

The University of King's College Endowment Fund

Statement of Responsible Investment Policy and Goals

Date: November 25, 2022

Section 1: Statement of Purpose

The University of King's College Endowment Fund was established through various gifts to the University as detailed in the various deeds of trust.

This Statement of Responsible Investment Policy and Goals (SRIPG) has been established to ensure the Endowment Fund will have a permanent life and that investment policies will be followed which will provide a growing stream of income and preservation of capital for the purposes specified in the deeds of gift. This SRIPG will also apply to the University's Internally Restricted Fund(s).

The University currently intends to draw 4.75% annually of the average market value of the Endowment Fund over the past three years. Of this amount, 4.00% is intended to support the University's operations including student recruitment and retention activities. The balance of .75% is drawn to compensate the University for costs associated with the management and administration of the Endowment Funds.

This 4.75% spend percentage will be reviewed from time to time by the university administration and they will advise the committee of any desired changes. The Investment Committee will review any desired changes and provide a recommendation to the Finance, Audit and Risk Committee in this regard.

Section 2: Terms of Reference

The Investment Committee Terms of Reference are contained in Appendix A.

Section 3: Investment Objectives and Goals

The primary investment objective will be to achieve a balance between meeting the operating needs of the University today and preserving the purchasing power of the Endowment Fund in perpetuity. To achieve these objectives, the Endowment Fund will target an average net rate of

return of CPI plus the annual draw of 4.75% over a market cycle.

Section 4: Investment Guidelines

Portfolio Asset Mix:

The Investment Committee believes that a portfolio with an appropriate asset mix can achieve the stated investment objectives over the long term while managing portfolio volatility (risk). The Investment Committee also believes the portfolio is best managed by professional third-party investment managers who will make asset acquisition and divestiture decisions on behalf of the committee in alignment with the agreed upon mandates.

The University's Board of Governors (BOG) holds decision-making authority relative to target asset mix and other investment policy items and relies on the Investment Committee for recommendations on same.

Since the asset mix of the Endowment Fund is actively managed and values fluctuate, the mix at any time will deviate from the target asset mix. For that reason, permissible ranges for each asset class have been established and the intention is the portfolio mix shall remain within these ranges. It shall be the policy of the Fund to invest the assets (based on market value) as stated below:

Asset Class	% of Account at Market Value		
	Minimum	Target	Maximum
Equity			
<i>Total Equities</i>	39	49	59
Cash and Equivalents			
Cash and Equivalents	0	3	5
Fixed Income			
Investment Grade Fixed Income	10	21	31
Core Plus Fixed income	0	0	10
Global Unconstrained Bonds	0	0	10
High Yield Bonds	0	0	10
<i>Total Fixed Income</i>	11	21	31
Alternatives			
Commercial Mortgages	0	7	12
Global Infrastructure	0	10	15
Canadian Real Estate	0	10	15
Global Real Estate	0	0	7
<i>Total Alternatives</i>	22	27	32

This SRIPG requires approval by the University's BOG and any desired changes to the document by the Investment Committee require BOG approval. The SRIPG will be reviewed annually by the Investment Committee.

External investment managers will be expected to manage their portfolio in a fashion aligned with the Target Asset Mix and other requirements contained in this SRIPG.

At least annually, the Investment Committee shall review the asset category mix of each of the external investment managers to satisfy itself that the portfolios are being managed in a fashion aligned with the Target Asset Mix. Should the review indicate individual asset category balances are outside the permissible range, the committee shall 1) arrange for the movement of monies between asset categories to ensure compliance with policy or 2) seek approval from the BOG to amend the SRIPG.

Should the review reveal the external investment manager is not in compliance with the SRIPG, written notice shall be provided within 30 days requiring them to become compliant within a further 30 days or their mandate will be terminated upon the engagement of an alternate external investment manager. Alternatively, the Target Asset Mix policy can be amended subject to approval of the BOG.

Liquidity:

The Endowment Fund's cash flow will be monitored on a regular basis by the University Administrator's Office Staff and sufficient liquidity shall be maintained to fund operating needs.

Volatility:

We understand and accept that the current asset mix will exhibit short-term periods of increased volatility in pursuit of the portfolio investment objectives, but the Committee's expectation is that the longer-term volatility of the portfolio will be less than the volatility of the comparable asset mix benchmarks.

Proxy Voting Policy:

The Investment Committee delegates to the Investment Manager(s) the right to vote on any and all proxies solicited in connection with securities held by the Fund in the Investment Manager's pooled funds. The Investment Manager(s) shall advise the Investment Committee when a vote is on a matter of exceptional nature. Furthermore, the investment manager shall consider and ensure all proxies are voted are in accordance with the Responsible Investing guidelines contained herein.

Trading and Execution Guidelines:

The Investment Manager(s) shall have the discretion to make investment decisions aligned with this SRIPG and to execute securities transactions with brokerage firms of their choosing.

When the Investment Manager(s) directs commissions on behalf of the Fund, the direction will be contingent upon the institution being competitive in both price and execution for the specific transaction.

Investments:

In selecting fund investments, the Investment Manager(s) must consider the prudence of such investment in the context of the fund as a whole without undue risk of loss or impairment and with a reasonable expectation of an appropriate risk-adjusted return (income and/or appreciation) given the nature of such an investment. Furthermore, the investment manager shall consider and ensure all investments are in accordance with the Responsible Investing guidelines contained herein.

