

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
SPECIAL COMMITTEE ON
GOVERNANCE AND ENGAGEMENT
JULY 30, 2014**

SPECIAL COMMITTEE ON GOVERNANCE AND ENGAGEMENT

Wednesday, July 30, 2014

12:30 - 2:30 p.m.

The Jamestown Room, The Berkeley Hotel

Committee Members:

John L. Nau III, Chair

Frank B. Atkinson

John A. Griffin

Victoria D. Harker

Bobbie G. Kilberg

George Keith Martin, Ex-officio

Timothy B. Robertson, Consulting Member

AGENDA

- I. Comments from the Chair (Mr. Nau)
- II. Draft Statement of Expectations (Mr. Nau to introduce Richard P. Chait; Mr. Nau, Mr. Robertson, and Mr. Chait to lead discussion)
- III. Charter for the Governance Committee (Mr. Nau)
- IV. Committee Evaluations (Mr. Nau)
- V. Attachment
 - Draft Statement of Expectations

Statement of Expectations
University of Virginia
Board of Visitors
Adopted on _____ 2014

As the Board of Visitors of the University of Virginia, we are earnestly committed to exemplary governance. Toward that end, we have established some basic norms and mutual expectations that we regard as preferable, appropriate, and conducive to effective governance. In doing so, we seek to avoid two equally unattractive extremes. On the one hand, we do not want to rigidly codify Board behavior and straitjacket Visitors' discretion. On the other hand, we cannot effectively govern without any guidelines or suggest that whatever a Visitor chooses to do constitutes good governance. We believe this document strikes a proper balance. Individually and collectively we pledge, without any exceptions or exemptions, compliance with the letter and spirit of this Statement.

We should be clear about the end result we seek: an engaged and effective Board of Visitors that adds even greater value to the University of Virginia. We believe we can achieve this aim through a Board culture characterized by diligence, mutual respect, shared expectations, and performance accountability. That is why we have chosen to adopt and enforce this Statement.

Commitment

As Visitors, we have one overriding responsibility: to serve the best interests of the University so that the University, in turn, can serve the best interests of the Commonwealth of Virginia. The Board's fiduciary duty requires paramount loyalty to the University as a whole—not to any particular parts, not to any personal interests, not to any political agendas. At the heart of the Board's fiduciary responsibilities is a commitment to fulfilling the stated purposes of the University and doing so in balance with the broader public interest.

The Board of Visitors strives to function as a cohesive corporate entity. We govern collectively not individually or as subgroups. The voices and votes of Board members count equally. No Visitor is or should be a free agent.

Attendance

Visitors shall attend all Board meetings and, as assigned, all meetings of BOV committees and University-related Foundations. When a Visitor cannot attend, the individual shall provide the Rector and Chairs of relevant committees with a written explanation for one's absence. In the event that a Visitor fails to faithfully attend Board and committee meetings, the matter shall be referred to the Governance Committee.

Preparation

Visitors shall prepare diligently and be sufficiently familiar with Board and committee materials to engage in considered conversation. Specifically, Visitors shall:

- Carefully read and review all relevant materials.
- Thoughtfully prepare for all BOV and committee meetings.
- Expend the time and effort to understand the issues at hand.
- Participate in programs to educate and update university trustees.
- Accept and complete assignments from the Rector or the Chair or Vice Chair of a committee on which the Visitor serves as a member.

Information

We expect the leaders of the University to present timely, relevant information. Committee chairs and Board officers may request information necessary to discharge the BOV's responsibilities. Such requests should always be respectful of lines of authority and demands on administrators' time.

Requests by individual Visitors for institutional data should be rare. On occasions when a Visitor does want additional information the request shall be channeled through the relevant committee chair, the Rector, or the President as appropriate. Visitors should not contact staff independently. We adopt this procedure not to deny access to information or to create bottlenecks, but rather to respect lines of organizational authority and the demands on management's time.

Comportment

The Board of Visitors has specific expectations about Board behavior. Every Visitor may expect from and shall accord civility and respect to every other Board member as well as all members of the University community.

- Extending good will to one another.
- Listening attentively and taking seriously the comments of all Visitors.
- Remaining open to alternative points of view.
- Encouraging healthy debate, and seeking no reprisals for dissent.
- Refraining from disparaging fellow Visitors or impugning their motives.
- Avoiding "multi-tasking" or extended absences during meetings.

