EMPLOYMENT AGREEMENT
(this "Agreement")

BETWEEN

THE BOARD OF GOVERNORS OF MCMASTER UNIVERSITY
(Hereinafter referred to as the "University" or the "Board"): 

-AND-

PATRICK DEANE
(Hereinafter referred to as the "President")

WHEREAS The Board of McMaster University, at a meeting on September 26, 2014, passed the following resolution, pursuant to a recommendation of the Senate of the University:

That the Board of Governors, having received a nomination from the Senate, re-appoints Patrick Deane as the President and Vice-Chancellor of McMaster University for a second five-year term, effective July 1, 2015.

AND WHEREAS the President has advised the Board that he is prepared to accept such appointment;

NOW THEREFORE the University and the President (collectively hereinafter referred to as the "Parties" and each a "Party") do hereby agree as follows:

ARTICLE 1: TERM

1.1 The appointment of the President shall be for a term of five years, commencing on July 1, 2015, and expiring on June 30, 2020 (the "Term").

1.2 The President may at any time, at his discretion and without providing any reasons for doing so, terminate this Agreement by giving the Board a minimum of twelve months' written notice of his intention to do so. The University may, at its sole discretion, accept the President's termination of this Agreement by paying him a lump sum payment equivalent to the applicable notice provided by the President, less applicable statutory deductions, remittances, and withholdings. If the University decides to allow the President to work during part of the applicable notice provided by the President, the University may, at its sole discretion, pay the balance of the applicable notice period by way of a lump sum payment.

1.3 The Board may, at any time, at its discretion and without providing any advance notice or reason for doing so, terminate this Agreement without cause by written notification as follows:

a) If termination occurs during the first three years of the Term, the Board shall pay to the President an amount equivalent to twenty-four months' Salary calculated on the basis of the Salary paid to the President at the time of termination; or,
b) If termination occurs during the last two years of the Term, the Board shall pay to the President an amount equivalent to the Salary payable to the President over the balance of the Term. This payment shall be calculated on the basis of the Salary paid to the President at the time of termination; and,

c) The President shall not be entitled to any other amounts, including but not limited to any amounts for perquisites, other than the amounts to be paid under Paragraphs 1.3(a) or 1.3(b), as applicable; and,

d) The President will receive the payment under Paragraphs 1.3(a) or (b) as applicable in the form of a lump sum payment; and,

e) It is understood and agreed that any payment made by the University pursuant to Paragraphs 1.3(a) or (b) will be in lieu of notice of termination and will be inclusive of any entitlement the President may otherwise have to wages, salary, benefits, bonuses, overtime pay, vacation pay, vacation, holiday pay, holidays, and all termination pay and severance pay, whether arising pursuant to the Ontario Employment Standards Act, at common law or by this Agreement.

1.4 Effective July 1, 2010, the University granted the President a tenured academic appointment as full professor in the Department of English and Cultural Studies, in accordance with the policies and procedures of the University. It is agreed that, if this Agreement is terminated prior to its expiry, the President will be entitled to assume full-time the duties of full professor in the Department of English and Cultural Studies, with tenure on terms that are specified in Paragraphs 3.15 and 3.16. The termination of this Agreement, whether for cause or not, shall not result in the termination of the President’s academic appointment, which may only be terminated in accordance with the policies and procedures established by the University from time to time for termination of tenured faculty members.

1.5 The University may terminate this Agreement for cause, which includes any reasons permitted under common law or for reason(s) of dishonesty, including without limitation fiscal or academic dishonesty, negligence or the President’s willful failure to perform his duties as President, all as determined in good faith by the Board, in which case, no further compensation or benefits as defined in this Agreement shall be payable to the President and no notice, monies in lieu thereof, or administrative leave will be due to the President.

