

The New School's Advisory Committee on Investor Responsibility Charter

Preamble

The Board of Trustees of **The New School** authorizes the President of the University to appoint an Advisory Committee on Investor Responsibility ("ACIR") for the purpose of advising the Trustees on the social, environmental and governance (collectively, "SEG") implications of The New School's endowment investment program and to present recommendations to the Investment Committee of the Board of Trustees on the SEG issues that arise in the management of the university's endowment. The document herein, titled "Charter", will serve as the by-laws of the Committee in defining the ACIR's constitution and modus operandi.

I - Composition & Selection

The ACIR voting component shall consist of a trustee, two faculty, two students and two staff members. Faculty and student nominations to the President shall come respectively from the Faculty and Student Senates, or alternatively via self nominations to the President. Staff members' nomination shall solely come via self nominations to the President. All candidates shall submit biographical information with relevant training and experience and a statement of motivation. Additionally, the Senior Vice President for Finance and Business of the University shall appoint an administrator from the Office of Finance and Business who is familiar with the University's endowment investments to assist the ACIR with its work and sit as a non-voting member of the Committee. This administrator, who reports to the Director of Investment and Treasury Services, will assist the Chair of the ACIR by providing endowment information and research as needed, and engaging student research assistants to assist in gathering information for the ACIR.

Voting members of the Committee shall serve a period of two years. Initially this term shall be staggered to ensure continuity in the membership of the Committee and

familiarity with endowment investment issues.

The President of the University shall approve nominations to the Committee and designate a chair to serve during the Committee's first year and thereafter.

II - Charges & Mission

The role of the ACIR concerning the University's endowment investments is advisory, and in no instances fiduciary, which is the sole responsibility of the University's Board of Trustees.

The primary mission of the Committee shall be to develop and adopt principles of SEG responsible investment practice. The Committee shall endeavor to enact these Principles during its first year of operation. These Principles may address issues including, but not limited to, human rights, labor practices, environmental protection, equity, diversity, discrimination, and corporate disclosure. Insofar as possible, it shall be developed through open, well publicized forums and consultations with members of The New School community, as well as those outside the University with expertise in related areas.

The Committee shall advise the Trustees on SEG issues relating to investments in the University's endowment portfolio and recommend, through the Investment Committee of the Board of Trustees, measures including but not limited to:

- the voting of specific shareholder-initiated proxy resolutions for publicly traded companies in which The New School directly holds shares;
- the guidance, if any, that The New School's investment managers should be given to avoid selection of investment positions that could be deemed inconsistent with the University's mission;

Such advice shall be provided regarding industries and corporate policies or practices determined to cause substantial social injury or substantial environment harm. It may also focus on specific companies.

The Committee shall also advise the Trustees on investments in SEG wise responsible corporations and funds that

exemplify SEG responsibility as outlined in the Committee's principles of SEG responsible investment practice.

A. Committee Chair

The chair or a designee, appointed by the chair, will preside at meetings of the Committee and certify the minutes, any official publications, and any recommendations forwarded to the University Trustees or the University community on behalf of the Committee.

B. Members

While the members of the ACIR serve as individuals, it is the responsibility of each member to:

1. Attend and participate in scheduled meetings and events;
2. Read provided background and supporting materials;
3. Monitor and gather information for issues of potential interest to the Committee;
4. Act as a representative and point-of-contact for his or her University constituencies; and
5. Abide by these by-laws, including their confidentiality provisions, and any other procedures the Committee might adopt formally.

C. Publications

The Committee shall prepare an annual report on its activities during each academic year to be made public at the end of the fiscal year. The report shall list the SEG resolutions considered by the Committee, and their recommendations to the University Trustees, made through the Investment Committee of the Board of Trustees.

Copies of the report shall be distributed to the representative bodies of The New School community, and also be posted on the University's web site.

The Committee shall make public, prior to each subsequent meeting, the approved minutes of its ordinary or extraordinary meetings.

III - Meetings & Decision Making

A. Ordinary Meetings

Regular meetings of the Committee will be held during the academic year, from July 1st through June 30th, at such interval, date and hour as the Committee chair may determine. Prior to a regular meeting, an agenda will be

distributed among Committee members.

B. Extraordinary Meetings

Special meetings may be called for at the discretion of the Committee's quorum or in response to the petition of a significant number of members of The New School community; the chair will cause proper notice to be given to all members.

C. Quorum & Voting

Five (5) members will constitute a quorum for the purposes of taking formal action.

In absence of a consensus among the Committee members, formal action shall be decided by way of vote. Passage of a motion shall then require a simple majority (i.e. one more than half the quorum).

All votes cast by the Committee shall count equally and may not be discounted at any time, for any reason. Committee members may not vote by proxy.

D. Provisional Action in Absence of Quorum

In the absence of a quorum, provisional action may be taken, of which notice will be given to members not present at the meeting. Upon notification, members will be given a time limit of 72 hours to vote on provisional actions. If the member votes for or supports an action, the action shall be officially approved. If there is a vote against any action, the action will not pass. The member voting against must participate in the following meeting to discuss objections. If the member does not participate in the following meeting the objection shall be negated.

E. Agenda

The chair, with consensus of the Committee, shall set the agenda prior to each ordinary or extraordinary meetings of the Committee.

F. Participation

The Committee or the chair may determine that members may participate in meetings of the Committee by means of conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means will constitute presence in person at a meeting.

G. Absence

Whenever a member is absent from three (3) successive meetings without excuse, the Committee may declare his or her seat vacant.

IV - Confidentiality

A. University materials, deemed confidential, that are provided to the Committee will remain confidential, and may not be reproduced or circulated.

B. Members may comment publicly on their own opinions and actions, but may not convey information with respect to Committee actions or recommendations that have not been publicly announced.

V - Conflict of interest

A. Conditions

Each member is responsible for recusing himself or herself with regard to any matter being considered by the Committee, with respect to which the member believes his or her impartiality or loyalty to the best interests of the University could reasonably be challenged. In any event, the following shall be disclosed with respect to any matter or entity under consideration:

1. A member owns shares in, or a portion of, a corporation, company, or entity;
2. A member is an employee of, or provides services or is a consultant to, or is otherwise engaged in a significant relationship with a corporation, company or entity;
3. A member is the sponsor or co-sponsor of, or is affiliated in a significant way with an entity sponsoring or co-sponsoring, a shareholder proposal; or
4. A member believes he or she may have a conflict of interest for any other reason.

B. Procedure

A member meeting any of the conditions above-stated must disclose the potential conflict verbally during the meeting in which the issue is to be considered, and before the issue is taken up, and explain the circumstances. If the member chooses to recuse him or herself from participation in the discussion or decision regarding the issue or entity in question, he or she may do so. If the member does not

wish to recuse him or herself, the members present at the meeting, by formal vote, may nevertheless decide to require recusal. All decisions electing or requiring recusal will be recorded in the minutes.

VI - Amendments

These by-laws may be amended, altered or repealed, in whole or in part, by a two-third vote of Committee members present at any ordinary meeting, provided that a quorum is present and written notice of such amendment, alteration or repeal will have been given to each Committee member at least one week prior to the said meeting.