Visitors have an inviolable responsibility to maintain confidentiality *without exception*. Any information, written or oral, whatever the source, that the Board receives or discusses in confidence shall remain in confidence. To ensure candor and trust, no Visitor, at any time or for any reason, shall disclose points of view privately or confidentially expressed by Board members or officers of the University. Disclosure of confidential information to any person for any reason without the express consent of the Rector or the University President violates the public trust placed in the Board collectively and the trust Visitors extend to each other. A breach of this trust may trigger, at the Rector's discretion or upon the request of the Governance Committee, a recommendation to remove the offending Visitor.

Discussion and Dissent

We value and encourage deliberations marked by pertinent questions, constructive dissent, and candid concerns—always in partnership with the President. When a Visitor substantially disagrees with

management's proposal or plans to recommend a notably different course of action, the Visitor should provide as much advance notice as possible to the Rector, the relevant committee chair, the President, or senior officer as appropriate.

After robust discussion of an issue, we strive to reach a consensus on the merits. In the end, each Visitor should vote one's conscience, confident that minority views will be respected. Once decisions are reached, however, Visitors shall publicly support, or at the very least not openly oppose, the Board's action as a strong, visible consensus facilitates successful execution of policy and strategy.

Partnership with the President

The Board recognizes the President as the University's Chief Executive Officer. In general, the Board delegates management of the University to the President and, by extension, to Senior Staff, and holds the President accountable for the institution's performance, progress, and reputation.

The President reports to and serves at the pleasure of the Board not individual Visitors. Performance-related concerns about the President should be conveyed to the Rector.¹ Publicly, trustees should be supportive and respectful of the President. In executive sessions, trustees should be candid and, as warranted, constructively critical.

All Visitors should seek to develop a comfortable working relationship with the President, but none should ever usurp the role of Visitor to offer the President a performance review or to ensure a particular outcome to a matter under consideration.

Board members and the President are encouraged to have one-on-one conversations with one another to share information, insights, concerns, and advice. However, Visitors must not explicitly or implicitly direct the President to reach a particular conclusion or take a particular course of action. Suggestions and observations from Board members are always welcome; directives are never appropriate.

Relationships with Internal Constituencies

With faculty, students, and staff, Visitors should be neither distant nor entwined in daily operations. The Board sets and oversees mission, policy, and strategy; we do not manage the University. We do not individually instruct employees. Mindful of that critical distinction, we encourage Visitors to interact with the University community always careful not to speak on behalf of the Board, prescribe or direct a course of action, elicit personnel evaluations, or seek personal favors. Be open and receptive to two-way communication but also be very judicious about any representations on the Board's behalf. These guidelines do not preclude personal connections between Visitors and members of the University community, but these relationships should be distinctly outside the duties and scope of trusteeship.

Relationship with External Constituencies

The Board must speak publicly as a single entity through the Rector or the Rector's designee. No

¹ In a separate document the Board of Visitors will specify the criteria and process for presidential performance reviews.

Visitor or sub-group shall speak on behalf of the Board or the University unless specifically authorized to do so by the Rector. Even expressly personal opinions by Visitors are often construed as representative of the entire Board or as signs of deep divides within the Board. When asked by the press, media, public officials, or citizens at-large to speak on behalf of the Board or the University or to publicly assess Board decisions, whether past, present, or imminent, Visitors should always demur unless specifically authorized by the Rector to be a spokesperson. Visitors shall not, without the prior consent of the Rector or President, initiate communication with elected or appointed public officials at the local, state, or federal level, on matters related to the University of Virginia.

Compliance

We are accountable to one another to honor the standards, practices, and norms described in this document. Therefore, we charge the Governance Committee to monitor compliance by the Board as a whole and by individual Board members. Concerns about the comportment of a fellow Board member should be directed to the Chair of the Governance Committee or the Rector. If the Governance Committee determines that there has been substantial noncompliance, the Committee will meet with the Visitor in question to discuss corrective action and reiterate the importance of adherence to expectations. Should noncompliance persist, the Governance Committee may recommend that the Rector convene the Executive Committee to meet with the individual under review to resolve matters and, as deemed appropriate, to impose specific actions or sanctions such as termination of committee memberships or a formal reprimand by vote of the Board. If noncompliance continues, the Rector shall ask the Full Board to determine by majority vote whether to pursue, under applicable provisions, the Visitor's removal.