Permitted Investment Categories:

Subject to the asset mix and investment guidelines contained in this Statement, investments will be permitted in the following categories:

- i. Publicly-traded common stocks and income trust units, including related rights, warrants, convertible debentures, installment receipts and other common share equivalents;
- ii. Bonds, debentures, notes or other debt instruments of governments, government agencies or corporations;
- iii. Publicly-traded preferred shares;
- iv. Guaranteed investment certificates or equivalent financial instruments of insurance companies, trust companies, banks or other eligible issuers of funds which invest primarily in such instruments;
- v. Cash or money market securities issued by governments, government agencies or corporations;
- vi. Mutual, pooled or segregated funds which may invest in any or all of the above;
- vii. Investments in North American first and subsequent priority commercial mortgages on office, retail, industrial, multi-unit residential and mixed-use real estate assets held in a mutual, pooled or segregated fund by our investment manager(s);
- viii. Investments in Global office, retail, industrial, multi-unit residential, specialty and mixed-use real property assets held in a mutual, pooled or segregated fund by our investment manager(s);
- ix. Investments in Global Infrastructure assets e.g. transportation, power generation, power transmission, renewable energy, pipelines, utilities, telecommunications, social

infrastructure, held in a mutual, pooled or segregated fund by our investment manager(s);

- x. Limited Partnerships structured by the investment managers to optimally accomplish vii, viii and/or ix above;
- xi. Other investments upon written authorization of the Investment Committee.

Portfolio Limitations:

I. Common and Preferred Equity Investments:

Types of Securities: Common and preferred equity investments shall mean common stocks, preferred stocks, income trust units or equivalents. These securities may be issued by Canadian, US and International corporations. Funds may be invested in pooled funds dealing with these assets.

Diversification: The common and preferred equity investment portfolio shall be well diversified to avoid undue exposure to any single economic sector, asset type, geography, currency, industry, corporate group or individual security.

Quality and Marketability: Common, preferred stocks and income trust units must be listed on a major stock exchange. **Concentration by Issuer:** Normally no more than 10% of the portfolio based on market value shall be invested in the securities of any one issuing corporation at the time of purchase and reasonable diversification will be maintained across the major sub-indices of the applicable market index. These restrictions will not apply when investments are held in non-publicly traded securities via pooled funds as the "pooled fund guidelines" shall apply in lieu of the above.

II. Fixed Income Investments

Types of Securities: Funds not invested in cash equivalents (securities maturing in one year or less) shall be invested entirely in publicly traded marketable bonds, debentures, notes or other debt instruments of governments, government agencies, or corporations. Funds may be invested in pooled funds dealing with these assets. These restrictions will not apply when investments are held in non-publicly-traded securities via pooled funds as the "pooled fund guidelines" shall apply in lieu of the above.

Diversification: The fixed income investment portfolio shall be well diversified to avoid undue exposure to any single non-government economic sector, geography, currency, industry, term, quality, issuer/corporate group and individual security.

Quality and Marketability: The portfolio shall have a primary focus on quality with a minimum weighted average quality of the total bond portfolio of A, as measured by a major bond rating service. A minimum of 10% of the total portfolio shall be investment grade (minimum BBB

bonds). For cash equivalents, a minimum of rating of R1Low shall apply. Fixed income investments must also be readily marketable.

Each manager will maintain the duration of their bond portfolio within a range of 50% to 150% of the duration of the TMX Index and will report the duration information with each quarterly written report.

III. Alternative Assets:

Types of Securities: Funds may be invested in pooled funds dealing with real property assets, commercial mortgages and infrastructure assets offered by one or more of the university's investment managers.

Due to the nature of the underlying assets held in the commercial mortgage, real property and infrastructure mutual, pooled or segregated funds, the fund units are less liquid. As such, the time required to affect any partial or whole redemption by the university is subject to the investment manager(s) having either sufficient liquidity, replacing the university's investment with new fund unit sales or liquidation of the underlying assets. These investments typically also carry required notice periods.

Diversification:

Each asset category within the overall portfolio shall be well diversified to avoid undue exposure to any single economic sector, asset type, geography, currency, industry, corporate group or individual security.

The portfolio limitations outlined above will not apply when investments are held in pooled funds as the "pooled fund guidelines" shall apply in lieu of the above.

Restricted Investments:

Categories of investments which are not eligible for investment without proper approval of the Investment Committee include:

- I. Margin purchases or other uses of lending or borrowing of money excepting 1) commercial real property held within mutual, pooled or segregated funds and 2) assets held within infrastructure mutual, pooled or segregated funds;
- II. Commodities;
- III. Unregistered or restricted stock;
- IV. Direct loans or extension of lines of credit excepting within the mutual, pooled or segregated funds;
- V. Options or futures
- VI. Cryptocurrencies; and
- VII. Investments that do not accord with the Responsible Investing guidelines contained herein.

Valuation of Investments:

The value of the assets of the fund shall be as determined minimum quarterly by the provider of custodial services to the University or in the case of alternative assets, by the investment manager(s). In this latter case, asset valuations will be conducted by the investment managers annually at a minimum by an accredited third party and reported to the university.

