



SUBJECT	Endowment Variation Request: Catalyst Paper Corporation Fellowships and Scholarships Endowment Fund
SUBMITTED TO	Finance Committee
MEETING DATE	September 20, 2022
SESSION	Recommended session criteria from Board Meetings Policy: OPEN
REQUEST	APPROVAL REQUESTED IT IS HEREBY RESOLVED that the Finance Committee, in accordance with authority delegated by the Board of Governors, approves amendments to the Catalyst Paper Corporation Fellowships and Scholarships Endowment Fund, as set out in the Amended and Restated Endowment Trust Deed attached as Appendix 1 to the briefing, all as recommended by the President and the University Counsel.
LEAD EXECUTIVE	Hubert Lai Q.C., University Counsel
SUPPORTED BY	Heather McCaw, Vice-President Development & Alumni Engagement

PRIOR SUBMISSIONS

The subject matter of this submission has not previously been considered by the Finance Committee.

EXECUTIVE SUMMARY

The Vice-President Development & Alumni Engagement, with the support of Catalyst Paper Corporation (the “Donor”), requests that the Finance Committee, in accordance with authority delegated from the Board of Governors, approves amendments to the current Endowment Deed, attached as a Supplemental Material 1, for the Catalyst Paper Corporation Fellowships and Scholarships Endowment Fund (the “Fund”), all as set out in the proposed Amended and Restated Endowment Trust Deed attached as Appendix 1.

The Fund was established in 1991 by the University in honour of Fletcher Challenge Canada Limited who, through corporate changes, became Norske Skog Canada Limited, which was later amalgamated into Catalyst Paper Corporation in 2001. On December 7, 2006, the University’s Board of Governors approved a change of the name of the “Fletcher Challenge Fellowships and Scholarships Endowment Deed” to the “Catalyst Paper Corporation Fellowships and Scholarships Endowment Deed” in accordance with the terms of the Fund’s current Endowment Deed signed by the University on February 1, 2007. The Fund supports fellowships and scholarships for students at the University and to be eligible for these awards, students must be from those Donor operating communities and their surrounding areas specifically enumerated in Schedule A of the Fund’s current Endowment Deed, with a preference for students from communities outside the Lower Mainland.

In April 2020, Catalyst Paper Corporation was acquired by Paper Excellence Canada and amalgamated with another entity to form a new entity under the name Catalyst Paper Corporation. Subsequently in 2021, the Donor contacted the University to discuss the Fund. In particular, the University was advised that the enumerated list of operating communities in Schedule A to the Fund’s current Endowment Deed was not current as the operating communities had substantially changed. Accordingly, to ensure the longevity of the Fund, the proposed amendments to the current Endowment Deed, as set out in the Amended and Restated Endowment Trust Deed, include the removal of Schedule A in its entirety and instead a proposed revision to the purpose of the Fund to include only a general description of the geographic eligibility criteria, namely “...to support fellowship(s) and scholarship(s) for students at the University who are from Donor operating communities and surrounding areas, with preference given to students from communities outside the Lower Mainland of British Columbia”.

In addition, we are taking this opportunity to restate the Fund's current Endowment Deed to update it to the University's current standard template, except that the variation clause from the current Endowment Deed has been retained.

As at August 2022, the value of the Fund's capital account is approximately \$1,282,642, which supports total annual spending of approximately \$56,410, with an annual spend allocation of approximately \$29,613 to support fellowships and approximately \$26,796 to support scholarships.

The Board of Governors' authority to vary the terms of the Fund is found in section 5 of the current Endowment Deed, which provides that:

"If in the opinion of the University the operation of the Endowment becomes impossible or impractical or is not achieving its purpose in a satisfactory manner the University may vary the terms of this Deed of Endowment, but so that the name of Catalyst Paper Corporation shall always be associated with it; provided that such a variation may be made only upon the recommendation of the President to the Board of Governors and the approval of the Board."

The Office of the University Counsel supports this request and the President recommends that the Finance Committee, in accordance with its authority delegated by the Board of Governors, approves the proposed amendments to the Fund.

APPENDICES

1. Proposed Amended and Restated Endowment Trust Deed

SUPPLEMENTAL MATERIAL (optional reading for Governors)

1. Current Endowment Deed
2. Blacklined amendments to the current Endowment Deed



**CATALYST PAPER CORPORATION FELLOWSHIPS AND SCHOLARSHIPS
ENDOWMENT TRUST DEED**

Amended and Restated as at _____, 2022

*(Varies the current Endowment Deed for the Catalyst Paper Corporation
Fellowships and Scholarships Endowment Fund approved by the Board of
Governors on December 7, 2006)*

Whereas:

- A. The Fund (as defined below) was established in 1991 by the University (as defined below) in honour of Fletcher Challenge Canada Limited who, through corporate changes, became Norske Skog Canada Limited, which was later amalgamated into Catalyst Paper Corporation in 2001;
- B. On December 7, 2006, the University's Board of Governors approved a change of the name of the "Fletcher Challenge Fellowships and Scholarships Endowment Deed" to the "Catalyst Paper Corporation Fellowships and Scholarships Endowment Deed" in accordance with the terms of the Fund's current Endowment Deed signed by the University on February 1, 2007;
- C. In April 2020, Catalyst Paper Corporation was acquired by Paper Excellence Canada and amalgamated with another entity to form a new entity under the name Catalyst Paper Corporation. Subsequently in 2021, the University was contacted by the Donor to request that the geographic criteria attached as Schedule A to the current Endowment Deed, namely a list of Donor operating communities where students are required to be from in order to be eligible for the fellowship(s) and scholarship(s) supported by the Fund, be amended as the list is no longer current;
- D. In accordance with the Donor's wish and with the Donor's support, the University has prepared this amended Endowment Trust Deed to remove Schedule A and revise the purpose to include only a general description of the geographic criteria. This variation ensures the longevity of the Purpose (as defined below) as the communities in which the Donor operates may change over time; and
- E. The University is also taking this opportunity to restate the Fund's current Endowment Deed to update it to the University's current standard template, except that the variation clause from the current Endowment Deed has been retained.

1. Establishment of Fund

The endowment fund described by this Endowment Trust Deed will be known as the **Catalyst Paper Corporation Fellowships and Scholarships Endowment Fund** (the "Fund") at The University of British Columbia (the "University").

2. Purpose of the Fund

The purpose of the Fund is to support **fellowship(s) and scholarship(s) for students at the University who are from Donor operating communities and surrounding areas, with preference given to students from communities outside the Lower Mainland of British Columbia** (the “**Purpose**”).

The University will hold the Fund in trust, use the Fund to support the Purpose and manage the Fund in accordance with the University’s policies, including the Endowment Policy and its associated procedures, as amended from time to time (the “**Policies**”). Without limiting the generality of the foregoing, the University will:

- (a) make an annual allocation based on the spending rate established under the Endowment Policy and credit the annual allocation to the Fund’s spending account; and
- (b) use the funds in the spending account to support the Purpose.

3. The Endowment Pool

The University manages a large number of endowment funds in its endowment pool (the “**Endowment Pool**”), of which the Fund will be one. All of the endowment funds that make up the Endowment Pool are governed by the Policies.

4. Investment of the Fund

The University may:

- (a) invest and reinvest the Fund in such investments as the University decides and in making those investments the University is not limited to the investments authorized by the *Trustee Act* of British Columbia or any other law relating to trust funds; and
- (b) invest and maintain the Fund as part of the Endowment Pool.

5. Additional Contributions

The University may accept or make further contributions to the Fund, from any source, whether by gift, Will or otherwise, provided that any further contributions will be governed by the trust terms established in this Endowment Trust Deed.

6. Encroachment on the Fund

Although very uncommon, circumstances may arise where it is advisable for the University to encroach on the Fund. The University may encroach on the Fund in such circumstances but only if that encroachment is recommended by the President to the Board of Governors and is approved by the Board of Governors.

7. University Policy

Decisions, financial and otherwise, with respect to any award arising from the Fund, including the continuing eligibility of a person to hold an award or to obtain a renewal thereof, as well as any matters relating to the investment, management, use and administration of the Fund will be made in accordance with the Policies.

8. Variation of Terms

If in the opinion of the University the operation of the Fund becomes impossible or impractical or is not achieving its purpose in a satisfactory manner the University may vary the terms of this Endowment Trust Deed, but so that the name of the Catalyst Paper Corporation shall always be associated with it; provided that such a variation may be made only upon the recommendation of the President to the Board of Governors and the approval of the Board.

The University has executed this Amended and Restated Endowment Trust Deed on the date appearing below.

The University of British Columbia
by its Authorized Signatory:

Santa J. Ono
President and Vice-Chancellor

Date: _____

Approved as to form by the Office of the
University Counsel:

Date: _____

THE UNIVERSITY OF BRITISH COLUMBIA

CATALYST PAPER CORPORATION FELLOWSHIPS AND SCHOLARSHIPS
ENDOWMENT DEED

1. **The Endowment Fund shall be known as the Catalyst Paper Corporation Fellowships and Scholarship Endowment Fund.**

2.
 - (1) **The capital of the fund shall be held by the University of British Columbia and may be invested and reinvested by the University in such investments as the University shall decide; and in making such investments the University shall not be restricted to the investments for trustees set out in the Trustee Act of the Province of British Columbia, in any similar legislation or in any amendments to the Act or similar legislation.**

 - (2) **Without restricting the generality of the provisions of sub-clause (1) above, the University may invest the Fund as part of its pooled endowment investments.**

