will be adopted for Contract Instructor elections to Senate as well.

6. Administration

c. Update on Senate Committee Review

The Clerk commented on the ongoing Senate Committee Review:

- Stage 1 of the review, the Benchmarking Study, was completed in January and was shared with Senators at the Senate meeting on January 25, 2019.
- Stage 2, a review of Carleton's current committee structure and function, is now complete.
- For this stage, the Clerk contacted committee Chairs for feedback on Terms of Reference and membership.
- 10 of the 14 committee Chairs have responded. Through their answers, a distinction has emerged between committees performing core work of Senate (approvals, management, recommendations) and those with less clearly defined oversight functions. This distinction is reinforced through the data gathered in our reporting on the meeting frequency, reporting procedure, and terms of reference of the committees. The framework also maps broadly onto a pattern evident in the Benchmarking Study, and will inform the report and recommendations moving forward in the coming weeks from the Senate Office.
- The next stage of the Review will be the preparation of a report for Senate that summarizes our findings so far. This will be shared at the next Senate meeting in March.

7. Reports

a. Senate Academic Program Committee (J. Tomberlin)

i. Major Modifications

The Provost presented eight major modifications to Senate.

1. It was **MOVED** that Senate approve the introduction of the Concentration in Urban Geography to the Bachelor of Arts (Hons) in Geography program as presented with effect from Fall 2019.
2. It was **MOVED** that Senate approve the major modification to the PhD in Information Technology program as presented with effect from Fall 2019.
3. It was **MOVED** that Senate approve the major modification to the Master of Information Technology program as presented with effect from Fall 2019.
4. It was **MOVED** that Senate approve the major modification to the Master of Arts in International Affairs program as presented with effect from Fall 2019.
5. It was **MOVED** that Senate approve the introduction of the minor in Human Resources and Management for BA Honours Psychology as presented with effect from Fall 2019.
6. It was **MOVED** that Senate approve the major modification to GINS 3930 and GINS 3931 as presented with effect from Fall 2019.
7. It was **MOVED** that Senate approve the major modification to the Master of Architecture program as presented with effect from Fall 2019.
8. It was **MOVED** that Senate approve the major modification to the Bachelor of Arts (Hons and Gen) in Childhood and Youth Studies program as presented with effect from Fall 2019.

OMNIBUS MOTION:

It was **MOVED** (J. Tomberlin, L. Dyke) that Senate approve the major modifications as presented with effect from Fall 2019.

Discussion:

A Senator asked about the credits listed for the BA (Hons) Geography Concentration in Urban Geography. The Chair requested that the committee double check all credit numbers for accuracy and clarity. Another Senator asked why there had been some concern expressed by a unit that supported this modification with reservations. The Vice-Provost replied that there was a concern regarding the potential increase in numbers of students for this program, but this had been addressed by the Department of Geography.

The motion **PASSED**.

7. Reports: a) SAPC (cont'd)

ii. **Undergraduate Dual Degree Policy** – common in Europe, and modelled on the current graduate dual degree policy at Carleton, this policy creates unique opportunities for undergraduate students.

It was **MOVED** (J. Tomberlin, L. Schweitzer) that Senate approve the Undergraduate Dual Degree Policy, as presented.

Discussion:

In response to questions, the Provost clarified that the policy is a framework that allows for dual degrees where they make sense but they are not required. A model articulation agreement is attached to the policy. The unit establishing the dual degree program negotiates the agreements and course equivalencies are established as part of the agreement. This allows for a case-by-case approach to these programs. The Dean of Graduate and Postdoctoral Affairs added that the policy is flexible enough to allow for these differences, but the choice of partner institute is critical. Both universities need to be committed.

The motion **PASSED**.

7-Reports

b. Senate Committee on Curriculum, Admissions and Studies Policy (SCCASP)

Howard Nemiroff presented six proposed academic regulation changes to Senate.

Regulation changes to Admission requirements for Special Studies:

It was **MOVED** (H. Nemiroff, S. Blanchard) that Senate approve the changes to Special Studies Admission requirements for the 2019/20 Calendar, as presented.

The motion **PASSED**.

Regulation changes to Admission requirements for Bachelor of Journalism, with a concentration in Health Sciences

It was **MOVED** (H. Nemiroff, A. Plourde) that Senate approve the changes to the Bachelor of Journalism admission requirements for the 2019/20 Calendar, as presented.

The motion **PASSED**.

Regulation changes to Admission requirements for advanced standing in BA Criminology and Criminal Justice (Algonquin Police Foundation Program)

It was **MOVED** (H. Nemiroff, A. Plourde) that Senate approve the changes to the Bachelor of Arts Criminology and Criminal Justice admission requirements for the 2019/20 Calendar, as presented.

The motion **PASSED**.

Regulation changes to Admission requirements for Criminology, Law, Psychology, Sociology

It was **MOVED** (H. Nemiroff, E. Sloan) that Senate approve the changes to admission requirements for articulation agreements for Criminology, Law, Psychology, Sociology for the 2019/20 Calendar, as presented.

The motion **PASSED**.

Regulation changes to Admission requirements for BA Child Studies,
Criminology

It was **MOVED** (H. Nemiroff, A. Plourde) that Senate approve the changes to admission requirements for Bachelor of Arts Child Studies and Criminology for the 2019/20 Calendar, as presented.
The motion **PASSED**.

Revisions to Regulation 5.2 Transfer of Credit subsequent to admissions –
Addition of Dual Degree requirements

It was **MOVED** (H. Nemiroff, L. Dyke) that Senate approve the changes to Reg 5.2 – Transfer Credits for the 2019/20 Calendar, as presented.
The motion **PASSED**.

There was no discussion.

8. Reports for Information

a. Senate Executive Committee Minutes (January 15, 2019)

There was no discussion.

9. Other Business

There was none.

10. Adjournment

It was **MOVED** (L. Schweitzer, C. Macdonald) that the Senate meeting adjourn.
The motion **PASSED**.

The meeting adjourned at 2:54 pm.