Section 5: Investment Performance Review and Evaluation

The Investment Committee has established a net return target of CPI plus 4.75% over a market cycle.

Although this objective is expected to be attained over three and five-year rolling time horizons, there shall be an annual review of performance to measure the progress against this objective.

A deemed performance shortfall, typically third quartile or worse performance over a persistent period of time, shall trigger a formal review of that manager’s investment policies and a recommendation made to the Board of Governors as to whether to retain or replace that manager.

The investment performance of the total portfolio and individual asset class segments (both in terms of return and risk) will be measured against commonly accepted benchmarks, including the S&P/TSX, the FTSE TMX Universe, the S&P 500 and any other market indices deemed appropriate.

Benchmark Index	Weight (%)
S&P/TSX Composite	15.5
S&P 500 C\$	15.5
MSCI EAFE C\$	8.0
MSCI World ex-Canada C\$	10.0
FTSE Canada 91 Day T-bill Index	3.0
FTSE Canada Universe Bond Index	21.0
Custom Mortgage Benchmark (60% FTSE Canada Short Term Bond Index + 40% FTSE Canada Mid Term Bond Index + 50bps per annum)	7.0
MSCI/REALpac Canadian Property Index	10.0
Custom Infrastructure Index (U.S. Core Consumer Price Index + 5%, four-year rolling average in U.S. dollars)	10.0

Section 6: Communications

The Investment Committee believes communication to be an integral part of the management process. This section establishes the reporting requirements and frequency of review meetings.

Investment Manager(s) Communications with the Investment Committee:

- i. Provide at least quarterly portfolio valuations and transaction listings;
- ii. Meet at least annually with the Investment Committee;
- iii. Review past investment performance, evaluate the current investment outlook and discuss investment strategy;
- iv. Provide advance notice regarding major changes in investment policy that may result in investment strategy changes;
- v. Review any significant changes in management, research, personnel, or ownership within the firm;
- vi. Other communications that the Investment Manager(s) feels are necessary to facilitate achievement of the Fund's objectives and goals.

Investment Committee Communications with Investment Manager(s):

- i. On a timely basis, provide a copy of any amended SRIPG;
- ii. Meet at least annually with the Investment Manager(s);
- iii. Review and discuss any modifications and changes to the fund's investment objectives, goals and guidelines;
- iv. Communicate any other matters which may bear upon the fund's assets.

Investment Committee Communications with the Board of Governors:

- i. The Investment Committee will provide a report on its activities to the University's Board of Governors, not less than annually as required under the Committee's Terms of Reference.
- ii. The annual report to the Board of Governors will include the results of the Committee's annual review and update (if any) to the SRIPG including the Responsible Investing Policy contained therein.

Section 7: Conflict of Interest Guidelines

The Investment Committee; the Finance, Audit and Risk Committee; the University Administrator; the Consultant(s); the Custodian and any others engaged by the Investment Committee to carry out any act required in the administration and investment of the Endowment Fund shall not knowingly permit their interest to conflict with their duties and powers in respect of the fund.

Conflicts of interest and potential conflicts of interest shall be disclosed at least annually to the Chair of the SRIPG in accordance with the University of King's College Policy on Conflict of Interest, contained in Appendix B which is attached to this Statement and forms part of this Statement. In addition, any person who is aware or has reasonable grounds to believe that an undisclosed conflict of interest exists is required to report it.

Appendix A: Terms of Reference

Investment Committee – Terms of Reference

(Approved by BOG September 2020)

I. General Purpose

The Investment Committee supports the University's Board of Governors in the fulfilment of its stewardship responsibilities in relation to the oversight of the University's Endowment. The Committee shall report to and take direction from the Board regarding the investment policies and the management of University Investment Funds.

II. Specific Responsibilities

The Investment Committee's specific responsibilities shall include:

A. General Investment Oversight

- i. Ensuring that an annual report covering the University's Endowment Funds and related policies is provided to the Board of Governors in the Spring of each year. Furthermore, that the committee chair (or alternate) is available to meet with the full Board on an annual basis or more frequently as required by the Board to answer any questions on the report's content or to deal with any other investment matters
- ii. Recommending to the Board the approval of all investment policies, including the Statement of Investment Policies and Goals for the University Endowment Fund, and any modifications thereto
- iii. Annually reviewing the Statement of Investment Policies and Goals to ensure the long-term health of the Endowment and recommending to the Board any changes thereto
- iv. Monitoring compliance with the University's Statement of Investment Policies and Goals through the review of appropriate reports from Senior Administration, investment managers and custodians
- v. Monitoring the investment performance of the University's Endowment Funds through quarterly reports from and periodic meetings with the custodian and investment managers
- vi. Reviewing and advising the Finance Committee on the appropriate disbursement levels from endowed funds
- vii. Overseeing the management of any University surplus cash balances and such other funds as may be directed, from time to time, by the Board
- viii. Determining how the Endowment Funds should be managed
- ix. Recommending to Senior Administration the terms of reference for any external investment management services
- x. Developing the criteria against which the performance of external investment managers shall be evaluated and conducting a formal evaluation of all investment managers annually

- xi. Recommending to Senior Administration the appointment or termination of external investment managers
- xii. Reviewing with the Senior Administration any public policy or legislative changes that may have an impact on investment performance of the Endowment Fund. It shall be responsibility of the Senior Administration to provide the committee with any and all public policy or legislative changes for review

