

PRME Governance and Board Terms of Reference

BACKGROUND

Until 2020, the governance of PRME was structured in the following way – the PRME Steering Committee (PRME SC) was the main governing and decision-making body, with the PRME Secretariat executing the day-to-day operations and the PRME Advisory Committee (PRME AC) providing strategic and governance recommendations to the PRME SC and PRME Secretariat. In 2020, an Interim Management Council developed a new governance structure with one unitary PRME Board comprised of members representing a mix of PRME Signatories, students, business, the United Nations and other key stakeholders, with the majority of seats reserved for Signatories.

This document is based on the work and recommendations of the Interim Management Council (January – June 2020), consultations and feedback as part of the 2019 PRME Strategic Review, and the 2018 PRME Advisory Committee Governance Recommendation memo.

Founded in 2007 by the United Nations Global Compact, in collaboration with AACSB International, Aspen Institute Business and Society Program, European Academy of Business in Society (EABIS - now ABIS), EFMD Global, Globally Responsible Leadership Initiative (GRLI) and Net Impact, the PRME initiative has become the largest organised relationship between the United Nations and management-related higher education institutions. Hosted by and considered a sister initiative of the United Nations Global Compact, the PRME governance structure is modelled after the United Nations Global Compact governance structure.

PRME BOARD

The PRME initiative is governed by the PRME Board, which approves and oversees PRME's strategy, governance, annual budget, and major executive decisions by the PRME Secretariat related to the implementation of the PRME strategy, in consultation with the United Nations Global Compact.

The Board is committed to transparency and regular communication with the PRME community by sharing a summary of key decisions and takeaways after each Board meeting through global communication channels and regional PRME Chapters. The Chairs of PRME Chapters are encouraged to collect any feedback from Signatories in their respective regions and share that with the PRME Secretariat to bring to the attention of the Board for further consideration.

The Board is comprised of representatives from key stakeholders with significant skills, knowledge and networks relevant to the advancement of PRME's strategy, vision and mission.

1. Nomination Criteria

The PRME Board is committed to gender parity, diversity and fair geographical distribution in order to represent the wider spectrum of PRME Signatories and key stakeholders across the world. Regardless of the constituency from which the Board Members are drawn, all Board Members are expected to be willing and able to advance

PRME's strategic objectives and its mission to *transform management education and develop responsible decision-makers to advance sustainable development.*

Nominees for Board membership should be considered with respect to the following qualities¹:

- *Passion* – have a deep understanding of PRME and its Six Principles, and deep interest in its mission.
- *Leadership* – see the big picture and have the courage to set direction to achieve PRME's mission.
- *Diligence* – be committed and have the time to actively participate in the activities of the Board.
- *Collegiality* – have the respect and confidence of their peers and constituencies, and possess a sincere and respectful attitude toward colleagues and their views.
- *Stewardship* – have the integrity to serve the interest and pursue the strategic goals of PRME.
- *Discretion* — Maintains confidentiality of board discussions and speaks with one voice when representing the organization to the community.
- *Expertise* – have the knowledge and capability to engage with and contribute to key discussions and decision making on the Board level in support of and in alignment with key strategic objectives.

Nominees should currently hold a leadership position (e.g. Highest Executive, Head of Department, etc.) in a PRME Signatory institution, core PRME constituency (e.g. PRME Chapters, Working Groups, Champions) or other relevant stakeholder related to the advancement of the PRME mission, strategic objectives, and scope of work;

- In the case of nominees representing PRME constituencies, they should have the confidence of their respective constituency; and
- The institution they are affiliated with should be a communicating PRME Signatory, displaying a clear commitment to PRME's Six Principles.

2. Composition and Selection of Chair, Vice Chair, and Board Members

Nominations for the Board will be managed by the Board's Nominations and Governance Committee, with support from the PRME Secretariat Office in New York. The Nominations and Governance Committee will accept nominations from PRME Chapters, Working Groups, Champions, and any highly engaged PRME Signatories.

A. Board Chair and Vice Chair

The Chair of the Board is formally appointed by the United Nations Global Compact's Executive Director, based on recommendations from the PRME Board's Nominations and Governance Committee. The Vice Chair is formally appointed by the Chair of the Board based on recommendations from the Nominations and Governance Committee and in consultation with the United Nations Global Compact. The Vice Chair can be the assumed candidate for next Chair pending a positive Board Review and approval by the Board and the United Nations Global Compact.

