

EMPLOYMENT AGREEMENT
(this "Agreement")

BETWEEN

MCMASTER UNIVERSITY
(Hereinafter referred to as the "University");

-AND-

MARY J. WILLIAMS
(Hereinafter referred to as the "Vice-President")

WHEREAS the Vice-President commenced employment with the University on September 1, 1994 and has most recently served in the position of Associate Vice-President, University Advancement;

AND WHEREAS the Vice-President has advised the University that she is prepared to accept her new appointment as "Vice-President, University Advancement";

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

ARTICLE 1: TERM

- 1.1 The employment of the Vice-President shall be for an indefinite period subject to termination only in accordance with this Article. The Vice-President's first day, in her new role, shall be May 1, 2011.
- 1.2 The Vice-President may at any time, at her discretion and without providing any reasons for doing so, terminate her employment by giving the President and Vice-Chancellor of the University a minimum of one months' written notice of her intention to do so. The University may, at its sole discretion, accept the Vice-President's termination of her employment by paying her a lump sum payment equivalent to the applicable notice provided by the Vice-President, less applicable statutory deductions, remittances, and withholdings. If the University decides to allow the Vice-President to work during part of the applicable notice provided by the Vice-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 University may, at any time, at its discretion and without providing any reason for doing so, terminate the employment of the Vice-President without cause by providing the Vice-President with:
 - a) a lump sum payment up to a maximum gross amount equivalent to 18 months' pay, calculated using the Vice-President's Base Annual Salary only, determined as follows:

- i. 12 months' pay; plus
- ii. 1 month's pay for each year of service calculated from May 1, 2011, to a maximum amount of 6 months' pay;

OR, at the Vice-President's election, subject to Paragraph 1.4,

- b) continued payment of the Vice-President's Base Annual Salary, continued participation in the applicable Benefits Plans, as defined in Paragraph 3.5 subject to Paragraph 1.5b), and continued participation in the Pension Plan, as defined in Paragraph 3.7, for a period up to a maximum of 18 months from the date of termination, calculated as follows:
 - i. 12 months'; plus
 - ii. 1 month for each year of service calculated from May 1, 2011, to a maximum amount of 6 months;

1.4 The Vice-President's election in accordance with Paragraph 1.3 shall be made in writing to the President and Vice-Chancellor within 10 days following the date of termination, failing which, the Vice-President shall be deemed to have elected to receive the entitlements set out in Paragraph 1.3a). Pending her election following termination, the Vice-President shall continue to receive her Base Annual Salary, payable on the University's regular bi-weekly pay dates, and shall continue to participate in the Pension Plan and the applicable Benefits Plans. In the event the Vice-President elects, or is deemed to have elected, to receive the entitlements set out in Paragraph 1.3a), monies received following the termination date, if any, shall be deducted from the amount owing in accordance with Paragraph 1.3a).

1.5 For the purposes of Paragraphs 1.3 and 1.4, it is understood and agreed that:

- a) the Vice-President's Base Annual Salary shall be frozen as at the date of termination and shall not be subject to the annual review process as set out in Paragraph 3.2;
- b) the "applicable Benefits Plans" shall exclude the Long Term Disability Plan and the Salary Continuance Plan.

1.6 In the event of a termination of employment in accordance with Paragraph 1.3, the University will provide the Vice-President with reimbursement up to \$25,000 for expenses incurred by the Vice-President in the 6 month period following termination for outplacement support, such as resume preparation, interview training and job search. It is expressly agreed that any expenses incurred relating to the Vice-President's relocation shall not be eligible for reimbursement. The Vice-President agrees that she must obtain the written approval of the President and Vice-Chancellor prior to any expenditure. The Parties agree that all reimbursements made to the Vice-President in

accordance with this Paragraph 1.6 shall be supported by, and contingent on, proper documentation evidencing the expense(s).

- 1.7 If the University has elected to exercise its rights in accordance with Paragraph 1.3, once it has complied with its obligations in accordance with Paragraphs 1.3 and 1.6, the Vice-President shall have received all entitlements that she is due on termination whether arising pursuant to the *Employment Standards Act, 2000*, at common law, by contract, or otherwise.
- 1.8 The University may terminate the employment of the Vice-President for cause, which includes any reasons permitted under common law or for reason(s) of dishonesty, including without limitation fiscal or academic dishonesty, theft, conviction for a criminal offence, negligence, or for the Vice-President's willful failure to perform her duties as Vice-President, University Advancement, all as determined in good faith by the University, in which case, no further compensation or benefits shall be payable to the Vice-President and no notice, or monies in lieu thereof will be due to the Vice-President.
- 1.9 The Parties agree that, should the Vice-President become disabled such that she is incapable of performing the duties of Vice-President, University Advancement for one year, the Vice-President's appointment shall be deemed to have been terminated. The Vice-President acknowledges that, in such circumstances, accommodation in the position of Vice-President, University Advancement is not possible for the purposes of the *Ontario Human Rights Code*, R.S.O. 1990, c. H. 19. The Vice-President further acknowledges and agrees that if her appointment is terminated under this Paragraph 1.9, the Vice-President is not entitled to the payments specified in Paragraphs 1.3 and 1.6, save and except her entitlements under the *Employment Standards Act, 2000*.
- 1.10 In all cases, if the Vice-President's employment is terminated in accordance with this Article 1, the Parties agree that the Vice-President's rights and entitlements under any incentive plans or any other form of incentive compensation program (including the P/VP Plan) shall terminate effective as of the date of the Vice-President's termination of employment, or as of the date the Vice-President receives notice of termination, whichever date is earlier. In the event of any inconsistency between this Paragraph 1.10 and the language of any applicable plan or program, this Paragraph 1.10 will prevail.

ARTICLE 2: DUTIES

- 2.1 The Vice-President shall faithfully, effectively and satisfactorily perform all of the duties and acts that are usual or necessary in carrying out the duties of the Vice-President, University Advancement. In that regard, the Vice-President shall report to the President and Vice-Chancellor. Duties and responsibilities associated with the position shall be defined in the attached "Schedule A" which schedule is incorporated into, and forms part of, this Agreement. Furthermore, subject to the approval of the Senate and the University's Board of Governors, such duties and responsibilities may be amended from time to time by the University as necessary.

- 2.2 It is understood that the Vice-President's duties may include outside activities, which are of benefit to the University or to the Office of Vice-President, University Advancement. Activities undertaken for other reasons, including personal interest, must not interfere with the Vice-Presidential Office or the duties thereof.

ARTICLE 3: REMUNERATION AND CONDITIONS OF EMPLOYMENT

Base Annual Salary

- 3.1 The Vice-President's base annual salary shall be **two hundred and forty thousand dollars (\$240,000)** less all applicable tax withholdings and other statutory deductions (the "Base Annual Salary").
- 3.2 Subject to Paragraph 1.5a), the Vice-President's Base Annual Salary shall be subject to annual review on or before July 1 of each year, beginning on July 1, 2012. The Vice-President's Base Annual Salary may increase on or after July 1, 2012.

P/V/P Plan

- 3.3 In addition to the Base Annual Salary, the Vice-President will be eligible to participate in the Performance/Variable Pay Plan (the "P/V/P Plan"). In accordance with the P/V/P Plan, the Vice-President shall be eligible for an annual payment each compensation year up to a maximum of 10% of the Vice-President's Base Annual Salary. All other terms of the Vice-President's P/V/P Plan, including any increases to the maximum annual P/V/P Plan payment, shall be determined on an annual basis by the President and Vice-Chancellor at his discretion and subject to the approval of the Human Resources Committee of the Board of Governors. These terms, once determined, will be communicated to the Vice-President in writing and shall be incorporated into, and become a part of, this Agreement. Any amounts paid to the Vice-President under the P/V/P Plan are not pensionable earnings for the purposes of the Pension Plan under Paragraph 3.7 of this Agreement. For purposes of clarity, the Parties understand and agree that a "compensation year" is currently July 1 to and including June 30 and the Vice-President is first eligible to receive a P/V/P Plan payment, if earned, in July of 2012.

Vacation and Holidays

- 3.4 The Vice-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 responsibilities, and to specified holidays generally observed by University faculty and staff. It is understood that the Vice-President's Base Annual Salary is inclusive of the pay for such vacation and holiday leaves.

