

THIS AGREEMENT made as of the 8th day of February 2010.

BETWEEN: MEMORIAL UNIVERSITY OF NEWFOUNDLAND

OF THE ONE PART,

AND: DR. GARY KACHANOSKI

OF THE OTHER PART.

WHEREAS Dr. Gary Kachanoski has been appointed President and Vice Chancellor of The Memorial University of Newfoundland pursuant to the terms of the Memorial University Act;

AND WHEREAS Dr. Kachanoski shall commence his term as President and Vice Chancellor with effect as of July 1st, 2010;

AND WHEREAS the parties wish to confirm the terms of Dr. Kachanoski's appointment;

Term

1. The initial term of the appointment as President and Vice-Chancellor shall be for five (5) years, commencing July 1st, 2010. The appointment may be renewed for an additional five (5) year term, by agreement between Dr. Kachanoski and the Board of Regents of Memorial University.

Professor with Tenure

2. Dr. Kachanoski is appointed Full Professor, with Tenure, as a Joint Appointment in the Departments of Earth Sciences and Biology.

3. Dr. Kachanoski shall be provided with a research grant of forty thousand (40,000) dollars per annum, which may in his discretion be used to employ a post-doctoral appointment.

Remuneration and Vacation

4. Dr. Kachanoski's salary as President and Vice Chancellor shall be a minimum of Four Hundred and Thirty Thousand dollars per annum, subject to periodic review by the Board of Regents.
5. Dr. Kachanoski shall be entitled to four (4) weeks annual vacation, to be taken at a time to be agreed with the Chair of the Board of Regents. Dr. Kachanoski shall be entitled to carry over up to two (2) weeks of unused annual vacation to the subsequent year.

Pension

6. Dr. Kachanoski shall be eligible to accrue pension during his term as President and Vice Chancellor of Memorial University on the basis of the Memorial University pension plan, along with the Supplementary Retirement Benefit Agreement providing for the University of Alberta pension transfer equivalency.

Administrative Leave

7. While President and Vice Chancellor, Dr. Kachanoski shall accumulate administrative leave at the rate of 2.4 months per calendar year completed. All administrative leave credited pursuant to this clause shall be on the basis of the President's salary and terms in effect during his tenure in the position, and may be taken on the conclusion of the appointment (including any renewal period) as President. For clarity, and without limitation, the administrative leave entitlement includes salary, pension accruals, allowances, travel privileges and benefits under the University benefit plans.

Relocation to Newfoundland and Labrador

8. Dr. Kachanoski shall be reimbursed for all reasonable expenses incurred for his family's relocation from Alberta to Newfoundland and Labrador, including all moving, real estate commission or legal fees associated with the sale of his house in Alberta, fees and disbursements accompanying the acquisition of a family home in Newfoundland and Labrador
9. Dr. Kachanoski shall be reimbursed for professional fees incurred for financial, tax or legal advice with respect to the terms of his appointment as President and Vice Chancellor.

Allowances

10. Dr. Kachanoski shall, while President and Vice Chancellor be entitled to:
- (a) A car allowance of \$1,000 per month;
 - (b) A housing assistance allowance of \$1,500 per month; and,
 - (c) Reimbursement of financial or tax counselling fees of up to \$2,500 per annum.

Travel and Support

11. While President and Vice Chancellor:
- (a) when travelling on University business, Dr. Kachanoski is entitled to travel Business Class. The University shall pay the normal and reasonable incurred costs of any travel by Dr. Kachanoski's spouse when his spouse accompanies him to a function in which he is engaged in official University business and where it is reasonable that the spouse accompanies him.
 - (b) the University shall pay normal and reasonable expenses incurred by Dr. Kachanoski for entertainment as part of his official duties on behalf of the University. This includes making available the Senior Common Room on the same basis as it has been made available to his predecessors.
 - (c) the University shall provide Dr. Kachanoski with the office, support staff and appropriate equipment necessary to the proper discharge of his responsibilities.

Termination

12. Dr. Kachanoski's appointment as President and Vice Chancellor may be terminated for cause as that term is defined in law. In the event the University is considering terminating this appointment for cause, the Board of Regents must:
- (a) notify Dr. Kachanoski in writing providing him with full particulars of the allegations against him;
 - (b) conduct a hearing before the Board into the allegations, at which hearing Dr. Kachanoski shall be given the opportunity to provide full answer in defence to the allegations, with the assistance of counsel if he so chooses; and
 - (c) only consider termination for cause as the final resort after the Board has first attempted all other options, including progressive discipline.

13. The Board may at any time terminate Dr. Kachanoski's appointment as President and Vice Chancellor without cause:

- (a) in the event that such termination without cause occurs within the first twenty four (24) months of either his initial five (5) year term or the first twenty four (24) months of a five (5) year renewal term, he will be paid a separation payment (the "Separation Payment") in full settlement of any entitlement to compensation in lieu of notice, consisting of his salary, pension accrual and allowances (including administrative leave entitlement) for thirty six (36) months commencing on the date of termination; and the reasonable cost of replacing benefits equivalent to those provided to him and his dependants under the University benefit plans for thirty six (36) months commencing on the date of termination. The reasonable cost of replacing benefit coverage will be the amount quoted to Dr. Kachanoski by a reputable Canadian health and welfare benefit provider. Dr. Kachanoski will provide this amount (and the quotation) to Memorial University, along with any lawful instructions for the payout of the severance amount so as to minimize the tax payable, within 30 days of the date of termination. Memorial University will then pay the Separation Payment (or the first instalment of the Separation Payment if instructed to pay it in instalments) no later than 30 days following receipt of the quote for replacement benefit coverage. Memorial University will continue Dr. Kachanoski's group health coverage until replacement coverage is in place. The amount of the Separation Payment is not subject to any deductions for actual mitigation or failure to take reasonable steps to mitigate.

- (b) in the event of termination without cause that occurs after the completion of two years of either his initial five (5) year appointment or the five (5) year renewal term, Dr. Kachanoski shall be entitled to severance in full settlement of any entitlement to compensation in lieu of notice, consisting of his salary, pension accrual and allowances (including administrative leave entitlement) for twenty-four (24) months commencing on the date of termination, and the reasonable cost of replacing benefits equivalent to those provided to him and his dependants under the University benefit plans, for twenty-four (24) months commencing on the date of termination. The reasonable cost of replacing benefit coverage will be the amount quoted to Dr. Kachanoski by from a reputable Canadian health and

welfare benefit provider. Dr. Kachanoski will provide this amount (and the quotation) to Memorial University, along with any lawful instructions for the payout of the severance amount so as to minimize the tax payable, within 30 days of the date of termination. Memorial University will then pay the Separation Payment (or the first instalment of the Separation Payment if instructed to pay it in instalments) no later than 30 days following receipt of the quote for replacement benefit coverage. Memorial University shall continue Dr. Kachanoski's group health coverage until replacement coverage is in place. The amount of the Separation Payment is not subject to any deductions for actual mitigation or failure to take reasonable steps to mitigate.

- 14. The termination of Dr. Kachanoski's appointment as President and Vice Chancellor will not affect his appointment as a Full Professor with tenure and he will continue to be employed in that capacity. In that event, he will receive a salary as a Full Professor with tenure at the highest step/salary grade for that position, which salary shall be in addition to the severance stipulated if his appointment as President is terminated without cause.


Governing Law

- 15. This Agreement shall be construed in accordance with the laws of the Province of Newfoundland and Labrador.

IN WITNESS WHEREOF this Agreement has been executed by the parties to it, the day, month and year first written.

SIGNED, SEALED AND DELIVERED
by the University in the presence of:

**MEMORIAL UNIVERSITY OF
NEWFOUNDLAND**



Per: 
_____ **ROBERT E. SIMMONDS**
Chair, Board of Regents




_____ **DR. GARY KACHANOSKI**

**SUPPLEMENTARY RETIREMENT BENEFIT
AGREEMENT**

MEMORANDUM OF AGREEMENT MADE, in duplicate, as of February 8, 2010

BY AND BETWEEN: Memorial University of Newfoundland
(Hereinafter called "the University")

OF THE FIRST PART,

AND: Dr. Gary Kachanoski, President of the University
(Hereinafter called "the President")

OF THE SECOND PART,

WITNESSED THAT:

WHEREAS the President is a highly valued employee of the University; and

WHEREAS it is the intention of the University to encourage the President to render long and valuable services to the University; and

WHEREAS it is proper under the circumstances to make suitable financial provision for the President on his retirement from the University;

WHEREAS the President's prior pension plan with the University of Alberta (UofA) does not provide for the transfer of his pensionable service to the University pension plan;

WHEREAS the University wishes to attempt to make the President "whole" in respect of retirement benefits that would be paid by the University (in respect of his 8.9176 years of service with the UofA) if he were able to transfer his pensionable service with UofA;

THEREFORE, for good and valuable consideration reciprocally given and received, the parties do hereby mutually covenant and agree as follows:

1. Definitions

All words and phrases have the meaning assigned in the Memorial University Pensions Act unless otherwise defined in this Agreement. In this Agreement, the following words and phrases have the meanings given below:

- (1) "Agreement" means the Supplementary Retirement Benefit Agreement.
- (2) "Memorial Pension Plan" means the Memorial University Registered Pension Plan as defined in the Memorial University Pensions Act as amended from time to time.
- (3) "Memorial SRIP" means the Memorial University Supplemental Retirement Income Plan.
- (4) "Retirement Date" means the date upon which the President ceases employment with the University and begins to receive benefits from the Memorial Pension Plan.
- (5) "Supplemental Retirement Benefit" means the amount described in Section 2.02.
- (6) Surviving Principal Beneficiary shall be as defined in the Memorial University Pensions Act.
- (7) "UofA Pension Plan" means the University of Alberta Registered Pension Plan.
- (8) "UofA ESRBP" means the University of Alberta Executive Supplemental Retirement Benefit Plan

2. Supplemental Retirement Benefits

2.01 Supplemental Retirement Benefit

The President shall be entitled to receive an annual Supplemental Retirement Benefit under this Agreement upon retirement from Memorial University and commencement of a pension from the Memorial Pension Plan, in accordance with the Memorial University Pensions Act.

2.02 Retirement Benefits

The amount of the President's annual Supplemental Retirement Benefit shall be equal to $A - B - C$, where A, B, and C are defined below:

A = the total retirement benefit that would have been payable from the Memorial Pension Plan and the Memorial SRIP, if 8.9176 years of pensionable service had been transferred to the Memorial Pension Plan from the UofA Pension Plan and those years of transferred pensionable service had also been countable for purposes of determining benefits from the Memorial SRIP.

B = the total retirement benefit payable to the President as a result of his employment with the University of Alberta based upon 8.9176 years of pensionable service in the UofA Pension Plan, inclusive of benefits payable from the UofA ESRBP, and inclusive of any indexing received on UofA benefits between the President's retirement in the UofA Pension Plan and the President's Retirement Date.

C = The annual amount of pension that could be provided at the Retirement Date by the accumulated value of the payments the President has received from the UofA Pension Plan and the UofA ESRBP up to the Retirement Date. The amount of this pension is to be determined by accumulating UofA payments to the Retirement Date with interest at 4.0% per annum, then dividing the accumulated amount by an annuity factor payable in the normal form of pension under the Memorial Pension Plan. The annuity factor will be determined based on interest at 4.0% per annum and mortality according to the UP94@2020 mortality tables.

For clarification, UofA ESRBP benefits, for the purposes of the above formula are assumed to be payable as an annual pension commencing June 30, 2010, regardless of if they are paid in another manner (i.e., as a commuted value lump sum, or over a shorter payment period). Appendix A provides a summary of the assumptions used in determining the supplemental retirement benefit.

Retirement benefits payable in respect of service after June 30, 2010 will be payable in accordance with the provisions of the Memorial Pension Plan, and the Memorial SRIP.

2.03 Payment of Pension

The payment of Supplemental Retirement Benefits to the President shall commence on the date that the President's pension from the Memorial Pension Plan commences and shall be payable in equal monthly instalments on the same date that payments are made from the Pension Plan.

2.04 Form of Pension

Supplemental Retirement Benefits shall be paid in accordance with the form of pension payable to the President under the Memorial Pension Plan. Supplemental Benefits are not indexed after retirement.

3. Benefits on Termination of Continuous Service

3.01 If the President ceases employment prior to becoming entitled to benefits under the Memorial Pension Plan, no Supplemental Retirement Benefit will be payable.

4 Survivor Benefits upon Death

4.01 If the President dies prior to becoming entitled to benefits from the Memorial Pension Plan, no Supplemental Retirement Benefit will be payable.

4.02 If the President dies after becoming entitled to benefits from the Memorial Pension Plan but before the Retirement Date, survivor benefits shall be payable to his Surviving Principal Beneficiary.