The length of term for the Chair of the PRME Board is two years. At the completion of the first term, the Chair will be eligible for one subsequent two-year term, based on a positive Board Review. The Chair should notify the

¹ These criteria will be further revised to create instruments/processes for Board Members with respect to marketing, selection, evaluation, seat allocation, and alignment with strategic objectives.

Board one year in advance of their decision to either leave after their first term or continue as Chair for a second and final two-year term. An individual may serve as Chair for a total of four years. At the completion of term, the Chair may remain on the Board as 'Past Chair' for two more years to advise the new Chair where needed and continue to foster important stakeholder relationships.

The length of term for the Vice Chair is two years. At the completion of the first term, the Vice-Chair can **a)** become the next Chair, **b)** continue to serve as Vice Chair for another two-year term if the current Chair continues for a subsequent two-year term, or **c)** step down from the Vice Chair position. The Vice-Chair must communicate to the Board their preferred option at least one year before the end of service of the current Chair. An individual may serve as Vice Chair for a total of four years before becoming the new Chair or stepping down from the Vice Chair position. If an individual has been a Board Members for two terms and then a Vice-Chair for another two terms, he/she may become the new Chair only after a positive Board Review and approval from the United Nations Global Compact.

B. Board Members

The Board has a maximum of 21 seats, representing a mix of PRME Signatories, networks, students, business, the United Nations, and other key stakeholders, with the majority of seats reserved for individuals from PRME Signatories. The following is an overview of the recommended representative categories and the allocation of seats for Board Membership (excluding the Chair seat):

- 1) PRME Signatory Deans/Highest Executives – 6 seats**
- 2) PRME Main Constituencies/Workstreams – 4 seats**
 - Representatives from PRME Chapters – 2 seats
 - Representatives from PRME Working Groups – 1 seat
 - Representatives from PRME Champions – 1 seat
- 3) Other Key Stakeholders – 7 seats**
 - Representatives from Business, United Nations, Accreditation, Global Business Education Networks, and/or Honorary Professors – 5 seats
 - Students – 2 seats
- 4) Other/Advisors – 3 seats**

The Head of PRME and staff members of the PRME Secretariat serve ex-officio. At the discretion of the Board, other seats may be made ex-officio as well, such as for staff members of the United Nations Global Compact.

Board Members are appointed on a three-year fixed-term basis. At the completion of a first term, a Board Member is eligible for one subsequent term, based on a positive Board Review. Board Members should not hold a seat on the Board (including Chair/Vice Chair seat) for more than six years unless they assume the position of Chair/Vice Chair in which case the total length should not exceed ten years. Based on outstanding achievements (Board Review), a Board Member/Chair/Vice Chair, who has reached their term limit, may be invited by the Board to serve an additional term. Ex-officio Board Members are not subject to term limits.

C. Process for Nominations of Board Members

Six months before the end of a Board term, PRME constituencies (i.e. PRME Signatories, Chapters, Working Groups, and Champions) are invited to nominate candidates for Board Membership in all of the representative categories. Once nominations are collected, a formal due diligence process is carried out by the Nominations and Governance Committee, in consultation with the respective PRME constituencies and the PRME Secretariat, to ensure the good standing of nominees and their expertise, background and experience in relation to the strategic priorities of PRME.

The Nominations and Governance Committee is responsible for developing a balanced shortlist for all open seats and ensuring that the Board has the appropriate balance of skills, experience, network, diversity and regional representation. If the Committee is not able to compile a complete shortlist with qualifying candidates for the available seats, the Committee may reach out to the PRME community with a consecutive call for nominations three months before the end of a Board term. The Nominations and Governance Committee provides the shortlist and its recommendations to the Chair of the Board who has the responsibility to formally appoint PRME Board Members, ensuring that each of the main constituencies are represented on the Board, based on the recommendations from the Nominations and Governance Committee².

3. Frequency of Board Meetings and Attendance

The Board holds three formal meetings per year – potentially one physical meeting, if travel permits, in connection to an annual PRME flagship event, and two virtual meetings. Board Members should attend all Board meetings and they are expected to attend at least two of the three meetings each year. Board members are also typically asked to sit on one permanent or ad hoc Board Committee or assist on specific matters arising out of Board meetings and decisions.

