THE UNIVERSITY OF NORTH CAROLINA SYSTEM

MEETING OF THE BOARD OF GOVERNORS
Presidential Assessment Committee
May 21, 2026

AGENDA ITEM

Report of the Presidential Assessment Committee on Incentive Compensation .... Wendy Murphy

Situation: Pursuant to Section 200.4.IV of the UNC Policy Manual, *Assessment Process for the Chief Executive and Governing Boards of the University of North Carolina*, and the provisions of the president's term sheet, the Presidential Assessment Committee, which consists of the officers of the Board and the chairs of the Board's standing committees, is responsible for conducting an annual assessment of President Hans' performance during the previous academic year and recommending an incentive compensation to the Board of Governors.

Background: Effective June 1, 2025, the Board of Governors approved a new term sheet for a second five-year term for President Hans. That term sheet calls for the annual incentive compensation to be based in part (50%) on performance on quantitative measures of student success, affordability, and productivity, and in part (50%) on the Presidential Assessment Committee's qualitative assessment of the president's leadership and management of UNC System operations.

The Presidential Assessment Committee met on May 5, 2026, to assess the president's performance for the 2025-26 year and consider recommendations on incentive compensation. UNC System Office staff prepared the attached analyses of performance on the quantitative metrics for academic year 2025-26 and a summary of the president's major accomplishments for 2025-26.

Based on its assessment of the president's performance and accomplishments during 2025-26, the committee voted to recommend to the Board of Governors one-time incentive compensation for the president in the amount of $493,500.

Assessment: The Board of Governors will review the resolution recommending one-time incentive compensation for the president in the amount of $493,500 to be made as a contribution on his behalf to his SAORP retirement account, followed by a vote on the resolution in open session.

Action: This item requires a vote by the full Board of Governors.

RESOLUTION OF
THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA

INCENTIVE COMPENSATION CONTRIBUTION
PARTICIPATION IN THE SENIOR ADMINISTRATIVE OFFICER RETIREMENT PROGRAM

May 21, 2026

WHEREAS, the Board of Governors of The University of North Carolina may authorize the participation of administrative officers in certain deferred compensation programs and retirement arrangements, pursuant to Section 300.2.14 of the UNC Policy Manual, *Policy on Non-Salary and Deferred Compensation*; and

WHEREAS, the Board of Governors of The University of North Carolina has previously approved Peter Hans, President, be authorized to participate in the Senior Administrative Officer Retirement Program (SAORP); and

WHEREAS, pursuant to Section 200.4.IV of the UNC Policy Manual, *Assessment Process for the Chief Executive and Governing Boards of the University of North Carolina,* and the provisions of President Hans' term sheet, the Presidential Assessment Committee of the Board of Governors of the University of North Carolina has conducted an annual assessment of the president's performance during the 2025-26 fiscal year based upon quantitative goals approved by the Board and the committee's evaluation of the president's leadership and management of UNC System operations; and

WHEREAS, following appropriate review and upon recommendation of the Presidential Assessment Committee, the Board of Governors of The University of North Carolina has determined to make a one-time incentive compensation as an Employer contribution to President Hans' SAORP retirement account in recognition of the president's extraordinary performance and leadership for the 2025-26 fiscal year.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors:

(a) Authorizes a contribution on behalf of President Hans to his SOARP retirement account in the amount of $493,500;
(b) Directs that the contribution be paid for with non-state funds; and
(c) Directs that the contribution described above to President Hans's SAORP retirement account shall be considered fully vested upon contribution, consistent with the terms of the SAORP.

Adopted this ___ day of May, 2026.

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Wendy F. Murphy, Chair

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Pearl Burris-Floyd, Secretary