B. Other Duties

- i. The university may in special circumstances accept gifts of significant value the administration of which (including its investment and disbursement levels) are not, or not solely, the responsibility of the Investment Committee, and in such cases the responsibility of the Investment Committee will be as per the terms of the gift.
- ii. Performing such other duties as may be assigned by the Board

III. Membership and Quorum

- i. The Committee has from six (6) to ten (10) members, including the Committee Chair
- ii. The Committee Chair shall be appointed by the Board on the recommendation of the President, Bursar and Treasurer for a three (3) year renewable term
- iii. At least one committee member is a member of the Board of Governors
- iv. One committee member shall be a student representative, with preference given to a student who has an academic interest in and career aspirations for pursuing a career in business, investment, finance, or business journalism.
- v. Members of the Committee are financially literate and at least two members have experience relevant to institutional investments
- vi. A quorum for Committee meetings consists of a majority of voting members of the Committee
- vii. The Chair of the Committee shall not be the Board Chair
- viii. The Board Chair is an ex officio voting member of the Committee, but does not count in meeting requirements for a quorum
- ix. The President, the Treasurer (if not a Committee member) and the Bursar may attend and participate in Committee meetings in a non-voting capacity
- x. The Committee Chair, after consultation with the Bursar and the President, shall have the authority to appoint members that meet the above criteria; the names and qualifications of the members of the Investment Committee shall be provided for information to the Executive Committee
- xi. Committee members shall be appointed for a term of three years, normally extendible for a maximum of an additional two terms
- xii. The Committee Chair is responsible for ensuring the orderly succession of committee members

IV. Meetings and Organization

The Investment Committee:

- i. Has a meeting calendar and annual work plan for the year
- ii. Meets at least three (3) times per year with pre-determined dates and agendas
- iii. Holds special meetings as required
- iv. May, at the request of the Committee Chair, require the Bursar and other senior administrators to attend Committee meetings in an ex officio capacity

V. Minutes and Reporting Responsibilities

Minutes of Committee meetings shall be taken and subsequently approved by the Committee at its next meeting.

The committee member who also sits on the Board of Governors, accompanied when possible by the Committee Chair (if the latter is not a Board member), shall present any report of the Committee's minutes at the next scheduled Board meeting in such form and manner as required by the Board.

VI. Confidentiality

Committee members shall maintain the confidentiality of the Committee's deliberations and shall safeguard confidential records, material and information from improper access.

VII. Other

The Investment Committee:

- i. Annually reviews its Terms of Reference and recommends any changes to the Board
- ii. Annually assesses its performance in carrying out its duties
- iii. Provides an orientation to new Committee members and ongoing training and development opportunities for its members
- iv. Shall be entitled to rely on the senior administration to carry out specific action plans as identified in the meeting minutes in a timely fashion
- v. May engage independent consultants as required to assist the Committee with its duties, subject to budgetary approval by the Board

The Bursar shall be the senior executive designated to support the work of the Investment Committee.

Annual Work Plan – Investment Committee

Meeting	Agenda Items
Fall	<ul style="list-style-type: none"> • Annually review the Statement of Investment Policies and Goals for the Endowment Fund and the Pension Fund • Recommend policy changes, if any, to the Board • Review the investment performance of the Endowment Fund • Monitor compliance of investments with the University's Statement of Investment Policies and Goals • Arrange for one or more of the investment managers to present their most recent results and answer committee questions. Each investment manager is required to present at least annually • Review the investment performance of the Endowment Fund • Monitor compliance of investments with the University's Statement of Investment Policies and Goals
Winter	<ul style="list-style-type: none"> • Recommend to the Board the disbursement levels that are appropriate from the Endowment Fund for the next fiscal year (as part of the annual budget approval process) • Review the criteria for evaluating the performance of external investment managers • Periodically engage a third party to provide an independent assessment of the investment manager's performance and other due diligence as requested • Review the investment performance of the Endowment • Review the performance of external investment managers and make recommendations to Senior Administration regarding any changes to such managers • Monitor compliance of investments with the University's Statement of Investment Policies and Goals
Spring	<ul style="list-style-type: none"> • Address any changes in public policy or legislation with potential impact on the investment performance of the Endowment • Arrange for one or more of the investment managers to present their most recent results and answer committee questions • Review the investment performance of the Endowment • Monitor compliance of investments with the University's Statement of Investment Policies and Goals • Annually evaluate the performance of and terms of reference for the Investment Committee; recommend any changes to the Governance, Human Resources and Nominations Committee • Review and revise the Committee's work plan for the coming year

The Committee has the discretion to move items between and among meetings but shall cover all items of the work plan over the course of a year.

Appendix B:

University of King's College POLICY ON CONFLICT OF INTEREST*

(*Adopted by Faculty Oct. 3, 2016 and Board of Governors Oct. 13 2016. **Adopted by the Investment Committee, November 25, 2022 insofar as the provisions herein may apply to members of the Investment Committee in their roles as volunteer members of the committee and/or the Board of Governors as the case may be.**)

To maintain public trust and confidence, the University of King's College must act and be seen to act in accordance with its mission of serving community and society through education, research and professional service.

The activities through which this mission is fulfilled are diverse – and increasingly so. More and more often, they entail interaction between the university's members and other organizations – public and private; local, regional, national and international.