1.6 The Parties agree that, should the President become disabled such that he is incapable of performing the duties of President for one year, the President’s appointment shall be deemed to have been terminated. The President acknowledges that, in such circumstances, accommodation in the position of President is not possible for the purposes of the Ontario Human Rights Code, R.S.O. 1990, c. H. 19. The President further acknowledges and agrees that if his appointment is terminated under this Paragraph 1.6, the President is not entitled to the payments specified in Paragraph 1.3, above. The University acknowledges and agrees that if this Agreement is terminated under this
Paragraph 1.6, the President will nevertheless maintain his academic appointment, subject to the policies and procedures established by the University from time to time related to tenured faculty members.

**ARTICLE 2: DUTIES**

2.1 The President shall faithfully, effectively and satisfactorily perform all of the duties and acts that are usual or necessary in carrying out the Office of the President, including those required by the McMaster University Act, 1976.

2.2 It is understood that the President's duties may include outside activities, which are of benefit to the University or to the Office of President. The President's current outside activities are listed in Appendix "A". The President may only undertake outside activities that are not listed in Appendix "A" with prior written approval of the Chair of the University's Board of Governors (the "Chair of the Board") or his/her designate. Activities undertaken for other reasons, including personal interest, must not interfere with the Presidential Office or the duties thereof.

2.3 Any consulting work for fees, offices or appointments, including appointment to public, community, government, charitable, or Crown agency boards, panels, committees, or commissions are subject to the prior written approval of the Chair of the Board or his/her designate.

2.4 The Human Resources Committee of the Board, with the assistance of the Human Resources Advisory Panel, will conduct an annual review of the President's performance. Each year, the President, in consultation with the Human Resources Committee, will establish measurable short-term and long-term objectives for the upcoming year. In May of each year, the President shall provide the Human Resources Committee with a self-evaluation of his performance in the current contract year in light of the objectives previously set, together with a set of new objectives for the upcoming contract year. The President will make a presentation on these matters to the Human Resources Committee. The Chair of the Board or, if she/he wishes the whole Human Resources Committee, will provide feedback from the performance evaluation.
ARTICLE 3: REMUNERATION AND CONDITIONS OF EMPLOYMENT

Salary

3.1 The President’s salary for the contract year commencing on July 1, 2015 shall be Three Hundred and Forty Thousand Dollars less all applicable tax withholdings and other statutory deductions (the “Salary”).

3.2 The President’s Salary shall be subject to periodic, but at least annual, review on or before July 1 of each contract year. It is understood that any changes to the President’s Salary are subject to any compensation restraint legislation, as may be applicable.

P/VP Plan

3.3 In addition to the Salary, the President will be eligible to participate in the Performance/Variable Pay Plan (the “P/VP Plan”). The P/VP payment shall be an annual payment up to a maximum of 15% of the President’s Salary. All remaining terms of the President’s P/VP Plan shall be determined and communicated to the President by the Human Resources Committee on an annual basis, which communications shall, upon issuance, be incorporated into, and shall become a part of, this Agreement.

Vacation

3.4 The President shall be entitled to an annual paid vacation leave of six weeks in accordance with the University’s policies and practices, free of administrative and academic responsibilities, and to specified holidays generally observed by University faculty and staff. It is understood that the President’s salary is inclusive of the pay for such vacation leave.

Benefits

3.5 Save as the same are varied or modified by the terms of this Agreement, the President shall be subject to the same conditions of employment and shall be granted all health, welfare and insurance benefits enjoyed by other members of University faculty and staff, based on the same cost sharing formula applicable to other members of the faculty and staff. The President may opt-in to the Senior Executive Basic Group Life Insurance Plan, which Plan will provide coverage of 175% of the President’s current salary, to a maximum of $500,000.00. The coverage under this Plan will be provided at no cost to the President. The President may purchase, at his own expense, supplemental life insurance coverage up to five times his annual salary to a maximum of $1,000,000.00.

3.6 By virtue of his holding the position of full professor in the Department of English and Cultural Studies, upon completion of his term as President and on the basis that he continues to hold such academic appointment until such time as he retires from the University, he shall be entitled to post-retirement benefits in accordance with the applicable policies governing post-retirement benefits for members of the McMaster University Faculty Association (MUFA).
Pension Plan

3.7 Because the President is the only faculty member excluded from the **Contributory Pension Plan For Salaried Employees of McMaster University Including McMaster Divinity College 2000** (the "Pension Plan"), which exclusion contravenes the **Pension Benefits Act**, the Board and the President agree that effective January 1, 2015, the President shall be entitled to participate in the Pension Plan.

