

CORPORATE STRATEGIC PARTNERSHIPS GUIDELINES

PROCESS

Introduction

The University recognizes that mutually beneficial strategic partnerships with the private sector can advance the mission of the University. The University wishes to proactively seek out, create, and sustain mutually beneficial strategic partnerships in a manner competitive with other top universities worldwide. The Corporate Strategic Partnerships Guidelines, comprised of this Process and the Assessment Criteria (collectively, the “Guidelines”), have been developed with input from constituencies within the University and members of the private sector. The Guidelines are intended to create a framework to promote strategic partnership opportunities and assist the Board of Governors, the University administration and potential partners in devising, reviewing and sustaining strategic partnership opportunities.

Administration

UBC’s Business Development Office will be responsible for administering and ensuring compliance with the Guidelines. The mandate of UBC’s Business Development Office is to proactively seek out, create and sustain mutually beneficial strategic partnerships in a manner competitive with other top universities worldwide. UBC’s Business Development Office has been delegated the authority to carry out all aspects of the strategic alliance engagement process as described in the Guidelines.

Organization

Coordination of the University’s approach to corporations is essential to success in developing partnerships. UBC’s Business Development Office has the primary responsibility to manage all aspects of strategic partnerships on behalf of the University in accordance with the Guidelines.

UBC’s Business Development Office, working in collaboration with the Development Office and other individuals across campus as appropriate, will coordinate contact with potential strategic partners so that a single individual (relationship manager) is designated to manage all aspects of a particular corporation’s relationship with the University, including leading negotiations and managing communications for all issues with the potential to significantly impact the relationship with the partner. For example, in the case of a high profile opportunity with a large corporation, the relationship manager could be a member of UBC’s Executive Committee or a Dean.

The relationship manager will be responsible for engaging the Executive Committee on a consultative basis early in the process, as appropriate.

Approach Process

The University competes with other top global universities for the best partners and partnership opportunities. Accordingly, the approach process will vary according to the competitive aspects of a particular situation. UBC's Executive Committee, in close consultation with UBC's Business Development Office, will have the final determination of how the University approaches a particular engagement.

Some strategic partnerships may have impact across multiple departments at the University. In these situations, the relationship manager will form a small project team of University stakeholders to evaluate the opportunity and participate in negotiations.

The relationship manager for a particular situation, in consultation with the Director of UBC's Business Development Office, will determine the approach strategy for dealing with a particular corporation. UBC's Business Development Office will be responsible for maintaining knowledge of all partnership engagements at the University and dissemination of relevant portions of such engagements to ensure compliance and coordination of the University's obligations under existing agreements.

Due Diligence

Due diligence must be performed by the University on potential partners before entering into any contractual arrangement. The amount of due diligence should be proportionate to the total value of the business arrangement. Due diligence will be based solely on publicly available information, and will take into account the credibility and potential conflicts of interest of any third party information provided.

Normally, the minimum due diligence that will be conducted for any proposed strategic partnership will include a review of the potential partner's:

1. current annual report and disclosure statements;
2. website and other promotional materials;
3. press releases and news media publications, within the past year;
4. litigation history in the jurisdiction of its head office and in British Columbia;
5. workplace safety history in the jurisdiction of its head office and in British Columbia, as derived from the Workers' Compensation Board of British Columbia search results for registration status, outstanding assessments, penalties and orders within the past year;
6. environmental history in the jurisdiction of its head office and in British Columbia, as derived from the records of the Environmental Management Branch of the Ministry of Water, Land and Air Protection, Environment Canada, Department of Fisheries and Oceans, and the GVRD;

7. labour relations and human rights history in the jurisdiction of its head office and in British Columbia, as derived from decisions of the British Columbia Labour Relations Board and the British Columbia Human Rights Tribunal; and
8. comparable materials from other jurisdictions if deemed to be appropriate for the partner.

