



EMPLOYMENT AGREEMENT

This Agreement is made as of the 2nd of March, 2016.

BETWEEN:

THE CITY OF VANCOUVER

("the City")

OF THE FIRST PART

AND:

SADHU AUFOCHS JOHNSTON

("Mr. Johnston")

OF THE SECOND PART

WHEREAS:

- A. The City has agreed to appoint Mr. Johnston as City Manager, and Mr. Johnston has agreed to be so employed.
- B. The City and Mr. Johnston have agreed to their respective rights, duties and obligations in connection with the employment of Mr. Johnston by the City, as set out in this Agreement ("the Agreement").

NOW THEREFORE the parties agree as follows:

1 POSITION

- 1.1 The City Agrees to employ Mr. Johnston as the City Manager and Mr. Johnston agrees to serve in that position subject to the terms and conditions of this Agreement.
- 1.2 The parties acknowledge that the duties, powers and obligations of the City Manager will be as described in Board of Administration By-Law Number 4017, as modified from time to time together with such other duties as may be assigned from time to time by the Council.

- 1.3 At the commencement of each year while this Agreement is in effect, the City Manager and the Mayor will establish metrics, priorities, goals, and activities (together, the "Performance Targets") for the year. No later than three (3) months following the end of each year, the Mayor will review with the City Manager his performance in relation to the previously established Performance Targets. The Mayor will share the findings of such review to City Council.

2 TERM OF APPOINTMENT AND TERMINATION

- 2.1 The employment of Mr. Johnston as City Manager commences as of the date of this Agreement, and shall continue until terminated as provided for in this Agreement.
- 2.2 In addition to termination on written notice pursuant to paragraph 2.4 of this Agreement, the City may terminate Mr. Johnston's employment as City Manager summarily for cause at any time without notice or pay in lieu of notice. The word "cause" includes the commission of any act that is materially injurious to the City and its reputation or Mr. Johnston's failure to cure, within a reasonable period of time, a breach of any obligation on his part in this Agreement which is materially injurious to the City.
- 2.3 Mr. Johnston may terminate or resign his employment as City Manager by providing 3 months written notice.
- 2.4 The City may terminate Mr. Johnston's employment as City Manager at any time, without cause by providing notice or pay in lieu of notice or a combination thereof at the City's sole discretion ("Notice"), as follows. Any pay in lieu of notice will be limited solely to the payment of Salary:
- i) Should such termination occur prior to August 17, 2016, the amount of Notice will be thirteen (13) months Salary.
 - ii) Should such termination occur on or after August 17, 2016 but prior to August 17, 2017, the amount of Notice will be fourteen (14) months Salary.
 - iii) Should such termination occur on or after August 17, 2017 but before August 17, 2025, the amount of Notice will be fifteen (15) months Salary.
 - iv) Should such termination occur after August 17, 2025, the amount of Notice will be eighteen (18) months Salary.
- 2.5 Mr. Johnston agrees that the receipt of the benefits described in Section 2.4 will satisfy all of the City's obligations to him regarding his employment and the termination thereof.

3 REMUNERATION

- 3.1 The City will pay to Mr. Johnston an annual salary (the "Salary") as City Manager in the sum of \$316,000 (prorated for 2016).
- 3.2 The Salary will be deemed to be earned and will be paid by the City to Mr. Johnston on a bi-weekly basis throughout his employment.

- 3.3 Commencing in 2017, and provided this Agreement remains in effect, Mr. Johnston will be eligible for a Salary increase of at least the greater of the annual rate of inflation established by the Bank of Canada, or two percent (2%) at April 1 of each year. Such increase will be subject to an assessment of satisfactory performance pursuant to paragraph 1.3 of this Agreement and approval by City Council.

4 TRANSPORTATION ALLOWANCE

- 4.1 The City will provide a transportation expense allowance in accordance with the appropriate City policy in effect from time to time.

5 REIMBURSEMENT FOR EXPENSES

- 5.1 The City will reimburse Mr. Johnston for all reasonable expenses including travel expenses incurred by Mr. Johnston in the performance of his duties in accordance with the appropriate City policy in effect from time to time.

