Appendix 6

INVESTMENT POLICY STATEMENT

Purpose

To assist the mission of the Foundation, the Investment Committee makes recommendations to the Board of the Foundation with regard to the investment objectives, policies and guidelines, and the use of professional investment managers and advisors. The Committee also oversees any direct impact investments.

Investment Authority

Members of the Committee are chosen for their business and financial management experience and expertise. A list of current members of the Committee is available at all times to the general public.

The recruitment of committee members will reflect communities in which Laidlaw serves. The board should ensure that the Foundation's board, committees and program decisions reflect the diversity of the Greater Toronto Area and are balanced in terms of gender, race, ethnicity, disability, age and lived experience at all times.

Objective

The overall investment objective of the Foundation is to obtain a flow of income to support the Foundation's programs with exposure to growth investments to maintain the real value of the Foundation's assets.

The Board of the Foundation has an approximate allocation of 95% of its assets under a 'Traditional' investment program (marketable securities comprised of equities and fixed income instruments) and 5% of its assets in an Impact investment program.

'Traditional' Investment Committee mandate

It is the policy of the Foundation to use the best investment management available to manage the 'traditional' investment portfolio. The Investment Committee reviews the IPS between the Foundation and the investment manager. The Committee also monitors the quarterly performance of all investment managers to ensure they are meeting the investment objectives of the Foundation. The Investment Committee will consider, among other pertinent factors:

- Record and performance in managing funds
- Quality of reporting, research (including ESG analysis) and investment advice

- Fees charged
- Clear commitment to and documented policies regarding equity, diversity and inclusion at the investment manager

Portfolio benchmark and asset mix ranges

Asset Class Ranges % Min	Max	Asset Class	Benchmark Asset Mix %
50	70	Equities	60
15	25	Canadian Equities	20
25	55	Foreign Equities	40
30	50	Bonds	40
0	15	Cash/Money Market	0

For greater clarity, this excludes any impact investments

Investment guidelines and restrictions

- In no case will the Foundation invest in companies that derive a controllable economic gain from ventures and businesses that contravene the mission, vision and values of the Laidlaw Foundation. This may include but is not limited to tobacco, pornography, child labour and gambling.

- Diversification is required across geographies, industry classes, and asset classes. No individual equity security shall comprise more than 5%, by market value, of the total portfolio.

- No single holding in the portfolio will represent more than 10% of the outstanding shares of any corporation without express approval of the Laidlaw Foundation.

- No bond investments (excluding convertible debentures) will be purchased that are not rated BBB- or better by DBRS Morningstar or equivalent rating at S&P, Moody's or Fitch. Bonds held where the rating has dropped below BBB- will be evaluated on an individual basis.

- No derivative instruments will be purchased or held in the portfolio, except to hedge currency exposure.

- No short sales or transactions on margin will be executed in the portfolio. Warrants and/or installment receipts, however, may be purchased and retained.
- Investment managers will direct the custodian to vote all proxies in the best interests of the Laidlaw Foundation, as a signatory of the United Nations' Principles for Responsible Investment (UN PRI).

Impact Investment

The Impact Investment portfolio was created to align Laidlaw's financial assets with its mission by investing in solutions that support young people. This portion of the overall assets was initially funded with $3,500,000 (5% of the Foundation assets at the time). The Investment Committee has the ability to recommend to the Board to increase the percentage of Impact Investing amounts.
The Investment Committee is responsible for the establishment of a sub-committee to recommend and monitor the investments in this portion of the portfolio.

Impact Investment Sub-Committee purpose

The sub-committee is responsible for identifying impact investment opportunities and monitors the impact investment portfolio on behalf of the Investment Committee. Members of this Committee are chosen for their financial management experience and Social finance expertise. It shall convene other not-for-profit partners and potential co-investors to identify opportunities. It may also recommend an investment advisor or manager to assist in carrying out any of its duties.

Impact Investment sub-committee mandate

The Impact Investment Sub-committee reports to the Investment Committee.

The mandate of the Sub-committee includes:

- Engage consultants or other pertinent parties to seek advice and counsel regarding prospective investments, as required (and subject to a specified budget);
- In collaboration with such outside parties, where feasible, perform due diligence on the direct investment opportunities, and make recommendations to the

Investment Committee on decisions, execution of transactions, and monitoring, as warranted;
- With the assistance of the Laidlaw Foundation staff, monitor the investments on a quarterly basis and track performance of the portfolio;
- Provide a quarterly report to the Investment Committee and to the Board on the progress and the performance of these investments, against social, mission, and financial goals.

Impact Investment sub-committee guidelines and restrictions

- Align the Portfolio with the grant-making themes and overall mission, within the universe of available investment opportunities.
- Seek a financial, social or environmental return on each investment that considers the risk undertaken for the capital deployed. At the total portfolio level, the impact investments are expected to maintain real capital preservation by seeking a return of principal plus expected inflation (CPI) at the time of investment.
- Prioritize impact, acting on opportunities where there is a reasonable financial risk for the potential impact created.
- Pursue transparency in this Portfolio.
- Build diversification across asset classes (mortgage backed investments, fixed income instruments, equities) as well as restrict the size of any given asset to 15% of the Impact Investment portfolio.

Membership of the Sub-committee

The Committee shall be made up of 3-5 members one of whom shall be the Chair or the Vice Chair of the Investment Committee. Members of the sub-committee will be appointed each year at the first meeting of the Investment Committee following the AGM.