Non-Registered Retirement Plans

3.8 The President shall be eligible to participate in any non-registered retirement plan, program or arrangement that may be developed and approved by the Human Resources Committee. It is understood that effective January 1, 2015, the President's participation in the University's **Group Registered Retirement Savings Plan** shall cease.

Professional Services

3.9 The University agrees to reimburse the President for his actual costs of obtaining independent legal advice in connection with his execution of this Agreement, to a maximum amount of Five Thousand Dollars. Such reimbursement will be made to the President upon his submission to the University of documentation reflecting the costs of obtaining such services.

Vehicle Allowance

3.10 In order to conduct his duties on behalf of the University, the President will be provided with a bi-weekly vehicle allowance, which amounts to Ten Thousand Dollars per annum. The President understands that he will not be entitled to reimbursement for any expenses related to his use of his vehicle for University business purposes within the area covered by the City of Hamilton and the City of Burlington. Reimbursement for travel outside this specified area will be compensated at the University's current per kilometer rate.

Research Amount

3.11 In each contract year of this Agreement, the University will provide the President with an amount for research to be used in the pursuit of his scholarly activities, to a maximum amount of Twenty Thousand Dollars per annum. The Parties agree that all reimbursements made to the President for this amount shall be supported by proper documentation evidencing his expense(s). The Parties further agree that any unused balance of this research amount may be carried forward from one year to the next, provided that the total amount of the carry forward does not exceed Twenty Thousand Dollars and that the total balance in the research account does not exceed Forty Thousand Dollars in any single contract year. In the event that there is an unused balance of this research amount because of the termination of this Agreement or the end of the Term of this Agreement, the President shall be entitled to use the remaining balance in pursuit of his scholarly activities for a period of up to two years after the date of the end of the Term of this Agreement provided that he maintains his academic
appointment in the Department of English and Cultural Studies during this period. The President further agrees that if he purchases any assets with the research amount, upon the termination of this Agreement, such assets are the property of the University.

Use of University Property

3.12 The President acknowledges and agrees that while he may utilize University property - such as laptops, BlackBerries, or cell-phones – during the course of his duties, such property will remain the property of the University during and after the term of his employment as President.

Loans

3.13 The University has provided the President with two loans that after repayments to date total $170,000 which are subject to the Bank of Canada prescribed rate of interest and which are secured by a charge on real property. These loans are to be repaid in full before the expiry of this Agreement on terms that shall be the subject of discussion between the President and the Chair of the Board before June 30, 2016.

3.14 The President agrees to execute any documents that are otherwise required by the University in order for it to secure such loans against the President's personal or real property.

Entry to Faculty Position

3.15 (a) The University agrees that upon completion of his Term as President and Vice-Chancellor or upon the termination of this Agreement in accordance with Article 1 above, the President will be entitled to assume full-time his academic appointment in the Department of English and Cultural Studies, so long as the reasons for the termination of this Agreement do not also constitute "adequate cause" for the termination of tenured faculty members in accordance with the policies and procedures established by the University from time to time.

(b) The President's salary for his academic appointment will be established in accordance with the applicable University policy, which the President acknowledges may change from time to time. At the time of the execution of this Agreement, the President acknowledges and agrees that his salary for his academic appointment will be the equivalent to the average of the highest four salaries paid to tenured faculty at the University, excluding salaries paid to administrative faculty and salaries paid in the Faculty of Health Sciences, calculated as at the date of the termination or expiration of this Agreement, as the case may be.

3.16 (a) All pertinent rules, regulations, policies, and procedures governing faculty members as established from time to time will be applicable to the President's academic appointment. The President's academic appointment may only be terminated in accordance with the policies and procedures established by the University from time to time for termination of tenured faculty members.
(b) While employed as the President, the President shall neither accrue nor be entitled to take Research Leave.

