



UNIVERSITY OF TORONTO

University of Toronto Governing Council

**Investment, Delegation of Authority to the University of Toronto Asset
Management Corporation (UTAM)**

April 28, 2008

To request an official copy of this policy, contact:
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DELEGATION OF AUTHORITY made as of the 28th day of April, 2008

FROM:

THE GOVERNING COUNCIL OF THE
UNIVERSITY OF TORONTO
(hereinafter called the "University")

OF THE FIRST PART

TO:

UNIVERSITY OF TORONTO ASSET
MANAGEMENT CORPORATION
(hereinafter called "UTAM")

OF THE SECOND PART

WHEREAS the University wishes to invest such of the money, investments, investment funds and pension funds that come into the hands or are under the administration of the University (the "University Assets" and "Pension Assets" respectively);

AND WHEREAS the University sets investment risk and return targets and specifies other requirements in its investment policies, and their regulations, which are approved by the University or its Business Board, as amended from time to time (the "Investment Policies") for funds it wishes to invest;

AND WHEREAS UTAM was incorporated pursuant to the Corporations Act (Ontario) by Letters Patent dated April 25, 2000, for the following objects, inter alia:

"(a) to manage, or see to and supervise the management of, the money, investments, investment funds and pension funds that come into the hands or are under the administration of The Governing Council of the University of Toronto, subject to and in accordance with the applicable policies from time to time approved by or on behalf of the Council; and

(b) to carry out such other duties and responsibilities on behalf of the said Council as may be properly delegated or assigned to the Corporation;”

AND WHEREAS the University wishes to delegate authority to UTAM to permit it to act as agent for the University.

DELEGATION OF AUTHORITY:

1. The University hereby delegates to UTAM, with permitted delegation by the UTAM Board to UTAM staff, should the UTAM Board so desire, the power and authority to take all such actions and execute all such documents as may be necessary or desirable to provide investment management services to properly manage the University Assets and the Pension Assets, subject to the terms and conditions hereof including, UTAM's obligations hereof to act in accordance with the Investment Policies and to act in accordance with any other instructions issued by the University from time to time. This delegation is terminable by the University (i) forthwith upon any material breach of this Delegation or of the Investment Management Agreement referred to in section 6 hereof; or (ii) upon three months' prior notice to UTAM. This delegation shall include without limitation the power and authority to:

- (a) Determine investment strategy for the University Assets and the Pension Assets including, without limitation, determination of asset mix;
- (b) Execute investment strategy for the University Assets and the Pension Assets; and
- (c) employ and retain the services of investment managers, counsellors, advisers and other investment professionals and experts to act on the University's behalf and under the University's and UTAM's direction and control to execute and manage investments.

2. **Authorization to act:** Any matter with respect to which UTAM is authorized to act as the University's agent may be undertaken by such officer or officers of UTAM as are authorized to take such action in accordance with a resolution of the directors of UTAM. All agreements and other documents executed by UTAM as agent for the University shall be executed by such officer or officers of UTAM as are authorized to execute same in accordance with resolutions of the directors of UTAM (in force from time to time) in the following manner, and if so executed, the University acknowledges that such agreement or document is binding upon the University:

“UNIVERSITY OF TORONTO
ASSET MANAGEMENT CORPORATION
as agent on behalf of the
GOVERNING COUNCIL OF
THE UNIVERSITY OF TORONTO

Per: _____”

3. **Compensation and evaluation of employees:** The University hereby delegates to UTAM the authority for policies, procedures, methods of evaluation, and compensation of its employees subject to the Terms of Reference of the Senior Appointments and Compensation Committee of the Governing Council as amended from time to time.

GENERAL RESTRICTIONS

4. **Investment Management Agreement:** UTAM shall enter into an investment management agreement (the “IMA”) with the University, to be amended from time to time, and pursuant to which it will exercise the power and authority delegated to it under this Delegation of Authority in providing investment management services to the University as agent of the University.

5. Nothing contained in this Agreement shall be construed to give UTAM or any of its officers, directors or employees the power to take any action on behalf of the University which is outside the scope of its authority hereunder, or shall constitute the parties as joint venturers, partners, co-owners or otherwise as participants in a joint undertaking.

OTHER

6. The University hereby indemnifies the directors and officers of UTAM, with the exception of claims, actions, costs, charges and expenses occasioned by the wilful neglect or wilful default of the officer or director.

7. The invalidity of any particular provision of this Delegation shall not affect the validity of any other provision and in such event, the Delegation shall be construed as if the invalid provision had been omitted.

8. This Delegation shall be construed and interpreted in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

9. Any notice required or permitted to be given hereunder by one party to the other shall be in writing and hand-delivered, in the case of notice to the University, to it in care of the Office of the Vice-President, Business Affairs, Simcoe Hall, 27 King's College Circle, Room 112, Toronto, M5S 1A1, marked for the attention of that officer, and in the case of notice to UTAM, to it at MaRS Centre, Heritage Building, 101 College Street, Suite 350 Toronto, Ontario, Canada M5G 1L7, marked for the attention of its President, with a copy similarly delivered and marked for the attention of its Chair of the Board, and any notice so delivered shall be deemed to have and become effective on the second business day following the day of delivery.

IN WITNESS WHEREOF the University has caused this Delegation to be executed and sealed under the hands of its officers, duly authorized.

THE GOVERNING COUNCIL OF THE
UNIVERSITY OF TORONTO