In this environment, it is inevitable that conflicts of interest will sometimes arise. The purpose of this policy is to set out a mechanism for identifying and addressing potential and actual conflicts of interest, so that the university's constituencies can be confident that its decisions and actions are untainted by personal interests. It is the ethical and legal responsibility of everyone who acts on behalf of the university to ensure that decisions and actions which affect the university and those it serves are taken in the best interests of the university and are not influenced by personal interests. In this context, "personal interests" mean the personal, private or financial interests of a university member or a closely associated person or related business. A "closely associated person" means a person related by blood, adoption, marriage, or common law marriage (with a person of the same or the opposite sex) to the university member or a person (of the same or the opposite sex) with whom a university member has an intimate personal relationship.

This policy aims to minimize the occurrence of conflicts of interest and to manage them when they do arise. It does not necessarily prohibit activities which involve a conflict of interest, but rather requires full disclosure and attempts to ensure that a person with a conflict of interest does not decide whether the conflict of interest will be permitted to continue. The policy has three components:

1.1 Recognition

Conflicts of interest must be identified in order to permit their appropriate management. A conflict of interest arises from a particular situation. It does not arise from or reflect upon the character of the individuals involved.

1.2 Disclosure

Conflicts of interest and potential conflicts of interest shall be disclosed in accordance with this policy. In addition, any person who is aware or has reasonable grounds to believe that an undisclosed conflict of interest exists is required to report it.

1.3 Resolution

Conflicts of interest shall be resolved within a framework and with a procedure which attempt to ensure that the best interests of the university and its capacity to fulfill its mission are protected.

2. DEFINITION OF CONFLICT OF INTEREST

A conflict of interest exists where there is a potential or actual divergence between the personal interests of a university member and that member's obligation to uphold the interests and mission of the university. In a conflict of interest situation, an impartial observer might reasonably question whether actions or decisions taken by the university member on behalf of the university are influenced by consideration of personal interests.

Conflict of interest situations take many forms. Examples include, but are not limited to, cases in which a university member:

- Conducts a review, assessment or evaluation of a project or colleague, the outcome of which may affect the university member's personal interests.
- Conducts or participates in a research project which may affect his or her financial interests or those of a related business.
- Is party to a decision on the part of the university to enter into a contract that may affect a family member's financial interests.
- Supervises a graduate or undergraduate student employed by a business in which the university member has a financial interest.
- Grades work done by a student to whom the university member is related or with whom he or she has an intimate personal relationship.
- Participates in a university recommendation or decision that affects the employment of a partner, spouse or other family member.
- Uses university resources for private business purposes.
- Uses information acquired in the course of university activities, which is not in the public domain, to advance their personal or financial interests or those of a related business.

In these examples, the personal interests of the university member may diverge or may reasonably be perceived to diverge from his or her obligations to uphold the university's mission and interests.

3. OTHER DEFINITIONS

Within this policy, the following terms shall be interpreted as follows:

1. "business" means any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, business or real estate trust or society, or any other separate legal entity organized for profit or charitable purposes;
2. "financial interest" means an interest in a business consisting of (a) any stock, stock option or similar ownership interest but excluding any interest arising solely by reason of investment in such business by a mutual fund, pension fund, or other institutional investment fund over which the expectation to receive, any income or benefit from such business whether in the form of a fee (e.g. consulting), business, salary, allowance, forbearance, forgiveness, interest in real or personal property, dividend, royalty derived from the licensing of technology, rent, capital gain, real or personal property, or any other form of compensation, or any combination of the foregoing;
3. "personal interests" means the personal, private, or financial interest of a university member or closely associated person or related business;
4. "closely associated person" means a person related by blood, adoption, marriage, or common law marriage (with a person of the same or the opposite sex) to the university member or a person (of the same or the opposite sex) with whom a university member has an intimate personal relationship;
5. "related business" means a business or society in which the university member or any closely associated person:
 - a) Has a financial interest;
 - b) Acts as a trustee, director or officer;
 - c) Acts in a position as an employee, agent or otherwise which includes responsibility for a segment of the operation or management of a business; or
 - d) in a position as an employee, agent or otherwise which includes responsibilities for influencing or determining the scientific direction of the corporation.
6. the "administrative head" of the President is the Chair of the Board of Governors;
6.2 of the Vice President, Bursar, and Director of Advancement is the President;
6.3 of a Director, the Registrar, Librarian and Chaplain is the President or the Vice President acting as his/her designate ;
6.4 of an administrative or other non-teaching unit is the Director responsible for that unit;
6.5 of any other university member who is employed at the University:
 - 6.5.1 with a faculty position is the Director;
 - 6.5.2 in other than a faculty position is the Director of the unit, in which the university member works;
6.6 of a university member who is a student is the Dean of Students;
6.7 of any other person who is not an employee or student of the University of King's College is the Vice-President or the appropriate Director or Administrative Director.
7. "university member" means all employees of King's including full-time, part-time and student employees, and any other person while acting on behalf of or at the request of The University of King's College including, but not limited to, members of a university committee, persons giving advice to the university at the request of the university and anyone involved in a university decision-making process. A university member shall not participate in an activity or decision that involves an actual or potential conflict of interest unless such activity or decision has been approved in advance in writing by the

administrative head responsible for his/her unit of work or study and, if such approval has been given, any terms or conditions made by the administrative head regarding such activity or decision are fulfilled.

