

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

EXECUTIVE COMMITTEE

ANNUAL REVIEW SUBCOMMITTEE

POLICY AND PROCEDURES

Pursuant to the charge of the Executive Committee as amended on March 9, 2009, in addition to the responsibilities set forth in Board policy with respect to presidential performance review and compensation-setting the annual review Subcommittee (“Subcommittee”) shall annually undertake the responsibilities described below.

Executive Summary

The President annually will provide the Subcommittee a report on the status and performance of senior staff, as to which report no Board action will be requested or required. The President will also report on pending compensation adjustments for senior staff, as to which Board action will be required only if the President proposes to offer a staff member compensation components in addition to salary and customary benefits.

Policy and Procedures Elaboration

In conjunction with the annual presidential performance review, the President will provide the Subcommittee with a report on the performance of his or her direct reports, as well as Vice Presidents who report to the Provost & Senior Vice President, and the status of senior staffing generally. The report will include pending compensation adjustments for the direct reports and other Vice Presidents for the upcoming fiscal year, such adjustments to be formulated in a manner consistent with the principles set forth in general University policy as well as those stated in the Presidential Compensation Policy and Guidelines, including the criteria of *Merit* (individual performance in relation to established performance goals and contributions to the achievement of institutional objectives); *Market Competitiveness* (using relevant comparators as identified by qualified internal personnel or a qualified external compensation consultant); and *Equity* (including parameters set for the institution as a whole).

For officers other than the President, compensation shall generally be comprised only of salary and customary benefits. If the President believes that it is in the best interests of the institution to offer a senior staff member additional components of compensation, such as incentives for achievement of specific performance objectives or to encourage longevity in position; tax-deferred compensation; professional association, civic, and club memberships; wellness or health maintenance programs; sabbatical or other professional development opportunities; automobile allowances; or severance arrangements in excess of those for which the University Manual provides, the President must submit to the Subcommittee data demonstrating that the component is necessary or desirable in view of prevailing market conditions. The Executive Committee must approve any such additional component, whether to be offered at the time of hire or post-hire.

The purposes of the President's senior staff report are to (1) assist the Board in evaluating the President's performance in the selection, management and retention of senior University officials and the leadership team; (2) provide feedback to the President on the quality of the services rendered to Board Committees and the Board by senior institutional officers, most particularly Committee liaisons; and (3) furnish a basis for evaluating whether the President is setting senior officer compensation in relation to institutional compensation principles, in particular, market, merit and equity. To facilitate assessment by the Subcommittee, the President will include in his report the principal performance goals established for each officer for the FY in progress and his evaluation of performance in relation to those goals. Compensation data will also be provided to the Subcommittee as described elsewhere in these guidelines.

The review process, including consultation undertaken by the President with the Subcommittee, and Subcommittee deliberations, shall be conducted in Executive Session and its content shall be confidential. Following consideration by the Subcommittee of the President's report and any proposed exceptions to customary compensation arrangements, the Subcommittee will advise the Executive Committee of the status of its review. If the President has requested an exception to the salary-only rule, following its deliberations the Executive Committee will act on the request in open session.

Approved by the Executive Committee: April 13, 2009