THE UNIVERSITY OF BRITISH COLUMBIA
6328 MEMORIAL ROAD, VANCOUVER, CANADA V6T 1Z2

Board of Governors

December 8, 2006

TO: Ms Lisa Castle, Acting Vice President, Administration & Finance
Mr. Byron Braley, Associate Vice President, Treasury
Mr. Lenny Freilich, Director, Business Development

FROM: Nina Robinson, Secretary to the Board

RE: **GUIDELINES FOR CORPORATE RELATIONS AND STRATEGIC PARTNERSHIPS**

The Board of Governors at its meeting held on December 7, 2006, passed the following resolution:

Whereas entering into mutually beneficial strategic alliances with the private sector is regarded as desirable, in that such alliances can advance the mission of the University as articulated in Trek 2010, the Board hereby directs the Administration:

To create and submit for approval, no later than the March 2007 Board of Governors meeting, guidelines that will enable the University to proactively seek out, create, and sustain mutually beneficial strategic alliances in a manner competitive with other top universities worldwide.

The guidelines should reflect that the University's participation in these alliances shall be carefully considered in all respects, and should, in particular:

1. **Ensure alignment of potential partners with University values and the Trek 2010 goals and mission,**
2. **Continue to protect the University's reputation,**
3. **Create a public statement of the University's interest and ability to seek out and enter into mutually beneficial alliances, thereby attracting potential partners into discussions,**

4. **Take into account input from consultation with constituencies within the University;**
5. **Take into account input obtained from members of the private sector, and**
6. **Provide clear guidance for interested parties, including the Board of Governors, Administration and potential partners to evaluate strategic alliance opportunities.**

c. Mr. Brian Sullivan
Mr. Dennis Pavlich

INTERNAL CONSULTATION ON CORPORATE RELATIONS AND STRATEGIC PARTNERSHIP GUIDELINES

Background

The University's Board of Governors has determined that mutually beneficial strategic partnerships with the private sector that advance the mission of the University as articulated in Trek 2010 are desirable. The Board has directed the administration to prepare guidelines that will enable the University to proactively seek out, create, and sustain mutually beneficial strategic alliances in a manner competitive with other top universities worldwide.

What is a Strategic Partnership?

Strategic partnerships are multi-year mutually beneficial business arrangements between the University and private sector firms in which the firms agree to provide support to the University and its programs in return for access to the University's brand name, resources, intellectual property, and / or markets. Strategic partnerships are, "strategic" agreements that may encompass one or more of the following elements:

- Campus marketing and distribution rights
- Joint research or research support
- Capital project support
- Intellectual property access or visibility
- Procurement
- Corporate philanthropy
- Corporate sponsorship including event sponsorships
- Corporate naming or signage
- Investment
- Property Leases in the institutional core
- Facility Usage
- Preferred or long term supplier arrangements
- Joint venture
- Equity in University operations or subsidiaries
- Student co-op / summer / internship positions
- Other commercial consideration

Strategic partnership are NOT individual, stand-alone transactions that involve one of the above elements.

Consultation Process

The Board has requested that the administration gather input from constituencies within the University and from members of the private sector. We welcome input from members of the University community. To provide structure to the process, we have prepared a series of questions and issues on which we would like your feedback.

Questions

General

We welcome your views on the following questions:

1. Given the Board's direction, can you make any general suggestions that would help the administration achieve the objectives described?
2. What can be done to improve UBC's attractiveness as a potential partner, and help UBC compete globally for the best partnerships?
3. Can you help describe a clear, fair and objectively verifiable set of characteristics for companies that should be avoided?
4. On what kinds of partnerships should UBC focus its resources?
5. On what types of organizations should UBC focus its resources?
6. Are there any other issues you feel the Committee should consider?
7. What are your views on key issues that should be addressed to improve UBC's ability to establish and maintain strategic partnerships in accordance with the Board's direction? We are interested in all stages of the relationship from the initial stage of seeking out strategic partners; to establishing a mutually beneficial relationship; and then sustaining the relationship.

Basic Principles

Do you agree or disagree with the following statements, and if you disagree, do you have any suggestions on what the principle should state?

1. **Academic Freedom:** A strategic partnership shall not compromise the academic integrity or freedom of the University, faculty members, or students, except that students may voluntarily limit their academic freedom in pursuing co-op or internship opportunities (e.g., agree to not disclose corporate secrets) provided that students are given reasonable choice in pursuing such opportunities.
2. **Use of Proceeds: (a)** Proceeds from a strategic partnership cannot be used to replace expenses normally associated with general purpose operating funds (GPOF). **(b)** Where a strategic partnership results in discretionary funding, the Executive Committee will recommend to the President the allocation of such funds.
3. **Conflict of Interest and Fair Dealings:** University employees and board members must ensure that no real or perceived conflict exists between their personal interests and those of the University. University employees and board members must act in the University's best interests by dealing with suppliers, contractors, existing and potential business partners and other corporate employees in a manner that avoids real, perceived or potential conflicts of interest.
4. **Assessing a Corporate Partner: (a)** The University should consider the business practices of a potential corporate partner prior to engaging in any strategic partnership. In particular, the University will not enter into a

strategic partnership with a corporation where the corporation or any of its directors or officers (acting in their official capacities) have been convicted of a crime. **(b)** Such assessment will be conducted by University personnel based on credible publicly available information.

5. **Confidentiality**: Portions of a strategic partnership proposal or agreement will be held in confidence as provided under provincial *Freedom of Information and Protection of Privacy* legislation.
6. **Unfair Competition**: The University and its subsidiaries will avoid strategic partnerships that would result in the University using public infrastructure, funds or debt to directly or indirectly offer goods or services to the public in competition with the corporate sector. An exception is made for goods and services offered as part of academic program experience, such as a dental or medical clinic.
7. **Value**: Strategic partnerships that include procurement or distribution should be structured to ensure that the overall cost of goods provided to the University community is at market value, with consideration to the total value provided by the strategic partnership.

What are your views on other basic principles that ought to be included in the guidelines?