

St. Thomas University- Term Employment Agreement

THIS TERM EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of the ___ day of February, 2023, by and between St. Thomas University (the "University"), Fredericton, New Brunswick, and M. Nauman Farooqi ("Farooqi"), of the Town of Sackville, in the Province of New Brunswick; together referred to as "the Parties".

THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements contained herein, the Parties agree as follows:

1. Commencement and Duration

Farooqi's employment will commence on July 1, 2023 and will continue for a five (5) year period ending on June 30, 2028 ("Term 1"), at which time it will be terminated ("Agreement Termination Date").

Notwithstanding the above, the Parties may agree to renew this Agreement for a further five (5) year period from July 1, 2028 to June 30, 2033, or for such other period of time as mutually agreed upon ("Term 2"). If either Party does not intend to renew this Agreement beyond Term 1, that party shall provide the other Party with notice in writing to that effect no later than June 30, 2027.

2. Position and Duties

- (a) Farooqi will be employed on a full-time basis in the position of President and Vice-Chancellor, in which position Farooqi shall report to the University's Board of Governors (the "Board").
- (b) Farooqi's performance as President and Vice-Chancellor shall be subject to an annual review in accordance with the procedures for Presidential Review established by the Board.
- (c) Farooqi shall also receive an appointment as Full Professor with tenure in the Department of Economics. This appointment shall continue pursuant to the normal rules affecting tenure appointment whether or not Farooqi continues to be employed as President and Vice-Chancellor. All compensation for the appointment of Farooqi to Full Professor during Term 1 shall be included in the remuneration as set forth in Paragraph 3 of this Agreement. Following the termination or expiry of this Agreement, Farooqi shall have the option of assuming his duties as a Full Professor at the University in the Department of Economics, in which case, his compensation will be in accordance with the salary and benefits of a Full Professor at the top of the salary scale as outlined in the Collective Agreement in effect at that time between the University and the Faculty Association of the University of St. Thomas.

- (d) Subject always to the general or specific instructions and directions of the Board, Farooqi shall have full power and authority, as set forth in the By-laws of the University, to manage and direct the business and affairs of the University, excepting only the matters and duties which, by law, must be transacted or carried out by the Board. Farooqi will be expected to conform to all lawful instructions and directions given to him by the Board, and obey and carry out the University's By-laws and policies.
- (e) Farooqi shall devote his full time and attention to the business and affairs of the University and shall not, without the consent in writing of the Executive Committee of the Board, undertake any other business or occupation or become a director, officer, employee, advisor or agent of any company, firm, individual, or institution; or engage in any paid media or consulting agreements or arrangements. Notwithstanding this provision, the Board will approve a maximum of two external paid appointments for Farooqi to directorships external to the University; provided, however, that they do not place Farooqi in a conflict of interest in fulfilling his duties as President and Vice-Chancellor, and that the time commitments do not adversely impact his ability to fulfill those duties.

3. Remuneration

Farooqi's remuneration package shall consist of the following:

- (a) base salary of \$285,000 per annum payable, subject to applicable deductions, in bi-weekly instalments. Contingent upon satisfactory performance, Farooqi's base salary will be increased annually on July 1st of each year during Term 1, beginning on July 1, 2024, in such amount as the annual agreed upon increases provided for in the Collective Agreement in effect at that time between the University and the Faculty Association of the University of St. Thomas. Additionally, the Senior Administration Compensation Committee of the Board of Governors may award additional base salary increases taking into consideration Farooqi's performance against mutually agreed upon objectives and the University's financial capacity to provide an increase in compensation;
- (b) participation in all University employee benefit plans (for Faculty or Administration, as the case may be), in accordance with the terms thereof, as modified from time to time;
- (c) housing allowance of \$30,000 per annum, payable in bi-weekly instalments, with the understanding that Farooqi's residence will be used considerably to conduct University-related business;
- (d) reimbursement for all reasonable out of pocket expenses including travel and entertainment expenses payable or incurred in connection with the position of President and Vice-Chancellor; in relation to which Farooqi shall provide

quarterly expense reports, including receipts, to the Board. Farooqi is entitled to be reimbursed for Business Class travel in the event that the work-related travel is a distance of 1,500 km or more. Notwithstanding this provision, in lieu of any travel expenses relating to Farooqi's use of his personal vehicle and in full satisfaction thereof, Farooqi shall be paid by the University a vehicle allowance in the amount of \$1,000 per month, without any requirement for reports or receipts;

- (e) thirty (30) paid vacation days per year. Vacations are to be taken subject to reasonable operational requirements of the University. A maximum carry-over of ten (10) unused vacation days to the following year is permitted; and
- (f) participation in the University's Pension Plan.

4. Research Support

In accordance with, and subject to, the University's policies, the University will reimburse Farooqi for expenses associated with his research activities, up to a maximum amount of \$10,000 per annum. Additionally, during the first year of the Term, the University shall provide Farooqi with up to an additional amount of \$15,000 for reimbursement of start-up costs associated with his research activities.

Farooqi acknowledges that research activities will not come at the expense of the performance of his Presidential and Vice-Chancellor duties.

