

MEMORANDUM

To: Western Community

From: Chirag Shah, Chair, Board of Governors

Date: April 22, 2015

Re: Goudge Review on President's Compensation

The Board has been listening closely to the concerns that have been raised about the president's compensation since the release of the provincial salary disclosure report on March 27th. We take our responsibility seriously with respect to the governance of Western University.

The Board has commissioned a review of Western's presidential compensation by a respected and well-known former member of the judiciary, Justice Stephen Goudge. The terms of reference for the review are attached. We expect that Justice Goudge will conduct this review in a fair, open and transparent manner and we will make his report public following its submission to the Board. Upon receipt of the report, the Board also commits to responding to any recommendations Justice Goudge may provide as part of his review in a comprehensive, open and timely manner.

The Board recognizes that Justice Goudge's review, which has a specific focus on compensation and the Board's processes with respect to compensation, may not fully respond to some of the concerns raised by the Western community. The Board is committed to a transparent and accountable governance structure that is responsive to the needs of the institution. To this end, following Justice Goudge's report, we will continue to work with campus leadership including faculty, staff, students, and alumni to strengthen and improve campus governance.

Goudge Review on the President's Compensation

Terms of Reference

Background:

The review stems from the concerns raised by the decision of the president to draw a payment of 100 percent of his base salary at the end of his first term, in place of a year of administrative leave, by mutual consent and in accordance with the terms of his contract negotiated in 2009 with Western University.

Goals of the review:

This review will be full, fair and transparent. Justice Goudge will determine the most effective process for carrying out the review to help the Board fully understand and respond to concerns raised by the Western community, other stakeholders and the general public, and to reaffirm Western's commitment to fiscally responsible, competitive compensation practices.

Terms of reference:

The independent reviewer's scope is to consider and respond to the following questions:

1. Are Western University's presidential compensation practices (including but not limited to salary, benefits and post-service provisions) in line with those of peer institutions?
2. Does the Board of Governors have the appropriate accountability and reporting mechanisms in place with respect to executive compensation? If not what other mechanisms should be in place and/or what amendments to our current processes might be appropriate.
3.
 - (a) Is a contractual provision that grants a year-long administrative leave at 100 percent of salary for each term in line with university presidents' contracts offered by peer institutions?
 - (b) Is a provision that permits salary to be paid in lieu of taking a leave in line with presidential contracts offered by peer institutions?
 - (c) In satisfying the contractual provision for an administrative leave for a sitting president in each term, what options are appropriate with respect to such leaves between terms?

The report will be provided to the Chair of the Board of Governors.