Benefits

- 3.5 Save as the same are varied or modified by the terms of this Agreement, the Vice-President shall be granted all health, welfare and insurance benefits enjoyed by other members of the University's SAAO Compensation Group

concomitant with the Vice-President's position and salary, subject to the University's right to amend such terms and conditions from time to time in its sole discretion (the "Benefit Plans"). Attached, at Schedule "B" is the current summary of such benefits.

- 3.6 Any payments, rights or entitlements under the Benefit Plans will be governed by the terms of the formal plan documents or policies establishing the benefit in issue.

Pension Plan and Post-Retirement Benefits

- 3.7 The Vice-President shall be entitled to continue to participate in the University's *Contributory Pension Plan For Salaried Employees of McMaster University Including McMaster Divinity College 2000* (the "Pension Plan") and shall continue to be eligible for post-retirement benefits.

Vehicle Allowance

- 3.8 The Vice-President shall be entitled to a car allowance in the amount of \$800.00 per month, which amount shall be a taxable benefit to the Vice President. In addition, the Vice-President will be entitled to claim kilometrage for travel required by her employment obligations per this Agreement outside the boundary of the cities of Hamilton and Burlington at the then current University rate and in accordance with the applicable University policies.

Use of University Property

- 3.9 The Vice-President acknowledges and agrees that while she may utilize University property - such as laptops, BlackBerries, or cell-phones - during the course of her duties, such property will remain the property of the University during and after the term of her employment as Vice-President.

Professional Development

- 3.10 The Vice-President shall have an account to fund and support the Vice-President's continued professional development (the "PDA"). The Vice-President agrees that she must submit a professional development plan to the President and Vice-Chancellor for approval prior to any expenditure. The Parties agree that all reimbursements made to the Vice-President shall be supported by, and contingent on, proper documentation evidencing the expense(s). The Vice-President shall not be entitled to any reimbursement from the PDA for expenses incurred following the effective date of the termination of her employment, nor shall she be entitled to any payout upon termination of her employment in respect of the PDA.

ARTICLE 4: EXPENSES

General Expenses

- 4.1 The Vice-President shall be reimbursed, in accordance with the University's policies, for reasonable and necessary expenses incurred in connection with

the fulfillment of her role as Vice-President, University Advancement. 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 President and Vice-Chancellor.

- 4.2 The Vice-President agrees that if she has any questions about whether the expenses that she will incur will be approved by the President and Vice-Chancellor, the Vice-President shall seek the approval of the President and Vice-Chancellor before she incurs such expenses. If the Vice-President fails to seek such approval, and the President and Vice-Chancellor determines that the expenses did not fall within the scope of the University's policies or this Agreement, the President and Vice-Chancellor shall not approve, and the Vice-President shall not receive reimbursement for, such expenses.

Gifts

- 4.3 If the Vice-President receives a gift with a value of two hundred dollars or more and if the gift was given to the Vice-President in her capacity as a representative of McMaster University, including any gift given while the Vice-President was traveling on University business or receiving visitors to the University, then the Vice-President will disclose to the President and Vice-Chancellor: the nature of the gift; its approximate commercial value; the circumstances under which the gift was given to her; and whether the gift was received by her as a representative of McMaster or in her individual capacity. A gift that was received by the Vice-President as a representative of McMaster University shall be disposed of in a manner agreed to in writing by the President and Vice-Chancellor.

ARTICLE 5: SOURCE DEDUCTIONS

- 5.1 The Vice-President's Base Annual Salary and other amounts owing under this Agreement including, for greater certainty, any amounts owing under Article 1, and any other taxable benefits, shall be subject to applicable payroll and 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 Vice-President for the purposes of determining her 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:

President and Vice-Chancellor
McMaster University
Gilmour Hall Room 238
1280 Main Street West
Hamilton, ON L8S 4L8
Facsimile: 905-522-3391
Email: presdnt@mcmaster.ca

If to the Vice-President:

- 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 **May 1, 2011**.
- 6.3 The Vice-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 The Parties agree that 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, except as where otherwise required by law.
- 6.5 If any provision of this Agreement becomes, or is 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 this 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 Vice-President acknowledges and agrees that she has obtained independent legal advice in connection with the execution of this Agreement. Further, the Vice-President acknowledges and agrees that she 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 _____, 2011

MCMASTER UNIVERSITY

Per:

Don Pether, Chair,
Board of Governors
McMaster University

Witness: _____

Signature

Printed Name

IN WITNESS WHEREOF the University has caused this Agreement to be executed on its behalf, in the City of _____, Ontario, on this _____ day of _____, 2011

