

EMPLOYMENT AGREEMENT

THIS AGREEMENT made in duplicate this 31st day of July, 2019,

BETWEEN:

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
(hereinafter called "Mohawk College" or "College")

- and -

RON MCKERLIE (hereinafter called "Ron")

WHEREAS the Mohawk College Board of Governors ("the Board") recognizes that Mohawk College is one of the largest colleges in the province and aspires to continue to be a leading educational institution;

WHEREAS, as the College's Chief Executive Officer, the President is accountable to the Board of Governors for the operation of the College;

WHEREAS the Board has passed a resolution approving the reengagement of Ron as President of Mohawk College;

AND WHEREAS Ron has expressed his willingness to accept and continue to undertake the duties and responsibilities of the position, consistent with policies, bylaws and procedures established by the Board and consistent with the Board's obligations to the Ministry of Training, Colleges and Universities and Mohawk College.

AND WHEREAS the parties acknowledge that this Agreement is subject to the *Broader Public Sector Executive Compensation Act, 2014* and the Compensation Framework established under Ontario Regulation 406/18, and may be subject to other legislative restraints in the future. All salary, bonuses or other compensation payable under this Agreement, including any contemplated increases, will be made in compliance with all applicable legislative restraints applicable to the College and to Ron's employment under this Agreement.

NOW THEREFORE, in consideration of the mutual covenants hereafter contained, the parties agree as follows:

1. REAPPOINTMENT

1.1. In accordance with the authority granted to the Board under Regulation 34/03 of the *Ontario Colleges of Applied Arts and Technology Act 2002*, the Board hereby continues to employ the services of Ron as its President.

2. TERM

2.1. The term of the appointment shall be five years commencing on August 1, 2019 and ending on July 31, 2024, unless earlier terminated by either party in accordance with the provisions of this Agreement.

3. RENEWAL OF TERM

- 3.1. The Board shall provide Ron with at least twelve (12) months' written notice prior to the expiry of the term as to whether or not it intends to reappoint Ron for a further term of up to five (5) years and Ron will be required to advise the Board in writing within thirty (30) days of receiving the notice from the Board as to whether or not he intends to accept a reappointment on terms and conditions to be negotiated. In the event Ron intends to accept the appointment, and further if the Board and Ron have failed to agree on the terms and conditions of any extended agreement at least six (6) months prior to the expiration of the term, this agreement will terminate on the expiration of the original term unless it is mutually agreed, in writing, to extend the time to negotiate an agreement.
- 3.2. In the event the Board does not offer to reappoint Ron for a further term, the Board and Ron agree that Ron will submit his resignation and vacate his position six (6) months in advance of the end of the term and the College Board shall pay Ron the equivalent of one (1) year of his then current base salary (less statutory deductions); the cost of benefits that Ron would be entitled hereunder, as more particularly set out in section 5.3, for one year; and the annual payment set out in section 5.4, from the effective date of the resignation.. Said payment shall represent the College's only obligation to Ron and it will not be required, nor obliged to provide any further or additional payment under any contract, statute, common law or otherwise.
- 3.3. In the event the Board offers to reappoint Ron for a further term, and Ron refuses the offer of employment, the Board and Ron agree that Ron will, at the request of the Board, submit his resignation and vacate his position six (6) months in advance of the end of the term and the College shall pay Ron the equivalent of six (6) months of his then current base salary (less statutory deductions); the cost of benefits that Ron would be entitled hereunder, as more particularly set out in section 5.3, pro rata for a six month period; the sum equivalent to the average of the previous three years incentive payments pro rata for a six month period; and one-half of the annual payment set out in section 5.4, from the effective date of the resignation.. Said payment shall represent the College's only obligation to Ron and it will not be required, nor obliged to provide any further or additional payment under any contract, statute, common law or otherwise. In the event the Board does not exercise its discretion to require Ron to resign and vacate his position as outlined above, Ron shall complete the term of his appointment and employment and this Agreement shall terminate accordingly and the College shall not be required, nor obliged to provide any payment under any statute, common law or otherwise upon the expiration of the term of this Agreement.

4. RESPONSIBILITIES

- 4.1. Ron shall continue to act as the President of the College and agrees to be accountable to the Board and perform all the functions and duties generally required of a Chief Executive Officer and particularly such duties within the job description of the Role of the President as established by the Board, which may be amended by the Board from time to time.
- 4.2. Ron shall be obligated to perform his duties in compliance with all applicable laws, by-laws and policies of the College and the Board. Ron shall follow all lawful instructions and direction given to him by the Board.
- 4.3. Ron accepts the reappointment and during the term of the reappointment undertakes to fully and faithfully discharge the duties and responsibilities as President of the College to a high standard of professional competence.
- 4.4. Subject to Ron's obligations as President of the Mohawk College Foundation, Ron will devote the whole of his time, effort and attention to the business and well-being of the College, without



any conflict of interest and shall not, without the prior written consent of the Board (not to be unreasonably withheld) undertake any other business or occupation or become a director, officer, employee or agent of any other company, firm or individual; provided, however, that Ron shall be able to continue to serve on the boards listed in Schedule "C" for the balance of the term as indicated on that schedule. Ron acknowledges that his role as the President of the College may include the carrying out of duties in the evening and weekends, as may be required from time to time, in addition to regular business hours.

5. REMUNERATION AND BENEFITS

- 5.1. Base Salary: The College shall pay Ron an annual pensionable base salary of Two-Hundred twenty nine thousand, five hundred and ninety six dollars (\$229,596.00) which is unchanged from 2014 and there shall be no increase to the base salary or bonus set out herein until there is a change in legislation permitting an increase and an increase has been agreed to between the parties. The review shall include an assessment of Ron's performance and his achievement of the overall objectives established by the Board's strategic plan for Mohawk College.
- 5.2. Incentive Payment: As determined by and at the discretion of the Board, Ron will be eligible to receive an annual pensionable lump sum payment of up to twenty percent (20%) of his base salary (ie. up to \$45,919) as an incentive payment in consideration of the achievement of performance goals set annually by the Board.
- 5.3. Ron shall be entitled to participate in the insured benefit plans, sick leave plans, CAAT Pension Plan, retirement compensation arrangement and vacation plan as set out in Schedule B. Ron shall be entitled to 30 working days of compensated vacation per year and will have carry-over rights for such paid vacation days as set out in Schedule B. The insured benefit plans may be amended from time to time by the College Employer Council. The CAAT Pension Plan and Retirement Compensation Arrangement may be amended from time to time by the CAAT Pension Plan as the trustees of the plans.
- 5.4. Ron shall also be entitled to a non-pensionable annual payment of 11% of base salary equivalent to \$25,255.00 minus any deductions relating to the personal use of the college automobile vehicle set out in section 5.5.
- 5.5. In order to properly fulfill his employment responsibilities Ron shall be entitled to the use of an existing College automobile vehicle with all operating costs, including insurance, paid by the College.
- 5.6. Ron shall be entitled to reimbursement for reasonable expenses, as determined from time to time by the Board, for business travel, conferences, and entertainment as required in the capacity of President of the College subject to the provision of documentation and receipts acceptable to the Board in accordance with the College's travel and business entertainment policy.

6. PERFORMANCE REVIEW

- 6.1. Ron's performance and salary shall be reviewed annually by the Board or a committee thereof based upon mutually agreed objectives set for the President. It is acknowledged by each party that both the Board and Ron require the assistance of the other in partnership to achieve goals and objectives for the benefit of the College, its employees, the students enrolled and the jurisdiction of the College.

7. INTELLECTUAL PROPERTY



- 7.1. All materials including, but not limited to, documents, raw data, research, processes, technology, programs and inventions conceived or produced in the performance of the duties set out in the Agreement shall belong to the College. The intellectual property, (including copyright, patents, trademarks, industrial designs) shall also belong to the College.
- 7.2. For the purpose of the *Copyright Act*, Ron acknowledges that all materials produced by him in connection with this Agreement have been or shall be prepared by or under the direction or control of the College and moral rights are waived in favour of the College.
- 7.3. Section 7.0 shall survive the termination of this Agreement.

8. RESIDENCE

- 8.1. It shall be an ongoing condition of Ron's continued employment that for the term the agreement thereafter, he continue to reside within the current municipal boundaries of either the City of Hamilton or the City of Burlington and Ron covenants to do so and acknowledges that a failure to do so would be a material breach of this Agreement.

9. CONFIDENTIALITY

- 9.1. Ron agrees that, except as may be required by law, or as may be required by the Government of Ontario in the usual course of business, any information reasonably related to the affairs of the College received in his capacity of President is confidential and shall not be disclosed to any person, or used in any manner, without the prior written consent of the Board. This provision shall survive the termination of this Agreement.

10. TERMINATION

- 10.1. Ron may terminate this Agreement at any time during the term or any extended term if he gives not less than six (6) months prior written notice to the Board, unless a shorter notice period is mutually acceptable to the President and the Board.
- 10.2. Subject to the renewal protocol under sections 3.1 to 3.3, the Board may terminate this Agreement at any time during the term or any extended term, without cause and without liability, providing the Board provides pay in lieu of notice based on the base salary in the amount set out in section 5.1 subject to annual adjustment, of twenty four (24) months. Said payment may be taken as compensation and benefit continuance at Ron's sole discretion. Said payment will constitute the College's complete obligation to Ron and is intended to be inclusive of any and all obligations prescribed by a statute, common law, or otherwise.
- 10.3. In the event of 10.2, Ron agrees to assist with the leadership transition, at the Boards option, by providing for no additional fee, consulting services to the interim or incoming President and/or Board Chair in the amount of ten (10) hours a month for the first six months and four (4) hours per month for the remaining twelve months.
- 10.4. Subject only to any entitlement that may be required under the Employment Standards Act, 2000, the Board may terminate the Agreement without prior written notice or payment in lieu of notice for just cause.
- 10.5. In the event that Ron elects to take a salary continuation in accordance with 10.2 above, Ron shall be entitled to participate in all benefits and the pension plans during his notice period for the duration of the minimum statutory notice period required under the *Employment Standards Act, 2000*. Thereafter, Ron shall be entitled to continue to participate in all group benefits and pension plans with the exception of short term and long-

term disability benefits which will cease at the end of the statutory notice period.. Ron's ability to participate in the benefit plans and pension plans noted above will be subject to the terms of those plans.

11. GENERAL

- 11.1. Each party represents that it has full power and authority to enter into and perform this Agreement and the person signing this Agreement on behalf of each party is properly authorized and empowered to sign it.
- 11.2. No provision of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification is in writing and signed by both parties.
- 11.3. A waiver by the Board of any breach of this Agreement shall not be construed as or deemed to be a waiver of any succeeding or continuing breach or breaches.
- 11.4. Any notice to be given to either party may be given by ordinary prepaid mail or personal delivery at the following addresses:

The College: The Board of Governors of The Mohawk College of Applied Arts and Technology
Fennell Avenue West at West 5th Street
Hamilton, ON L9C 0E5
Attention: Chairperson

The President: The President of Mohawk College of Applied Arts and Technology
Fennell Avenue West at West 5th Street
Hamilton, ON L9C 0E5
Attention: President

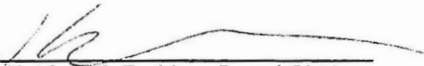
Any such notice shall be deemed to have been given on the date of delivery or on the fourth business day after mailing. Either party may specify a different address by notice in writing.

- 11.5. This Agreement shall be interpreted and applied in accordance with the laws of Ontario and those of Canada applicable thereto.
- 11.6. This Agreement, including the schedules, constitutes the entire Agreement between the parties and it is agreed that there is no term, condition, warranty, or representation, collateral or otherwise, that may govern or affect the relationship between the parties, other than those contained in this Agreement.

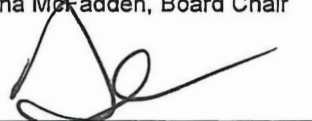


IN WITNESS WHEREOF the Parties hereto have hereunto respectively set their hands and seals, on the day and year first above written.


The Board of Governors of The Mohawk College of Applied Arts and Technology Per:




Katrina McFadden, Board Chair



Ron McKerlie



Witness:



Witness:



SCHEDULE A

SALARY AND PERFORMANCE COMPENSATION PROGRAM FOR COLLEGE PRESIDENTS

The Council of Regents initially issued the Salary and Performance Compensation Program for College Presidents in August 1999. The Program was prepared under the terms of Regulation 770 of the Ministry of Colleges and Universities Act.

On April 1, 2003, the Ontario Colleges of Applied Arts and Technology Act 2002 (replacing the Ministry of College and Universities Act) was proclaimed. Under Regulation 34/03 of the new Act, College Boards requested authority to determine the terms and conditions of employment, including compensation, for their Presidents and Administrative Staff.

To assist College Boards with these new responsibilities, twenty-three Boards established the Colleges' Compensation Committee, a voluntary consortium, to undertake research and provide guidelines and recommendations regarding changes to the terms and conditions of employment, including compensation, for College Presidents and Administrative Staff.

Presidents' Compensation Re-earnable Incentive Program

The President shall be eligible to earn a potential performance bonus of up to twenty (20) % of base salary for exceptional performance upon achieving the goals and objectives as mutually agreed between the President and the Board. Any such earnings are pensionable earnings.

The method of performance review is to be mutually agreed upon between the parties and the basis for determining the percentage of achievement will be determined solely by the Board after consultation with the President.



SCHEDULE B

EMPLOYEE BENEFITS AND ENTITLEMENTS

A. Group Insurance Benefits

1. College Presidents are covered by a range of group insurance benefits. Participation is mandatory except where optional coverage is indicated. Detailed information pertaining to benefit coverage may be found in the Group Insurance Benefit Plan booklet as amended from time to time by the policy holder, the College Employer Council. All entitlements to benefits under the plans shall be in accordance with the terms of the group contract.

2. Survivor Benefits

Provided that the President was enrolled in the Dependent coverage for Extended Health Care, Vision Care, Hearing Care and Dental Care at the time of death, coverage for any eligible dependent survivor(s) will continue for six months at no cost to the dependent(s), subject to the terms and conditions of those plans. After six months, these benefits may continue provided the eligible survivor(s) agrees to pay 100% of the full premium costs.

3. Post-Retirement Benefits

The President shall be eligible to participate in a group retiree benefit program, subject to the terms and conditions of that plan, including but not limited to the following:

- 3.1 The retired College President shall pay to the College quarterly in advance, the full cost of benefits that he/she enrolled in;
- 3.2 The retired President qualifies for and commences to receive a lifetime monthly pension from the CAAT Pension Plan or the Teachers' Pension Plan immediately upon his/her retirement;
- 3.3 The retired President electing such coverage within thirty-one (31) days of his/her retirement date;
- 3.4 The retired President maintaining eligibility for benefits under OHIP or another Canadian medicare plan equivalent to OHIP from another province or territory;

The group retiree benefit plan may be amended or terminated from time to time by the College Employer Council.

B. Disability Income Replacement Plans (Mandatory)

1. Short Term Disability Plan

The Short Term Disability Plan is not an insured plan. It is an income replacement plan paid to College Presidents by the College. Details can be found in the Group Insurance Benefit Plan booklet.



C. Pension Plans (Mandatory) CAAT Pension Plan

1. CAAT Pension Plan

Newly-hired Presidents are required to contribute to the CAAT Pension Plan under the terms and conditions as stated in that plan, as amended from time to time.

2. CAAT Retirement Compensation Arrangements (RCA)

Presidents who are members of the Colleges of Applied Arts and Technology Pension Plan whose salary would produce an annual pension benefit accrual in excess of the maximum annual pension permitted under the Income Tax Act shall be enrolled in the CAAT Retirement Compensation Arrangement (RCA). Such Presidents will be required to contribute to the RCA.

3. Pensionable Earnings

All base salary and re-earnable performance lump sum payments made to a President are to be treated as pensionable earnings, subject to the terms and conditions of the CAAT Pension Plan.

D. Other Benefits

1. Liability Insurance

The College provides liability insurance coverage for Presidents performing duties or tasks required and authorized by the College or customarily performed as part of their duties.

2. Kilometrage Allowance

An allowance will be made available to reimburse a President for costs associated with operating a vehicle owned or leased by a President while on approved College business. This allowance shall be the same as that established by the Government of Ontario.

E. Holidays and Vacation

1. Holidays

Presidents are eligible for the following holidays with pay:

Family Day Good Friday

Victoria Day Canada Day

Civic Day Labour Day

Thanksgiving Day

Christmas Day and New Years' Day and the days between.

2. Vacation

i. Entitlement

In accordance with the College's vacation year, Presidents will receive an annual vacation entitlement at a time approved by the College according to the following schedule:

Twenty-two (22) working days of vacation after one (1) year of continuous service (prorated if necessary in the first year of hire), and one (1) additional vacation day for each additional year of continuous service, to a maximum annual vacation entitlement of thirty (30) working days.

ii. Carryover

Subject to the written approval of the College's Board of Governors, the President may request to carryover up to 15 days of unused vacation entitlement into the next vacation year to a maximum of forty-five (45) vacation days accumulation in any one (1) year.

iii. Discretionary Cash Conversion

When a President is prevented from taking vacation at the conclusion of the vacation year because of College requirements and upon written approval by the Board, unused vacation days shall be paid to the President at the current base rate. Payments will not be made in cases of failure to schedule vacation.



SCHEDULE C

1. Member, Board of Directors, World Vision Canada
2. Member, Board of Directors, World Vision International
3. Member, Board of Directors, ORION