 - (3) **In making investment decisions, the University shall have as its objective the maintenance of the real capital value of the Fund and the generation of a sufficient flow in income to fund the Fellowships and Scholarships properly.**

 - (4) **The University may accept further contributions, from any other source, whether by gift, will or otherwise, or may itself add to the capital of the Fund, provided that the terms and conditions of any such donation or addition to the capital shall be in conformity with this deed of Endowment.**

3.
 - (1) **The income of the Fund shall be used by the University to award Fellowships and Scholarships in accordance with the provisions of Schedule A and without restricting the generality of the authority of the University to use the income in any manner it sees fit in support of that object, the University may:**
 - (a) **use income to grant Fellowships and Scholarships;**

 - (b) **use income to pay the expenses associated with the administration of the Fund;**

- (c) where income is not for the time being used invest such income in accordance with the provisions of clauses 2(1) and (2), but so that the investments shall retain the status of income;
 - (d) capitalize income in order to preserve the real capital value of the Fund.
- (2) If in the opinion of the University it is clearly necessary to do so in order to carry out the purposes of the Fund, the University may from time to time encroach upon the capital of the Endowment; provided however that such encroachment may take place only upon the recommendation of the President to the Board of Governors and the approval of the Board.
4. Decisions on the granting of Fellowships and Scholarships and on the continuing eligibility of the holder of a Fellowship or Scholarship to receive the Fellowship or Scholarship or to obtain a renewal of the Fellowship or Scholarship, and decisions on the administration, financial and otherwise, of the Fund shall be made in accordance with the policies of the University as they may be amended from time to time.
5. If in the opinion of the University the operation of the Endowment becomes impossible or impractical or is not achieving its purpose in a satisfactory manner the University may vary the terms of this Deed of Endowment, but so that the name of Catalyst Paper Corporation shall always be associated with it; provided that such a variation may be made only upon the recommendation of the President to the Board of Governors and the approval of the Board.



Signature of Donor

October 31, 2006

Date



Authorized Signatory for the
University of British Columbia

2/01/07

Date

CATALYST PAPER CORPORATION FELLOWSHIPS AND
SCHOLARSHIPS

SCHEDULE A

Catalyst Paper Corporation Fellowships and Scholarships will be awarded to students from the following Catalyst Paper Corporation operating communities and surrounding areas, with preference given to students from communities outside the lower mainland:

Armstrong
Ashcroft
Boston Bar
Campbell River
Caycuse
Courtenay
Crofton
Hagensborg
Honeymoon Bay
Kelowna
Ladysmith
Mackenzie
Madeira Park
Maple Ridge
New Westminster
Port McNeill
Richmond
Sandspit
Sechelt
Vancouver
Williams Lake
Yubou



~~THE UNIVERSITY OF BRITISH COLUMBIA~~
~~CATALYST PAPER~~
CATALYST PAPER CORPORATION FELLOWSHIPS AND SCHOLARSHIPS
~~FELLOWSHIPS~~ ~~ENDOWMENT~~ SCHOLARSHIPS
ENDOWMENT TRUST DEED

Amended and Restated as at _____, 2022

~~1. The Endowment Fund shall~~ (Varies the current Endowment Deed for the Catalyst Paper Corporation Fellowships and Scholarships Endowment Fund approved by the Board of Governors on December 7, 2006)

Whereas:

- A. The Fund (as defined below) was established in 1991 by the University (as defined below) in honour of Fletcher Challenge Canada Limited who, through corporate changes, became Norske Skog Canada Limited, which was later amalgamated into Catalyst Paper Corporation in 2001;
- B. On December 7, 2006, the University's Board of Governors approved a change of the name of the "Fletcher Challenge Fellowships and Scholarships Endowment Deed" to the "Catalyst Paper Corporation Fellowships and Scholarships Endowment Deed" in accordance with the terms of the Fund's current Endowment Deed signed by the University on February 1, 2007;
- C. In April 2020, Catalyst Paper Corporation was acquired by Paper Excellence Canada and amalgamated with another entity to form a new entity under the name Catalyst Paper Corporation. Subsequently in 2021, the University was contacted by the Donor to request that the geographic criteria attached as Schedule A to the current Endowment Deed, namely a list of Donor operating communities where students are required to be from in order to be eligible for the fellowship(s) and scholarship(s) supported by the Fund, be amended as the list is no longer current;
- D. In accordance with the Donor's wish and with the Donor's support, the University has prepared this amended Endowment Trust Deed to remove Schedule A and revise the purpose to include only a general description of the geographic criteria. This variation ensures the longevity of the Purpose (as defined below) as the communities in which the Donor operates may change over time; and
- E. The University is also taking this opportunity to restate the Fund's current Endowment Deed to update it to the University's current standard template, except that the variation clause from the current Endowment Deed has been retained.