4. Board Committees

The Board has the option to create committees, both permanent and temporary, as they deem fit. Permanent Committees are made up of current Board Members and carry out specific Board tasks. Permanent Committees interact more closely with the PRME Secretariat and meet with the Head of PRME several times a year.

Chairs of Committees are formally appointed by the Chair of the Board following a decision by the Board and in consultation with the Vice Chair and the PRME Secretariat. Chairs of Committees must be members of the Board. Committee Members are appointed by the respective Chairs of Committees following a recommendation by the Nominations and Governance Committee and in consultation with the Chair of the Board and the PRME Secretariat. Committee Members are drawn from more than one stakeholder group to ensure objectivity and have a minimum of three Board Members. Committees may include non-Board members and they may engage external experts for ad-hoc advice.

Committees shall be serving in accordance with their approved terms of reference. Committees shall undertake tasks as mandated by the Board, in alignment with the strategic plan and established policies of PRME.

² A more detailed process for nomination, appointment and reappointment of Board Members is currently being developed by the Nominations and Governance Committee. It will be explicitly added to the main governance document and published online in 2022.

The Committees may periodically recommend change to policies, strategic direction and performance improvements.

Permanent Committees:

- Nominations and Governance Committee
- Finance and Risk Committee

5. Nature of Board Membership

Members of the Board act in an honorary and unpaid capacity. Although every Board Member will come to the Board with their views informed by their experience and the broader regional, sectoral or organizational constituency in which they are actively involved, Board Members serve in their individual capacity. In principle, if a Board Member steps down from their role at the institution they are affiliated with, the PRME Board can, at its discretion, invite them to remain on the Board for the full term of their office.

Board Members are not considered United Nations officials by virtue of their Board membership. It is expected that the Board Members cover their own travel costs, though the PRME Secretariat may offer to cover certain aspect of travel costs for Board Members that are not able to cover their own travel costs.

Board members are expected to:

- Bring their expertise to the Board and bear in mind that their primary obligation of stewardship is to the PRME initiative and the advancement of its strategic goals and its mission.
- Come to meetings on time, be attentive and well prepared, and respect disagreements and debates.
- Support the Board decisions and the Secretariat staff that executes these decisions to serve PRME.

6. Expectations of Board Members

Board Members are expected to actively champion the PRME initiative in support of its mission. This entails:

- Prepare fully for each meeting, read provided material in advance, and attend each meeting.
- Give strategic advice and guidance to the PRME Secretariat and its Networks and Workstreams.
- Promote PRME within their own institutions, industries and networks, as appropriate.
- Serve as an ambassador for PRME and substantively contribute to raising awareness of the initiative and its Six Principles, including through appropriate public opportunities (e.g., conferences, speaker engagements, social media, op-eds, etc.).
- Participate in at least one PRME Network/Workstream, project or partnership.
- Participating in permanent and ad hoc Board Committees.
- Exhibit impeccable moral character with a strong commitment to the core values of the United Nations (Integrity, Professionalism, Respect for Diversity).
- Other activities that the Board agrees on.
- Board Members have no legal responsibilities.

7. Board Performance Review and Suspension or Termination of Board Membership

The Board will undertake regular evaluation of its own performance and that of its Committees and individual Board Members. The performance review should cover how the Board is functioning as a governing body, as well as basic criteria such as attendance and engagement. Individual performance reviews should be carried out at the end of an individual Board Member's term of office, with satisfactory performance a mandatory requirement for re-appointment. The performance review may be done by external evaluation.

In the event of a breach of a Board Member's commitment or other misconduct, the Board may ask a Member to resign from their seat³. In addition, as Board Members are appointed as individuals, if they no longer meet the criteria for membership (e.g., they leave their role as Highest Executive of an institution), they may be allowed to finish their term. Depending on the Board Member's new role and affiliation, they may be eligible for re-appointment to the Board.

³ A more detailed process of conflict resolution will be developed by the Nominations and Governance Committee, in consultation with the Board and the PRME Secretariat. It will be explicitly added to the main governance document and published online in 2022.