Administrative Leave

3.17 The President will be eligible for an administrative leave in accordance with the University’s Administrative Leave Policy and on such terms as agreed upon with the Chair of the Board. It is agreed that the administrative leave earned by the President during his first five-year term will be carried forward, added to the leave(s) earned during the term of this and any subsequent agreement, and taken in accordance with the University’s Administrative Leave Policy. The President acknowledges and agrees that he will be bound by such policy, which the University may revise from time to time in its sole discretion.

ARTICLE 4: EXPENSES

General Expenses

4.1 The President shall be reimbursed, in accordance with the University’s policies, for reasonable and necessary expenses incurred in connection with the fulfillment of his role as President. Without restricting the generality of the foregoing, such expenses shall be deemed to include travel on University-related business, and the entertainment of visitors to the University, faculty, students, staff, and alumni. Whether such entertainment occurs on or outside of University property, such expenditures shall include the costs of food, drink, catering services and cleaning. Such expenses are subject to final approval of the Chair of the Board or his/her designate.

4.2 The President agrees that if he has any questions about whether the expenses that he will incur will be approved by the Chair of the Board or his/her designate, the President shall seek the approval of the Chair of the Board or his/her designate before he incurs such expenses. If the President fails to seek such approval, and the Chair of the Board or his/her designate determines that the expenses did not fall within the scope of the University’s policies or this Agreement, the Chair of the Board or his/her designate shall not approve, and the President shall not receive reimbursement for, such expenses.

Travel Expenses

4.3 University policy does not generally permit reimbursement for the travel expenses of a spouse who accompanies an employee when the employee is travelling on University business. Notwithstanding this general policy, the President shall be reimbursed for his spouse’s travel expenses when she accompanies him on University business if the President believes that it is in the best interest of the University for her to do so and the Chair of the Board, or his/her designate, concurs and has given his/her prior written approval for such expenses. The President shall provide the Chair of the Board, or his/her designate, with reasonable notice of such proposed travel and the anticipated expenses associated with his spouse’s travel expenses.
4.4 Reimbursement for the President's travel expenses for trips that are in excess of one week outside of Canada is subject to prior written approval by the Chair of the Board or his/her designate. The President undertakes to provide the Chair of the Board or his/her designate with reasonable notice of such proposed expenses.

4.5 Only airline travel that is outside of North America may be in business class. If the President seeks an exception to this use of business class travel, the President must obtain the prior written approval by the Chair of the Board or his/her designate.

4.6 It is understood that there are certain occasions, including long distance business-related trips by road and business-related social activities, where the President should utilize taxis or limousines in lieu of driving.

Gifts

4.7 If the President receives a gift with a value of two hundred dollars or more and if the gift was given to the President in his capacity as a representative of McMaster University, including any gift given while the President was traveling on University business or receiving visitors to the University, then the President will disclose to the Chair of the Board, or his/her designate, the nature of the gift; its approximate commercial value; the circumstances under which the gift was given to him; and whether the gift was received by him as a representative of McMaster or in his individual capacity. A gift that was received by the President as a representative of McMaster University shall be disposed of in a manner agreed to in writing by the Chair of the Board or his/her designate. It is understood and agreed that any gift given to the President's spouse while she was accompanying him on University business shall be dealt with in accordance with this Paragraph as if it had been given directly to the President.

Service Contracts

4.8 The President agrees to submit any existing or proposed employment or service contract, including renewals and amendments, involving the University and his spouse or family members to the Human Resources Committee of the Board of Governors for review and approval, amendment or rejection.

**ARTICLE 5: SOURCE DEDUCTIONS**

5.1 The President's Salary and other amounts owing under this Agreement including, for greater certainty, any amounts owing under Article 1, and any other taxable benefits, such as the vehicle allowance, shall be subject to applicable statutory deductions, reimbursements and withholdings in respect of income tax, Canada Pension Plan, employment insurance or other amounts as required by law and payment by the University of such amounts to the appropriate governmental authority shall constitute payment of such amounts to the President for the purposes of determining his entitlements under this Agreement.
ARTICLE 6: MISCELLANEOUS

6.1 All notices hereunder shall be in writing and served by email, facsimile or overnight courier to the addresses shown below. Either Party may change its address by written notice to the other party.