1. Establishment of Fund

The endowment fund described by this Endowment Trust Deed will be known as the **Catalyst Paper Corporation Fellowships and Scholarship Scholarships Endowment Fund**. ~~(The "Fund") at The capital University of British Columbia (the fund shall be held by the University of British Columbia and may be invested "University").~~

2. Purpose of the Fund

The purpose of the Fund is to support **fellowship(s) and scholarship(s) for students at the University who are from Donor operating communities and surrounding areas, with preference given to students from communities outside the Lower Mainland of British Columbia** (the "Purpose").

The University will hold the Fund in trust, use the Fund to support the Purpose and manage the Fund in accordance with the University's policies, including the Endowment Policy and its associated procedures, as amended from time to time (the "Policies"). Without limiting the generality of the foregoing, the University will:

- (a) make an annual allocation based on the spending rate established under the Endowment Policy and credit the annual allocation to the Fund's spending account; and
- (b) use the funds in the spending account to support the Purpose.

3. The Endowment Pool

The University manages a large number of endowment funds in its endowment pool (the "**Endowment Pool**"), of which the Fund will be one. All of the endowment funds that make up the Endowment Pool are governed by the Policies.

4. Investment of the Fund

The University may:

- (a) invest and ~~reinvested by~~reinvest the University Fund in such investments as the University shall ~~decide~~;decides and in making ~~such~~those investments the University shall ~~is~~ not ~~be restricted~~limited to the investments ~~for trustees set out in~~authorized by the Trustee Act of ~~the Province of~~ British Columbia, ~~in any similar legislation or in any amendments to the Act or similar legislation.~~other law relating to trust funds; and

~~(2) Without restricting the generality of the provisions of sub-clause~~

- (b) ~~(1) above, the University may invest and maintain the Fund as part of its pooled endowment investments~~the Endowment Pool.

~~(3) In making investment decisions, the University shall have as its objective the maintenance of the real capital value of the Fund and the generation of a sufficient flow in income to fund the Fellowships and Scholarships properly.~~

5. Additional Contributions

~~(4) The University may accept or make further contributions to the Fund, from any ~~other~~ source, whether by gift, ~~will~~Will or otherwise, ~~or may itself add to the capital of the Fund~~, provided that any further contributions will be governed by the trust terms and conditions of any such donation or addition to the capital shall be in conformity with established in this deed of Endowment Trust Deed.~~

~~3.(1) The income of the Fund shall be used by the University to award Fellowships and Scholarships in accordance with the provisions of Schedule A and without restricting the generality of the authority of the University to use the income in any manner it sees fit in support of that object, the University may:~~

~~(a) use income to grant Fellowships and Scholarships;~~

~~(b) use income to pay the expenses associated with the administration of the Fund; (c) where income is not for the time being used in such income in accordance with the provisions of clauses 2(1) and (2), but so that the income shall *retd* in the status of income;~~

~~(d) capitalize income in order to preserve the UIC Phil Cultural Alliance if the~~

~~(2) ————— If in the opinion of the University it is clearly necessary to do so in order to carry out the purposes of the Fund, the Encroachment on the Fund~~

Although very uncommon, circumstances may arise where it is advisable for the University to encroach on the Fund. The University may ~~from time to time~~ encroach upon the ~~capital of the Endowment; provided however~~ Fund in such circumstances but only if that ~~such~~ encroachment ~~may take place only upon the recommendation of~~ is recommended by the President to the Board of Governors and ~~the approval of~~ is approved by the Board of Governors.

6. University Policy

~~4. Decisions ~~on the granting of Fellowships and Scholarships and on~~ financial and otherwise, with respect to any award arising from the Fund, including the continuing eligibility of ~~the holder of a Fellowship or Scholarship to receive the Fellowship or Scholarship~~ a person to hold an award or to obtain a renewal ~~of the Fellowship or Scholarship, thereof, as well as any matters relating to the investment, management, use and decisions on the administration, financial and otherwise,~~ of the Fund ~~shall~~ will be made in accordance with the ~~policies of the University as they may be amended from time to time.~~ Policies.~~

7. Variation of Terms

**CATALYST PAPER CORPORATION FELLOWSHIPS AND
SCHOLARSHIPS**

SCHEDULE A

~~Catalyst Paper Corporation Fellowships and Scholarships will be distributed to students from the following Catalyst Paper Corporation operating communities and surrounding areas, with preference given to students from communities outside the lower mainland:~~

Approved as to form by the Office of the
University Counsel:

~~Armstrong
Boston
Bar
Campbell River
Courtenay
Crofton
Hagensborg
Honeymoon Bay
Kelowna
Ladysmith
Mackenzie
Madeira Park
Maple Ridge New
Westminster Port
McNeill
Richmond
Sandspit Sechart
Vancouver
Williams Lake
Youbou~~

Date: