

B E T W E E N:

THE GOVERNING COUNCIL OF THE UNIVERSITY OF TORONTO
("the University")

– and –

MERIC S. GERTLER
("Gertler")

AGREEMENT

This will record the full terms of the agreement between the parties concerning the appointment of Meric S. Gertler as President of the University of Toronto. This constitutes the entire agreement between the parties and it replaces all prior agreements, if any, written or oral, and any representations, written or oral, concerning the terms of the appointment. In view of current Provincial Legislation, it does not alter any of the compensation terms in effect pursuant to the November 1, 2013 to June 30, 2018 Agreement. It is also expressed in substantially the same terms as that Agreement, notwithstanding the passage of time. However, the parties agree that if a compensation Program covering the position of President is approved pursuant to the *Broader Public Sector Executive Compensation Act, 2014*, the compensation terms of this Agreement shall be renegotiated to the extent permissible by law and subject to the approval of the Senior Appointments and Compensation Committee.

Appointment

1. On the authorization of the Governing Council of the University of Toronto at its May 18, 2017 meeting, and with the approval of its Senior Appointments and Compensation Committee, Meric S. Gertler is hereby appointed as President of the University of Toronto for a second term as set out below.

Effective Date and Term

2. The appointment is effective July 1, 2018 and continues to June 30, 2023, unless terminated earlier in accordance with the provisions of this Agreement. The term of the appointment may be extended beyond June 30, 2023 for up to an additional two years ("the final renewal term"), subject to a review not later than the fall of 2022 by the

Executive Committee of the Governing Council, and a subsequent determination by the Governing Council and by Gertler, that extension of the term is mutually agreeable.

Academic Appointment

3. Gertler will continue to hold an academic appointment as Professor in the Department of Geography and Goldring Chair in Canadian Studies in the Faculty of Arts and Science. During the term of the Presidential Appointment no duties as a Faculty Member will be assigned.

Duties

4. Gertler will faithfully and diligently perform the duties and exercise the powers of the President of the University as prescribed by the *University of Toronto Act*, as amended from time to time, and the applicable by-laws, resolutions and policies of the Council and according to the reasonable and lawful directions of the Council, the Executive Committee thereof and the Chair of the Council ("Chair"). Pursuant to subsection 5(1) of the said Act, Gertler shall be the chief executive officer of the University.

Salary

5. The base salary for the position of President shall be \$388,400 per annum, effective November 1, 2013, payable monthly in arrears or in other convenient installments as may be agreed upon. After November 1, 2013 the base salary will be reviewed and determined annually by the Senior Appointments and Compensation Committee of the Governing Council, following consultation with, but without the presence or intervention of Gertler, to reflect, in a manner to be determined by the Committee in its sole discretion, both the performance of Gertler as President and the compensation adjustments for members of the teaching staff of the University at large, and such policies or guidelines of the Committee and applicable legislation as they may exist from time to time. The Senior Appointments and Compensation Committee will complete its annual review of Gertler's performance on the same cycle as for Gertler's annual review of those officers of the University who report directly to him. Notwithstanding the foregoing, Gertler's base salary for the position of President shall not be decreased during the term of this Agreement.

Performance Bonus

6. Gertler will be eligible to receive an annual bonus up to 13% of base salary on the basis of performance measurements with respect to the completed year, or portion thereof, stipulated in advance by the Chairman in consultation with the Senior Appointments and Compensation Committee.

Pension

7. Gertler will continue to participate in the University of Toronto Pension Plan (the "Pension Plan") and Supplemental Retirement Arrangement (the "SRA") and be subject to the terms and conditions thereof as may be amended from time to time, including the requirement to contribute to the Pension Plan. For greater clarity, pension benefits under the Pension Plan and SRA shall be subject to the cap applied on pensionable salary (the "DB Salary Cap"), which is currently \$150,000. Gertler will also continue to participate in the Defined Contribution Supplemental Retirement Arrangement (the "DC SRA") and be subject to the terms and conditions thereof as may be amended from time to time. Effective November 1, 2013, the notional contribution credited to the notional contribution account established for Gertler under the DC SRA shall increase to 18% of Gertler's base salary in excess of the DB Salary Cap for the portion of the University Year (as defined in the DC SRA) from November 1, 2013 to June 30, 2014, and shall continue at that level for each University Year (or portion thereof) thereafter during which Gertler is employed as President of the University and for such University Year (or portion thereof) during which Gertler is on administrative leave in accordance with clauses 22 (a) and 22 (b). In addition, for each year he is President of the University, the University will transfer to Gertler's DC SRA notional contribution account an amount equivalent to the income tax payable on the taxable benefit accruing to Gertler from the provision of rent-free accommodation at 93 Highland Avenue as described in clause 17 below.