If to the University:
Chair of the Board of Governors
McMaster University
c/o Office of the University Secretariat
Gilmour Hall Room 210
1280 Main Street West
Hamilton, ON L8S 4L8
Facsimile: 905-526-9884
Email: univsec@mcmaster.ca

If to the President:
McMaster University
Office of the President
Gilmour Hall Room 238
1280 Main Street West
Hamilton, ON L8S 4L8
Facsimile: 905-522-3391
Email: presdnt@mcmaster.ca

6.2 This Agreement constitutes the sole agreement remaining in effect between them and, apart from this Agreement, all other agreements, whether written or oral, express or implied, which may have existed between the Parties are hereby superseded and terminated. As such, the Parties agree that upon execution of this Agreement by each of them, it shall have an Effective Date of July 1, 2015.

6.3 The President acknowledges and agrees that the University is subject to the provisions of the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, C. F. 31, and that the details of this Agreement may be made public to all of the University's stakeholders and members of the general public.

6.4 This Agreement shall be interpreted in accordance with the laws of the Province of Ontario and the laws of Canada, as applicable, as they exist on the date on which this Agreement has been executed by both Parties.

6.5 If any provisions of this Agreement become, or are deemed to be, invalid, illegal or unenforceable, such provision shall be deemed amended to conform to applicable law so as to be valid and enforceable or, if it cannot be amended without materially altering the intention of the Parties, it shall be stricken and the remainder of the Agreement shall remain in full force and effect.

6.6 No failure on the part of either Party to exercise, and no delay in exercising, any right, remedy, or power under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, remedy or power preclude any other or further exercise of any other right, remedy, or power under this Agreement. No waiver shall be valid unless it is in writing and signed by the Party to be bound thereby.

6.7 The language used in this Agreement shall be deemed to be the language chosen by the Parties. Further, the words used in this Agreement shall be deemed to be the words chosen by the Parties to express their mutual intent and this Agreement shall be interpreted without regard to any presumption or other rule requiring interpretation of this Agreement more strongly against the Party who caused it to be drafted.
6.8 All headings used in the text of this Agreement are for ease of reference only, and the Parties specifically agree that such headings shall not be used for purposes of interpretation of this Agreement.

6.9 The University hereby confirms that the person executing this Agreement on its behalf is authorized to bind the University.

6.10 The President acknowledges and agrees that he has obtained independent legal advice in connection with the execution of this Agreement. Further, the President acknowledges and agrees that he has executed this Agreement voluntarily and with full knowledge of, and in agreement with, all of its terms and provisions.

6.11 This Agreement shall be executed by the Parties on the dates, and at the places specified below, and, shall be executed in 6 original copies of 2 counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.
IN WITNESS WHEREOF the University has caused this Agreement to be executed on its behalf, in the City of ________________, Ontario, on this ______ day of __________, 2015

MCMASTER UNIVERSITY

Per:

______________________________  Witness: __________________________
David Lazzarato, Chair,
Board of Governors
McMaster University

______________________________  Signature

Printed Name

IN WITNESS WHEREOF Patrick Deane has executed this Agreement in the City of Hamilton, Ontario, on this ________ day of __________, 2015

______________________________  Witness: __________________________
Patrick Deane

______________________________  Signature

Printed Name
Appendix A

Council of Ontario Universities (COU):

Normal membership activities and obligations for an executive head, including serving on committees and task forces;
Executive Committee and Board of Directors;
Chair 2015-2017;
Will serve as Past Chair, 2018.

Universities Canada (formerly AUCC):

Normal membership activities and obligations for an executive head, including serving on committees and task forces;
Board of Directors.

The Canadian Bureau for International Education (CBIE):

Director (including normal activities for a Director);
Chair, 2014-2016

Ontario Universities Application Centre (OUAC):

Chair, Advisory Board;
Chair, Budget and Audit Committee.

Royal Botanical Gardens (RBG):

McMaster President is an Ex Officio member of the RBG Board.