- 4.03 If the President dies after the Retirement Date, survivor benefits shall be payable to his Surviving Principal Beneficiary.
- 4.04 The amount of survivor benefits payable under sections 4.02 and 4.03 shall be paid in equal monthly instalments, calculated as 60% of the Supplemental Retirement Benefit to which the President was entitled at the date of his death. Survivor benefits shall be paid on the same date that survivor benefit payments are made from the Pension Plan.
- 4.05 Survivor benefits cannot be commuted and paid as a lump sum.
- 4.06 In the event that there is no Surviving Principal Beneficiary on the date of the President's death, no survivor benefits shall be payable under this Agreement.

5 Administration of the Plan

- 5.01 Memorial University is responsible for the overall operation and administration of this Agreement and any benefits payable hereunder. Memorial University shall decide all questions of eligibility, determine the amount, manner and time of payment of any benefits hereunder, and authorize the payment of said benefits, and shall conclusively determine all other matters relating to the overall operation, administration, interpretation, and application of this Agreement and any benefits payable hereunder. Memorial University may make such rules and regulations consistent with the terms of the Agreement as it shall deem necessary, and may amend or revise such rules from time to time, in its sole discretion.
- 5.02 Wherever the records of Memorial University are used for purposes of this Agreement, such records shall be conclusive of the facts with which they are concerned.

6. General Provisions

- 6.01 **No Enlargement of Employment Rights**
Participation in this Agreement shall not confer on the President any rights which he did not otherwise have as an employee, except as to such benefits as he shall have specifically accrued under the terms of the Agreement.
- 6.02 **Notices and Elections**
Any notice or election to be given, made or communicated pursuant to or for any purpose of the Agreement shall be given, made or communicated as the case may be, in such manner as Memorial University shall determine from time to time. Without limiting the generality of the foregoing the President shall be responsible to notify Memorial University in writing of his mailing address and subsequent changes of mailing address.

6.03 Severability

In the event that any provision of the Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the Agreement and the Agreement shall continue to be construed and enforced as though such provision had not been included therein.

6.04 Captions and Headings

The captions and headings of the Agreement are inserted for convenience only.

6.05 Construction

This Agreement and all rights hereunder, shall be governed, construed and administered in accordance with the laws of the Province of Newfoundland and Labrador.

6.06 Evidence of Survival


Memorial University shall have the right to require satisfactory evidence that the President or the President's Surviving Principal Beneficiary under the Agreement is living on each and every date a benefit payment is due the President or his Surviving Principal Beneficiary. In the absence of such evidence when requested by Memorial University, the benefit payment otherwise due shall not be paid until such evidence has been received. In the event that the benefits recommence following receipt of satisfactory evidence of survival, retroactive payments shall be made for the period during which payment of benefits had been suspended pending receipt of such evidence.

7. **Future of the Plan**


7.01 Continuation of the Plan

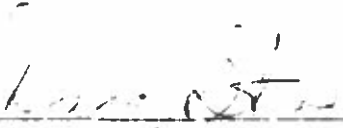
Memorial University intends and expects to maintain this Agreement in force indefinitely. This Agreement may be amended only upon the consent of the President and the University.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first hereinabove written.



Witness

Memorial University of Newfoundland
Per: 
ROBERT E. SIMMONDS, QC
Chair of the Board of Regents



Witness

Per: 

GARY KACHANOSKI

Appendix A

Assumptions for purposes of determining items B and C of Supplemental Retirement Benefit formula in 2.02 of Supplementary Retirement Benefit Agreement

Interest rate for purposes of accumulating UofA Pension Plan payments and UofA ESRBP payments:	4% p.a.
Interest rate for purposes of determining annuity factor:	4% p.a.
Mortality for purposes of determining annuity factor:	UP94@2020
Assumed commencement date for UofA ESRBP:	June 30, 2010
Assumed Amount of UofA ESRBP:	As determined by UofA (based on the amount payable effective June 30, 2010)
Assumed commencement date for UofA Pension Plan benefits:	Actual date on which the President elects to commence his UofA Pension Plan benefits

Note: The assumed commencement date of the ESRBP payments is June 30, 2010. The lump sum commuted value provided by UofA, payable January 2011, reflects early payment of the ESRBP, at June 30, 2010.