These standards may be expanded upon in scope and duration based on the search results obtained. The assessment of the due diligence results should recognize that complaints and disputes in the public record are normally reflective of difficult disputes between the parties. Further, the due diligence results assessment should consider the nature and size of the business of the potential partner. The University will not conduct due diligence in relation to corporations related to the proposed strategic partner unless information is revealed in the course of the standard due diligence that indicates there is a strong likelihood that investigation into related corporations would produce information that would affect the University's assessment of the proposed strategic partnership.

When assessing a potential partner, the University will, at a minimum, hold a corporation to the local legal standards of each jurisdiction in which it carries on business.

If the Board of Governors identifies individual corporations or categories of corporations with which the University does not wish to do business, the University will not enter into strategic partnerships with such corporations, as determined by objectively verifiable information.

Assessment Criteria

The relationship manager is responsible for preparing a response to the Assessment Criteria. The Assessment Criteria should be considered not only when the proposed transaction is to be sent for approval, but also at the initial approach stages and from time to time during the negotiation process. The completed response to the Assessment Criteria is to be included in the materials submitted to the Executive Committee or UBC Business Development Office, as applicable, when presenting the agreement for approval.

Approval Process

Strategic partnerships will be approved as follows:

- (a) If a proposed transaction would require Board of Governors approval under Signing Resolution No. 1, then the proposed transaction will be brought before the Board of Governors for approval;
- (b) Subject to paragraph (a), if the liability or benefit to the University exceeds \$250,000.00, UBC's Executive Committee will approve strategic partnership agreements;

- (c) Subject to paragraph (a), strategic partnership agreements valued at \$250,000.00 or less will be signed by two signing officers of the University as set out in Signing Resolution No. 1 on the recommendation of the Business Development Office.

For transactions valued at more than \$250,000.00, but that would not be required to be brought to the Board of Governors pursuant to Signing Resolution No. 1, UBC's Business Development Office will provide initial approval to a proposed transaction and refer such transaction to the Executive Committee for final approval. For transactions requiring Board of Governors approval, both UBC's Business Development Office and the Executive Committee will provide initial approval and refer such transaction to the Board of Governors for final approval.

If the proposed transaction will result in non-targeted discretionary funding, the matter will be referred to the Executive Committee for consideration and allocation of such funding.

Commitments

The University respects the investment in time and resources required for corporations to enter into partnership discussions. The University strives to ensure that decisions regarding strategic partnerships will be made expeditiously.

Partnership Maintenance

UBC's Business Development Office will meet with strategic partners annually to obtain input on the relationship and existing arrangement.

Annual Report to Board of Governors

The Board will receive an annual report on the status of partnership engagements, including an update on partnerships in process and under consideration, and input from existing strategic partners, and to obtain direction on pursuing additional partnerships.

UBC's Business Development Office will publish the annual report on its website.

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ASSESSMENT CRITERIA

The Corporate Strategic Partnerships Guidelines are comprised of these Assessment Criteria and the Process (collectively, the “Guidelines”). The following criteria will be used in assessing whether the University should enter into a particular strategic partnership. *Please refer to the explanatory notes to these Assessment Criteria for more information on each question.*

1. The proposed transaction should not threaten the principle of academic freedom.
2. The proposed relationship should have the characteristics of a strategic partnership.
3. The proposed transaction should provide overall value to the University.
4. The proposed transaction should not result in a conflict of interest between a member of the University’s faculty, staff or Board of Governors and the potential partner.
5. The results of the due diligence review should be satisfactory.
6. The proposed agreement should permit the University to terminate during the term if the University determines on the basis of credible evidence that the corporation’s business practices have diverged from the University’s values.
7. The proposed agreement should provide a reasonable level of openness and transparency in the proposed relationship.
8. The proposed transaction should not result in unfair competition with the private sector in the delivery of goods or services to the general public.
9. The duration of the proposed relationship should be appropriate.
10. The agreement should include a periodic review mechanism.
11. The proposed transaction should not result in the University breaching any existing exclusivity obligation.
12. Consideration should be given to the implications when the agreement expires.