5. PROCEDURES 5.1 Disclosure

A university member shall disclose to his or her administrative head any personal interests which are, or may reasonably be perceived to be, in conflict with the university member's obligation to uphold the university's mission and interests. In the case of the President, disclosure shall be to the Chair of the Board of Governors.

Disclosure to an administrative head shall be made in each of the following circumstances:

- As soon as any situation arises which creates, or has the potential to create, a conflict of interest for a university member;
- In any required annual report of a university member's activities or plans or both;
- Where appropriate, at the time of the university member's appointment;
- When requested in writing by an administrative head, Director, Vice-President or President;
- Where otherwise required in accordance with this policy.

Normally, a disclosure of a conflict of interest shall be made in writing.

If a university member is uncertain whether a conflict of interest exists or is likely to exist, he or she shall discuss the situation with the administrative head.

If the person reasonably believes that this Policy is not being followed by the university member after the issue has been raised with them or that raising the issue with the university member is inappropriate in the circumstances, they shall report it to the administrative head of the university The administrative head shall discuss the alleged undisclosed conflict of interest with the university member and, if a conflict of interest exists, shall deal with it in accordance with this policy.

5.2 Procedures for Handling General Conflicts of Interest

Subject to the exceptions in paragraphs 5.3, 5.4 and 5.5 below, the administrative head to whom a conflict of interest is disclosed shall decide whether a conflict of interest exists, whether it will be permitted to continue and, if so, under what, if any, conditions.

The administrative head shall base this decision on a determination of the course of action that is in the best interests of the university and its capacity to fulfill its mission. In making this determination, the administrative head may take into account the following factors:

- Any possible harm to the interests of students, research participants, clients of university services, or others served by the university, should the conflict be permitted to continue.

- Any possible harm to the university or its employees, officers or others acting on its behalf if the conflict were allowed to continue.
- Whether reasonable alternate arrangements which do not involve a conflict of interest can be made.
- The consequences to the university and its reputation and future activities of not permitting the conflict of interest to continue.
- The consequences to the university and its reputation and future activities of permitting the conflict of interest to continue.
- The educational, research, economic and other interests of the university.

An administrative head may require additional information from the university member and may consult with others before making a decision relating to a conflict of interest. In dealing with some specific types of conflict, administrative heads shall follow the additional guidelines set out in Section 5.3 (Resolution of Particular Types of Conflicts) below.

An administrative head may impose terms and conditions before permitting a conflict of interest to continue. Such terms and conditions will often include disclosure of information concerning the existence of the conflict of interest and/or the administrative head's decision, to individuals potentially affected by the conflict of interest. An administrative head shall not permit a conflict of interest situation to continue where there is reason to anticipate that to do so would not be in the best interests of the university or of its capacity to fulfill its mission.

The administrative head's decision shall be communicated in writing to the university member and may be appealed as set out in Section 9 below. A copy of the decision shall be sent to the President's Office.

The administrative head may review a decision concerning an ongoing conflict of interest at appropriate intervals. The original decision may be reversed or varied.

Each year, the President shall present to the Chair of Faculty and to the Governance Committee of the Board of Governors a summary of the decisions taken with respect to conflicts of interest, together with any recommendations for policy changes.

Any proposed changes in this policy will be considered by Faculty and staff before they are submitted to the Board of Governors for approval.

5.3 Procedures for Handling Particular Types of Conflicts of Interest

In addition to the general policy set out in section 4 above, the following additional guidelines and procedures shall apply to these particular types of conflict of interest:

1. Personal interest in contracts
2. Personal interest in outcome of assessment
3. Teacher-student relationships involving family, business or intimate personal relationships
4. Personal interest in research project
5. Student involvement in research involving a personal interest
6. Employment decisions concerning family members or intimates

5.3.1 Personal Interest in Contracts

A university member shall:

1. (a) Prior to entering into a contract with the university; or
2. (b) Immediately upon becoming aware of a proposed contract between the university and a closely associated person or related business,

Advise his or her administrative head of any actual or potential conflict of interest. If the university member has the ability to influence or determine the university's decision to enter into that contract, he or she is required to withdraw from the university decision-making process. If the contract is entered into, the university member is also required to withdraw from any subsequent university decision-making, review or assessment process relating to the contract.

The administrative head may designate an alternate person to replace the university member in any university decision-making, review or assessment process provided that, by doing so, such alternate person is not placed in a conflict of interest position.

5.3.2 Personal Interest in Outcome of Assessment

Personal interests of a university member or a closely associated person which might reasonably be perceived as influencing the university member's review or assessment of research, assignments, papers, examinations, programs or proposals, or any other evaluation of applications, performance or submissions of another person, unit or group, shall be disclosed to the university member's administrative head prior to such review, assessment or evaluation.

Submissions in this context include, but are not limited to manuscripts, applications for research grant funding, and applications for contract research (whether received directly or through third parties). Where a university member has a personal interest, he or she may only participate in such review, assessment or evaluation when it has been approved in advance by the administrative head. The administrative head may determine that an alternative process or person be used to conduct the review, assessment or evaluation.