MCMASTER UNIVERSITY

Per:

Patrick Deane, President and
Vice-Chancellor
McMaster University

Witness: _____

Signature

Printed Name

IN WITNESS WHEREOF Mary J. Williams has executed this Agreement in the City of _____, Ontario, on this _____ day of _____, 2011

Mary J. Williams

Witness: _____

Signature

Printed Name

Schedule "A" – Duties and Responsibilities: Vice-President, University Advancement

The **Vice-President, University Advancement** provides the leadership and direction required to orchestrate the University's strategy and efforts, utilizing an integrated approach in the areas of Development, Alumni and Donor Relations, Advancement Services and Public & Government Relations. Reporting directly to the President and Vice-Chancellor of McMaster University and working in alignment with the Mission of the University, the Vice-President, University Advancement works closely with a team of staff and volunteers, along with the appropriate faculty, students, alumni, administrators and community members in the pursuit of University Advancement's Mission and Vision, while acting in the spirit of University Advancement's Values and Principles, as University Advancement embarks on an exciting period of post campaign evolution.

As a member of the senior management team at McMaster, the Vice-President, University Advancement will develop, lead and implement strategies to support a variety of University priorities and will also be responsible for cultivating and soliciting a portfolio of major and principal gift prospects. The Vice-President, University Advancement participates in weekly meetings with the President and the other Vice-Presidents and is fully engaged in consideration of all institutional initiatives.

KEY RESPONSIBILITIES

As Vice-President, University Advancement at McMaster University, the incumbent will:

- In conjunction with the President and other executive officers, establish, monitor, implement and revise short and long term strategies to enable the University to achieve its institutional priorities;
- Create and lead the development and implementation of a strategic Advancement plan that aligns with and supports the University's Mission and Vision;
- Oversee the development and implementation of the University's public policy and government relations strategies and is responsible for the stewardship of McMaster's relationships at all levels of government.
- Represent the University in its relationships with alumni, donors, community members, businesses, organizations, media and government agencies;
- Work with the designated Directors of Development, Alumni Advancement, Advancement Services, Stewardship & Donor Relations, and Public & Government Relations to develop annual operation plans with clear targets and accountabilities, ensuring that best-practice activities are in place to support Advancement goals;
- Increase the amount of private and philanthropic financial support from internal and external communities;
- Enhance public awareness of the University's value, accomplishments, reputation and excellence;
- Serve as an advocate, on behalf of the University, with the intention of influencing government policy and funding decisions;
- Guide the formation of Advancement-related policy, interpret and communicate policy to the appropriate staff and faculty;
- Represent the University within the Advancement profession;
- Serve as a member of a variety of University Committees

Specific Accountabilities

Leadership & Management:

- The Vice-President will achieve the goals of the annual University Advancement business plan;
- Create an empowered team environment for Advancement staff by guiding, mentoring, supervising, and supporting staff to reach their full potential and exceed their goals, support a culture of professional development and growth;
- Establish clear performance goals, expectations, and benchmarks for each area of the Advancement function, and evaluate individual and team success;
- Foster a positive environment for Advancement activities among senior University Academic and Administrative leaders;
- Provide engaging leadership in a unionized environment, developing and nurturing productive working relationships;
- Ensure the most effective use of operating funds for all areas of Advancement.

Development

- In close collaboration with the President and other executive officers, establish the University's overall fundraising strategy, goals, and metrics;
- Determine specific, ambitious targets (for this position, for the advancement team and volunteers) for the activities and actions that will lead to successful attainment of annual fundraising goals;
- Collaborate closely with the President and other executive officers to initiate and support a professional, strategic and integrated approach to cultivation, solicitation and stewardship activities for individual donors and prospects;
- Initiate and sustain strong relationships with a personal portfolio of prospective major donors;
- Forge and strengthen ties with new and existing donors, partners and stakeholders to deepen engagement and to attract new and increased investment in McMaster University;
- Engage in and promote relationship-based fundraising to build deeper and more meaningful connections with donors, volunteers, alumni, and friends of McMaster University.