Benefits

8. The University will provide Gertler with coverage under and Gertler will be entitled to obtain and maintain status and participate in all normal University benefit plans and programs ("the Plans") that are available for senior faculty members, and to enjoy all the benefits thereof (including employer contributions, if any) subject to all the obligations applicable to such Plans (including employee contributions) and upon the same basis and subject to all the terms and conditions of the Plans, as amended from time to time, except for the purposes of group life and long-term disability coverage, where the salary ceiling for faculty and staff members will not apply.

9. Regular deductions will be made from Gertler's salary in accordance with the Plans and applicable University regulations, in order to provide for Gertler's contributions to the costs of the Plans, and also for Income Tax, Canada Pension Plan, Employment Insurance, and any other required employee contribution under University or statutory provisions as they may exist from time to time.

Automobile Allowance

10. Gertler will receive an annual non-accountable automobile allowance of \$12,000.00 per year. The allowance shall be in full satisfaction of all costs and expenses associated with the business use of his automobile and other local transportation, including the use and maintenance of an automobile.

Parking

11. The University will provide Gertler with a pass entitling Gertler to free parking on all campuses of the University and a reserved parking space on the St. George campus convenient to the President's office.

Expenses

12. The University will reimburse Gertler for or otherwise provide payment of his reasonable business and entertainment expenses, including business travel away from Toronto and including expenses for a driver for business purposes where appropriate, actually incurred in the performance of Gertler's duties or in relation to other duly authorized University responsibilities, in accordance with University policies and practices as they exist from time to time. Where it is appropriate that Gertler's spouse accompany him on business travel at the expense of the University, prior approval of the Chair of the Governing Council is required. All such eligible expenses shall be reimbursed or paid against expense reports and vouchers properly provided and certified by Gertler and approved by the Chair of the Governing Council.

Taxable Benefits

13. The University will report to the taxing authorities its best estimate of the appropriate value for income tax purposes of the taxable benefits provided to Gertler, in addition to salary. The value of such benefits will not be added to Gertler's salary for the purpose of calculating any pension or other benefit or payment. The amount of such benefits and allowances will be determined and amended from time to time by the Senior Appointments and Compensation Committee.

Research Allowance

14. As Dean of the Faculty of Arts and Science, Gertler received a research allowance of \$40,000 annually to enable him to continue his research program. Any unused funds from this period will be reserved for his use during his term as President or in the event that he returns to the Faculty following his service as President.

Vacation

15. Gertler will be entitled to five weeks annual vacation, (in addition to statutory holidays and the period of the University's Christmas-New Year holiday) to be taken at a time or times, not necessarily consecutive, reasonably convenient to Gertler and the University and approved by the Chair of the Governing Council. At least 80% of this vacation entitlement shall be taken within twelve months of its accrual and no payment will be made in lieu or as compensation for vacation time not taken. A record of vacation earned and used will be kept in the Office of the Chair.

Moving Expenses

16. The Council will reimburse Gertler and his spouse for moving costs reasonably and actually incurred and associated with moving themselves, their family and their household effects from his current residence in Toronto to the residence at 93 Highland Avenue, Toronto (the "residence") and to his residence at the end of his term as President. Such costs will also include costs associated with storage of any of their household effects that cannot be accommodated at 93 Highland Avenue.

Housing

17. The Council will provide rent-free residential accommodation for the personal use of Gertler his spouse and children, as a taxable benefit, during the term of his office as President, consisting of the exclusive use of the second and third floors of the premises at 93 Highland Avenue, Toronto (the "residence"), and the use by him and his family and guests (in common with the University for its purposes referred to below) of the remainder of the residence and grounds, their amenities and equipment. It is understood that the main floor, grounds and gardens of the premises will be used at times convenient to Gertler for the purposes of official University functions that pertain to the office of President, to which guests of the University may be invited by it. The Council reserves the right to dispose of the residence at any time upon reasonable notice and to provide a suitable alternative residence for Gertler's use during his term of office as President.