5.3.3 Teacher-Student Relationships involving Family, Business or Intimate Personal Relationships

A family, business or intimate personal relationship between a teacher and a student may compromise or be perceived to compromise the teacher's responsibility to instruct, supervise, evaluate and advise students in a fair and effective manner. A teacher must therefore disclose such a relationship to his or her administrative head. (For purposes of this policy, a teacher is any one who is involved in the instruction, supervision or evaluation of students, including, but not limited to, professors, teaching fellows, lecturers, instructors, teaching assistants, and supervisors.) For examples, disclosure is required before a university member:

1. (a) Teaches, supervises or evaluates a student who is a closely associated person;

2. (b) Shares a financial interest with one of his or her students (i.e., a student whom he or she is teaching, supervising or evaluating);
3. (c) Acts as a researcher, employee, consultant or advisor for one of his or her students in connection with activities unrelated to the student's academic program.

Teachers in these situations shall not participate in instruction, supervision, evaluation or advice of the student, unless such participation has been approved in advance by the university member's administrative head. Any such participation shall be subject to any conditions set by the administrative head. Normally in such situations, alternative instruction, supervision, evaluation or advice is expected to be arranged by the administrative head.

Teachers should recognize that an intimate personal relationship with one of their students may constitute, or give rise to a subsequent claim that the relationship constituted sexual harassment. Such relationships are therefore discouraged.

5.3.4 Personal Interest in Research Project

An administrative head to whom a conflict of interest involving research is disclosed shall refer the matter to the Vice-President. The Vice-President shall decide whether to approve or prohibit the university member's participation in the project and, if participation is approved, under what conditions, if any. The Vice-President may strike an ad hoc committee to advise him or her on the case and/or may consult with others. An ad hoc advisory committee shall normally consist of the following.

- The Vice-President who shall chair the committee,
- The Director of the university member's programme where the research is to be undertaken,
- The Director of another Faculty which is unrelated by discipline to the programme from which the matter arises,
- One other university member from the programme in which the matter arises,
- If any graduate students or post-doctoral fellows are to be involved, Dalhousie's Dean of Graduate Studies or his or her designate.

The decision of the Vice-President will be communicated to the administrative head and the university member in writing.

5.3.5 Student Involvement in Research Involving a Personal Interest

5.4 A university member must disclose to his or her administrative head plans to involve an undergraduate, graduate student or post-doctoral fellow in research activities in which a university member has a personal interest. The prior approval of the Dean of Graduate Studies at Dalhousie is required for any such involvement. Prior approval of the Director of the programme or Dean of the faculty in which an undergraduate student is registered is required for the involvement of such a student in research activities in which a university member has a personal interest.

5.3.6 Employment Decisions Concerning Family Members or Intimates

A university member shall not participate in decisions concerning the employment (i.e., hiring, termination, evaluation, promotion, compensation or other benefits) of a closely associated person at the university or with funds administered by the university. A university member shall not be in a position of a direct reporting relationship with a closely associated person.

Use of University Resources and Name

Except as stated below, a university member shall not use university resources for any purposes other than the education, research, and service missions of the university other than in a purely incidental way, unless specifically permitted pursuant to applicable university rules and regulations. University resources include space, facilities, equipment, supplies, other types of property, staff members, services and confidential information.

Although university space or facilities are not normally made available to the private sector, a contract entered into with the university which has been approved by the President and/or Bursar may provide for the use of space and/or facilities by a university member or closely associated person or related business if:

- Full disclosure has been made by the university member to his or her administrative head and to the Vice President; and
- The space or facilities are readily available and their proposed use does not hinder the functions or activities of other university members; and
- The contractual arrangements for the use of space or facilities are negotiated formally by the Bursar's Office (if appropriate Conference Services) and such arrangements are approved in writing by the university member's administrative head.

A university member shall not purport to speak on behalf of the university unless authorized to do so. Nor may a university member use the university's name or letterhead in connection with extra professional activity or other activities outside the university, unless this has been approved in advance by his or her administrative head.

5.5 Use of Information for Personal Gain

A university member shall not use university information (including, but not limited to, information about the university's students, personnel, finances, contractual arrangements and plans) acquired as a result of university-related activities to advance his or her personal interest, unless the information is in the public domain.

6. IMPLEMENTATION

The university may develop guidelines to assist in the administration of this policy.

7. ACCESS TO DISCLOSURES/OTHER DISCLOSURES

Subject to section 5.2 above, disclosures made under this policy will normally be treated as confidential. However, in order to meet the objectives of the policy it will sometimes be necessary for the university to permit persons within the university, and, in some circumstances, persons outside the university, access to information about such disclosures. Reasonable efforts

shall be made to advise the university member in writing before such disclosures are made available to persons outside the university. Disclosures may be made available to third parties when required by university or statutory regulation (including Freedom of Information/Protection of Privacy) or by due process of law.

University members should be aware that disclosure of conflicts of interest may be required for other university processes. For example, whenever a university member is engaged in research which involves a conflict of interest, it might be necessary or appropriate for the member to disclose the conflict to a university Ethics Committee which is reviewing the research. This would be especially important where the conflict might adversely affect the research design or subjects of the research. In addition, university members may voluntarily disclose to others any conflict of interest involving themselves and the decision relating thereto that previously has been disclosed by the university member pursuant to this policy.