Alumni Advancement:

- Work with the Director, Alumni Advancement to support a strategic plan that will inspire and engage alumni, volunteers, staff, and students, with the goal of enhancing fundraising for the University;
- Work with the Director, Alumni Advancement to review existing Alumni Relations programs and activities, and develop new and innovative activities that align with and support the overall Advancement strategy and goals;
- Oversee the building and cultivation of lifelong relationships with McMaster's global alumni;
- Guide and encourage Advancement management and staff to support and participate in the alumni activities of the University.

Advancement Services

- Work with the Director, Advancement Services to ensure the University is current with Advancement technology and practices;
- Work with the Director, Advancement Services to ensure Advancement data is maintained to its highest integrity, supporting the application of pertinent policies, procedures and reports;
- Ensure the University maintains accurate, transparent and efficient records of all information necessary to the Advancement function, including but not limited to donor records, tax transactions and alumni contact information;
- Ensure the University manages its charitable gift activity in full accordance with the Canada Revenue Agency (CRA) regulations;
- Ensure Research is provided to the Development, Alumni and Public & Government Relations team.

Stewardship & Donor Relations

- Work with the Director, Stewardship & Donor Relations to develop comprehensive stewardship plans to ensure the continued engagement of current and future donors;
- Represent the University in all key stewardship initiatives and act as spokesperson at major events.

Government & Public Relations:

- Oversee the development and implementation of the University's public policy and government relations strategies and is responsible for the stewardship of McMaster's relationships at all levels of government;
- Ensure programs are established that enable the development of public policy as it relates to University priorities and objectives;
- Oversee the coordination of centralized and decentralized government relations plans and activities;
- Work with the Director, Public & Government Relations to oversee internal and external communications;
- Serve as an ambassador and representative of McMaster University, establishing and maintaining effective relationships with alumni, volunteers, donors, friends and the wider community;
- Continue to explore and develop the use of social media as a means of engaging and communicating with students, prospective students, employees, community partners, and other stakeholders;
- Coordinate activities to maintain and enhance positive, proactive relations with various levels of government and with the diplomatic community in Canada and internationally.

Media Relations and Communications

- Oversee the development and execution of the University's external public relations communications;
- Work with the Director, Public & Government Relations to establish an effective University-wide media relations and communications strategy;
- Ensure communications strategy to position the University to deliver timely, authoritative information;

- Responsible for enlarging communication and branding strategies and overseeing the development, integration and implementation of a broad range of activities that promote and enhance the University's mission;
- Enhance public awareness of the University's value, accomplishments, reputation and excellence.

“Schedule B” – Benefit Plan Summary for Senior Administrative Officers

| Provision | Description |
|---------------------------------------|---|
| Extended Health | <p>Prescription Drugs:</p> <ul style="list-style-type: none"> o 100% coverage based on Rx05 drug formulary o \$6.50 dispensing fee limit <p>Paramedicals:</p> <ul style="list-style-type: none"> o \$500/person/benefit year (no per visit maximum) <p>Hospital Coverage:</p> <ul style="list-style-type: none"> o no coverage <p>Orthotics:</p> <ul style="list-style-type: none"> o 80% up to \$400/person over a period of 2 benefit years <p>Vision Care:</p> <ul style="list-style-type: none"> o \$250/person 24 month "rolling benefit" o Up to \$250 per eye for intraocular lenses as a result of cataract surgery o Eye exams covered at \$85/person for one exam every 24 months <p>Hearing Aids:</p> <ul style="list-style-type: none"> o 75% up to \$500/person over a period of 3 benefit years o 2nd Hearing Aid under same o 100% of the initial cost is covered if required as the result on an accident |
| Dental | <p>Preventative: 100% 9 month recall</p> <p>Periodontal: 1st unit of scaling paid at 100%; all others at 85%</p> <p>Basic Restorative: 85%</p> <p>Major Restorative: 70% max. \$2500 /person per benefit year</p> <p>Orthodontic: 50% max. \$2500 per lifetime</p> |
| Long Term Disability | <p>\$10,000 maximum monthly benefit - calculated at 75% of an employee's net income to a maximum benefit of \$10,000 per month.</p> |
| Group Life | <p>Basic Life: 175% of salary to a maximum benefit of \$500,000</p> <p>Optional Life: additional coverage available at 25% to 500% of salary to a maximum benefit of \$1,000,000</p> |
| Tuition Assistance and Bursary | <p>As per University policy</p> |