5. Relocation Expenses

In accordance with university policies and practices, and CRA Guidelines, the University will reimburse Farooqi for all reasonable moving costs, including costs associated with the sale of Farooqi's principal residence, up to a maximum of \$45,000, for the relocation of Farooqi and his family. Farooqi shall have a period of up to thirty-six (36) months from the date of commencement of employment to submit his claim for relocation expenses.

Additionally, the University will reimburse Farooqi in an amount not to exceed \$2,500 per month for the cost of temporary housing, for a period of up to four (4) months immediately following the commencement of his employment.

6. Administrative Leave

Following completion of Term 1, Farooqi shall be granted a one (1) year administrative leave with compensation at 100% of his base salary at the end of Term 1, to be paid as a salary continuance over a one (1) year period. The purpose of this leave is to provide Farooqi with time to re-engage in his research and scholarly activities and to prepare to return to teaching as a faculty member of the University. The administrative

leave is to be taken immediately following the end of Farooqi's term as President and Vice-Chancellor.

In the event of resignation, Farooqi is entitled to an administrative leave with compensation at 100% of base salary calculated on a pro-rata basis at a rate of 10.4 weeks for each year (including partial years) of Term 1 completed by Farooqi in the position of President and Vice-Chancellor.

Should Farooqi's appointment of President and Vice-Chancellor be renewed for Term 2, in addition to the 1-year administrative leave that Farooqi would have accrued during Term 1, Farooqi shall be entitled to an additional administrative leave with compensation at 100% of base salary, to be taken consecutively with the first administrative leave, calculated on a pro-rata basis at a rate of 5.2 weeks for each year (including partial years) of Term 2 completed by Farooqi in the position of President and Vice-Chancellor, with the possibility for the rate of accrual to increase to 10.4 weeks subject to the University's financial capacity to provide such an increase.

Farooqi is required to notify the Board immediately if he obtains employment during the administrative leave period. In the event that Farooqi obtains employment during the administrative leave period, the salary continuance payments will terminate effective the date of employment and no further payments shall be required.

7. Termination

The parties agree, notwithstanding Article 1, that Farooqi's employment under this Agreement may be terminated in the following manner in the specified circumstances:

- (a) by the Board, without notice of termination or pay in lieu thereof, for just cause at common law.
- (b) by Farooqi prior to the end of Term 1, by providing at least three (3) months advance written notice to the Chair of the Board;
- (c) by the Board, at any time, without cause and for any reason, by providing Farooqi with:
 - notice of termination, or pay in lieu thereof, or any combination thereof, in accordance with the minimum requirements set out in the *New Brunswick Employment Standards Act*;
 - any other minimum payments or entitlements required by the *New Brunswick Employment Standards Act*; and
 - a lump sum payment in the amount of forty-eight (48) weeks of base salary, less income tax withholdings.

This will constitute Farooqi's full entitlement including, but not limited to, under contract and/or common law. The Employee understands and agrees that his acceptance of this Term Employment Contract limits his ability to claim any further damages for termination pay, termination notice, severance pay, damages for breach of contract and/or payment in lieu of reasonable notice, other than as provided for in this Term Employment Contract and that Farooqi is giving up any right to claim damages related to the termination of his employment under contract and/or common law.

8. Proprietary and Confidential Information

Unless required by law to do so, Farooqi agrees that he will not, either during or after his employment with the University, communicate, divulge, publish or otherwise reveal, directly or indirectly, to any person, company, corporation, firm or institution any knowledge of proprietary or confidential information which may be revealed to him during his employment.

For the purposes of this Agreement, "Confidential Information" means all information confidential to the University and includes, but is not limited to, all records, documents, research, accounts, plans, formulae, designs, specifications, student lists, contacts, correspondence, letters and papers of every description in any format, including electronic and physical copies, relating to the affairs or business of the University.

9. General

(a) Variations

Variations to this Agreement must be in writing and must be consented to by both Farooqi and the University.

(b) Severability

The provisions of this Agreement shall be deemed severable. If any provision of this Agreement shall be held unenforceable by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

(c) Waiver

The waiver by either party of any breach or violation of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach or violation.

(d) No Representations or Warranties

Farooqi acknowledges that in entering into this Agreement, he has not relied on any representations or warranties about the subject matter of this Agreement except as provided herein.

(e) Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of New Brunswick.

(f) Entire Agreement

This Agreement constitutes the entire agreement of the Parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that matter.

(g) Independent Legal Advice

By signing this Agreement, Farooqi acknowledges having had the opportunity to seek independent legal advice in connection with the negotiation and execution of this Agreement.

(h) Reimbursement of Legal Fees

The University shall reimburse Farooqi for any reasonable professional fees incurred for financial, tax or legal advice associated with the review of this Agreement.

IN WITNESS WHEREOF Farooqi and the University have executed this Agreement as of the day and year first above written.

St. Thomas University

by: _____
Chair, Board of Governors

Witness
Date February 7, 2023

by: _____
Chair, Senior Administration
Compensation Committee

Witness
Date February 7, 2023

SIGNED, SEALED AND DELIVERED)
in the presence of:)
_____)
Witness)
Date _____

M. Nauman Farooqi