8. COMPLIANCE

The intent of this policy is to assist the university in the management of conflict of interest situations before they arise or when they become known. The university expects that its members will comply fully with this policy, including all requirements for disclosure. Failure to do so shall constitute grounds for disciplinary action in accordance with King's Code of Conduct, and/or other applicable disciplinary processes.

9. APPEALS

Any university member who is not satisfied with a decision relating to him or her made by an administrative head under this policy may appeal the decision within fourteen days of receiving written notice of the decision. The university member shall submit a written statement outlining the grounds of appeal and the reasons therefor, together with any relevant documentation, to the supervisor of the administrative head who made the decision. If the university member reasonably believes that the administrative head to whom the appeal will normally be directed was previously involved in the decision or might otherwise be biased in considering the appeal, the university member may submit the appeal to the President. If the appeal is of a decision of the President, it shall be made to the Chair of the Board of Governors. The administrative head receiving the appeal shall make a final decision, normally within thirty days, but he or she may extend that time upon giving notice to the appealing university member if it is desirable to consult with others or consider the matter further before making the decision. An appeal decision shall be in writing and shall be binding on the university member.

10. EFFECT ON COLLECTIVE AGREEMENTS

Nothing in this policy shall be construed as limiting any right of grievance or arbitration that exists under an applicable collective agreement.

11. BOARD OF GOVERNORS

Members of the Board of Governors are governed under its Code of Conduct (2015) which requires all members to declare real or apparent or potential conflicts when attending meetings or conducting business of the Board and its Committees.

This Policy on the Conflict of Interest shall apply to any university member of the Board of Governors who is acting as a university member outside of the Board duties.

October 13, 2016

Appendix C: Related Party Transactions

Any party with whom the Committee contracts will not engage in a non-arm's length transaction without the prior written approval of the Committee.

Appendix D: Responsible Investing Policy

It is recognized that maximizing the return on the University's endowment funds, within documented risk parameters, is not the *sole* purpose of this investment policy. In addition to maximizing returns, it is appropriate that the University embrace responsible investing policies and practices in the management of the endowment funds and align our investment practices with the imperative fight against climate change.

Responsible Investing Policy and Practices

The University embraces an Environmental, Social and Governance (ESG) investing approach to the management of its endowment monies. We believe encouraging publicly-traded, privately-held and public sector organizations to embrace business activities and practices that reduce environment impacts, improve the communities in which they operate and enhance governance practices within their organizations, creates a better world.

Additionally, we believe investing in organizations with strong ESG practices will, in the medium to long term, reduce risk and enhance the University's investment returns. Customers, suppliers, leaders and board members will gravitate towards those organizations with stronger ESG policies and practices. As a result, investment dollars will do so as well; leading to enhanced investment returns from rising asset prices.

The specifics of the University ESG policy and practices are as follows:

- We embrace and support the United Nations – Principles of Responsible Investment (UN-PRI). We will require that all investment managers that act for the university are signatories in good standing with the UNPRI and require that they manage our investment activities in a fashion consistent with these principles; namely:
 - To incorporate Environmental, Social and Corporate Governance (ESG) issues into investment analysis and decision-making processes;
 - To be an active owner and to incorporate ESG issues into our ownership policies and practices;
 - To seek appropriate disclosure on ESG issues by the entities in which we invest;
 - To promote acceptance and implementation of the Principles within the investment industry;
 - To work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles;
 - To report on our activities and progress towards implementing the Principles.
- We require each of our investment managers to provide us with the UN-PRI annual assessment of their ESG activities and where warranted, to provide us with their action plan to improve same.

- We believe certain industries and companies which include, but are not limited to, natural resource extraction (in particular oil and gas, coal and mining), weapon manufacturing companies supporting military conflicts and occupations in particular regions and tobacco/vaping products production, will be challenged to provide stable and sustainable long-term investment returns without well governed social and environmental systems. The University entrusts investment asset selection to its investment managers and thus, we do not directly make individual asset purchase or sale decisions. However, we require our investment managers to adopt investment strategies for the University's endowment funds that seek to divest of positions in industries and companies that do not promote responsible corporate behavior that aligns with our responsible investing policy.
- We believe, in most situations, that engagement is a superior approach to divestment in effecting changes on ESG issues. We will play an active role in ensuring our managers divest entirely of investments in companies and industries that clearly do not align with the ethical principles and values of the University, such as weapons manufacturing and tobacco/vaping producers.
- Certain industries, such as natural resources and energy, have traditionally been associated with poor or weak ESG practices. Some companies in these industries are likely to remain ESG laggards, while some are transitioning to stronger ESG practices and have the potential to lead the economy to a low-carbon, ESG-positive future. We, therefore, require our investment managers to specifically evaluate such companies through an ESG lens in making their investment choices, and report to us on the ESG-positive rationale for their investment decisions in companies they believe will become ESG leaders in such industries.
- We shall require each of our investment managers to provide an update of their ESG activities to us on, at least, a semi-annually basis.
- We commit to making our Responsible Investing Policy and Practices available to all stakeholders, both proactively and responsively.
- We commit to publishing the list of the investment assets held within the endowment funds on the University's website at least annually; providing visibility to all stakeholders.
- We shall identify an appropriate exchange-trade fund (ETF) or mutual fund (MF) dedicated to Socially-Responsible Investing for any future donors preferring to have their monies invested in this fashion.