18. The Council will also pay the costs of upkeep and repairs to the fabric of the residence and of maintaining the grounds, swimming pool and gardens thereof, and will provide or reimburse Gertler for the costs of a housekeeper and housecleaning. The Council will also provide Gertler with the use of a garage at the premises and will pay operating expenses incurred in connection with the residence, including the provision of heat, electric power, domestic water supply, University telephone service, cable television and other normal utilities, household laundry service and repair or replacement, as reasonably necessary, of major appliances, basic furniture and draperies.

19. The main floor of the residence will be appropriately furnished by the Council, in consultation with Gertler and his spouse. The private areas of the residence will be furnished by Gertler at his expense. Gertler and his spouse shall have free use of all Council-owned furniture in the private areas of the residence and in storage, intended for use therein.

20. The Council will pay the costs of all University functions and receptions held from time to time in the residence and of the provision of hospitality at the residence by Gertler to others for University purposes.

Housing Re-location Assistance

21. The University requires Gertler to live at 93 Highland Avenue during his term as President and, as a result, he may decide to sell his family home during his term. In this light, if Gertler sells his family home at any time during his term as President, the University will provide an interest-free loan in the aggregate amount of the then fair market value of his current family home at the date Gertler takes the loan, and not less than \$1.2 million, to purchase a new family residence. The loan, secured by a mortgage on the property, may be taken at any time up to one year of Gertler's ceasing to hold the office of President. For each of the first five years after the date of ceasing to be President, the annual repayment would be 10% of the initial loan; at the end of the sixth year, the balance of 50% will be due. The interest free portion of the loan shall constitute a taxable benefit.

Administrative Leave

22. (a) At the end of his second term as President ending June 30, 2023 Gertler will be entitled to a full year's administrative leave at his base salary level during his final year of service as President, without adjustment. This full year's administrative leave will be in addition to the full year's administrative leave earned under the terms of the initial Agreement for the first term, ending June 30, 2018, which shall also be paid at his base salary during his final year of service as President, without adjustment.

(b) In respect of his 9 years of service as Vice-Dean and then Dean of the Faculty of Arts and Science, Gertler has accrued entitlement to 18 months of administrative leave to be taken at the end of the Presidential leave, at his base salary level during his final year of service as President, without adjustment. In addition to the 18 month administrative leave, Gertler has also accrued four years of credit towards his next research and study leave. This accrued credit will be maintained and applied toward a future research and study leave.

(c) The leaves described in 22 (a) and (b) shall be taken at a time or times to be negotiated with and approved by the Chair. During the period of any leave, Gertler shall maintain status and participate in all Plans.

(d) As agreed by the parties on April 15, 2015, if the leaves described in 22 (a) and (b) are not taken, in whole or in part, there shall be no payments of any kind in lieu of or in satisfaction of such leaves not taken.

(e) In the event that the University revises its policies with respect to executive compensation and leave arrangements, the arrangements in 22 (a) through (d) may change with the mutual agreement of the parties.

Termination

23. This contract shall expire on June 30, 2023 at the conclusion of its term unless terminated earlier by any of the following events:

- a) By the University, at any time for cause, without notice or compensation in lieu of notice, it being understood that termination of this contract for cause would be a severable event, to be assessed separately from the assessment of whether there may be cause for termination of Gertler's tenured academic appointment in accordance with the University's *Policies and Procedures on Academic Appointments*.
- b) By Gertler, if he resigns as President, upon giving at least 12 months irrevocable notice in writing. As of the effective date of the resignation Gertler may return to his academic appointment at the base salary set out in accordance with clause 23(g).
- c) By the University, at any time, upon giving written notice of 12 months, or pay in lieu thereof consisting exclusively of salary, bonus, the equivalent of employer benefits contributions and employer pension contributions during the notice period. At the conclusion of the written notice period Gertler may resume his tenured academic appointment at the base salary set out in accordance with clause 23(g). Prior to exercising its rights to give notice under this section, the University shall provide Gertler with written performance feedback indicating dissatisfaction and the basis therefor and shall provide reasonable time for remediation.
- d) Upon ceasing to hold the position of President pursuant to b) and c) above, Gertler would be entitled to administrative leave accrued during his service as Dean and Vice-Dean, as described in subsection 22 (b) and to administrative leave accrued during his service as President, as described in subsection 22 (a), pro-rated accordingly. In addition, Gertler would be entitled to maintain status and participate in all Plans and to the housing mortgage loan as described in section 21.
- e) Upon disability that prevents Gertler from performing the essential duties of the position of President for longer than 12 months;
- f) Upon death.
- g) If Gertler resigns as President, or is subject to the 12-month notice period stipulated above, or is terminated as President for cause but without severance of his tenured appointment, then in those instances and after completion of the applicable administrative leave-period described in section 22, Gertler shall return to his academic appointment in the Department of Geography at a salary equal to his base salary exclusive of administrative stipends in the Dean's Office of the

Faculty of Arts and Science as of June 30, 2013, increased on a percentage basis according to the average annual PTR/ATB awards in the Chairs and Deans group of the Faculty of Arts and Science for the number of years that Gertler served as President and was on subsequent administrative leave.

Outside Commitments

24. Gertler will not seek or accept appointments to boards of directors of investor-owned corporations during the first three years of his term of office as President unless there is an obvious and direct benefit to the University, and if such opportunities arise during that period or at any time thereafter, he may accept such directorships only after consultation with and the consent of the Chair and the Executive Committee of the Council, such consent not to be unreasonably withheld.

Extension of Term

25. If at the end of the second term covered by this Agreement or, (if one has been agreed as provided above) the final renewal term, no appointment of Gertler's successor as President has been made, his term of office as such may be extended by mutual agreement of the parties, and other relevant dates referred to herein would be extended and adjusted accordingly.

Disclosure and Conflict of Interest

26. For the purpose of identifying and avoiding actual and potential conflicts of interest, Gertler shall provide to the Chair of the Governing Council prior to the commencement of the term of the appointment as President and annually thereafter, a confidential written disclosure statement as to all Gertler's personal assets, investments and commercial involvements, and those of Gertler's spouse. Gertler shall update such disclosure statement whenever there is a significant change in investments, circumstances or involvements. The Chair of the Governing Council will not reveal the contents of such statements to anyone, except upon written consent, or where required by law.

27. Gertler agrees that he will abide by the University's conflict of interest policies as they may exist from time to time and, in any event, agrees to act faithfully, always in the best interests of the University. In the event that Gertler has or is considering an involvement of any kind that presents or may reasonably be perceived to present an actual or potential conflict of interest, Gertler must disclose such involvement to the Chair of the Governing Council before proceeding further.

Confidentiality

28. During the course of the Presidential appointment Gertler will be exposed to confidential information pertaining to the business and operations of the University. Gertler agrees to maintain such information in confidence throughout his appointment and at all times after the cessation of the appointment and specifically agrees not to

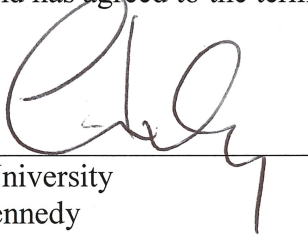
disclose such information to the general public, to competitors, or to any others. Further, he agrees not to use such confidential information at any time for personal benefit, whether during the appointment or at any time thereafter.

Entire Agreement

29. This contract expresses the entire understanding and agreement between the parties with respect to the appointment as President and supersedes all previous agreements, arrangements, correspondence and undertakings. There are no representations, warranties or collateral terms or conditions with respect to the subject matter except as expressly set out herein. Any amendment to this contract during its term must be in writing.

Independent Advice

30. Gertler confirms that he has read this contract, has had opportunity for independent advice, and has agreed to the terms voluntarily.



For the University
Claire Kennedy
Chair, Governing Council



Merik S. Gertler

Date: September 22, 2017

Date: September 22, 2017



For the University
Sheree Drummond
Secretary of the Governing Council

Date: September 27, 2017