6 BENEFITS

- 6.1 Except as provided in paragraph 6.2 of this Agreement, during his employment, Mr. Johnston will maintain his entitlement to all employment benefits normally available to members of Senior Management of the City, as described in the Exempt Employee Handbook in effect from time to time. Such entitlement will take into account Mr. Johnston's service with the City prior to his appointment as City Manager.
- 6.2 Notwithstanding the provisions of the Exempt Employee Handbook, Mr. Johnston's eligibility to accumulate flextime in recognition of attendance at Council/Board meetings and other required public meetings conducted during evening or weekend hours will be limited to a maximum of thirty-five (35) hours per calendar year.
- 6.3 Mr. Johnston will bear the portion of the costs of benefit plans which he is required to or has elected to participate in as required by the terms of such plans.
- 6.4 The City will continue Mr. Johnston's enrollment in the Municipal Pension Plan available to Senior Management of the City.

7 EXCLUSIVE SERVICE AND CONFLICT OF INTEREST

- 7.1 Mr. Johnston will devote his full working efforts to the employment of the City and will not directly or indirectly engage in any other business in any capacity whatsoever, without the prior written approval of the Mayor of the City.
- 7.2 Mr. Johnston will disclose actual, potential or perceived conflict of interest to the City. Any uncertainty as to whether such a conflict exists will be raised by Mr. Johnston and determined by the City, acting reasonably. Mr. Johnston will conduct himself so as to avoid any actual or potential conflict of interest.
- 7.3 The City Manager will be directly responsible to the Mayor of the City and the City Council and will follow and carry out all lawful directions given to him.

8 INTERPRETATION

- 8.1 All provisions of this Agreement requiring one party or the other to do or to refrain from doing something will be interpreted as the covenant of that party with respect to that matter notwithstanding the absence of the words "covenants" or "agrees".
- 8.2 The division of this Agreement into paragraphs and the headings are inserted for convenience of reference only and, except where otherwise specifically provided, that division and those headings will not define, enlarge or limit the terms nor affect the construction or interpretation of this Agreement.

10 GENERAL

- 10.1 The failure of a party to insist upon the strict performance of any of the covenants in this Agreement or to exercise any right herein contained will not be construed as a waiver or relinquishment for the future of that covenant or right and no waiver by any party of any provision of this Agreement will be deemed to have been made unless expressed in writing and signed by that party.
- 10.2 The provisions of this Agreement constitute the entire agreement between the parties. No terms, conditions, warranties, promises or undertakings of any nature whatsoever, express or implied, exist between the parties with respect to this Agreement except as contained herein. This Agreement may be amended, changed or modified only by further written agreement between the parties. There will be no liability assessed, either in tort or contract, with respect to any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this agreement.
- 10.3 If any term, condition or provision of this Agreement or the application thereof to any party or circumstances will to any extent be invalid or unenforceable, the remainder of this Agreement or the application of that term, condition or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby and each term, condition or provision will be separately valid and enforceable to the fullest extent permitted by law.
- 10.4 Time will be of the essence of this Agreement.
- 10.5 Each of the parties will at the request of the other party hereto, execute and deliver any further documents and do all acts and things as that other party may reasonably require to carry out the full intent and meaning of this Agreement.
- 10.6 This Agreement will be governed by the laws in force in the Province of British Columbia and the courts of the Province of British Columbia will have exclusive jurisdiction with respect to the settlement of any dispute or the resolution of any question of law arising from this Agreement.
- 10.7 This Agreement may not be assigned by any party without the written consent of the other party, which consent may be arbitrarily withheld.
- 10.8 This Agreement will enure to the benefit of and be binding upon the parties hereto and subject to the terms hereof the heirs, administrators, successors and assigns of the parties.

10.9 Any notice to be provided under this Agreement must be provided in writing.


11 INDEMNIFICATION

11.1 The City agrees to indemnify and save harmless Mr. Johnston from any action brought against Mr. Johnston which arises from the lawful performance of his duties as City Manager. This provision will apply in accordance with By-Law No. 6579 and shall not apply to any proceedings between the City and Mr. Johnston.

11.2 Mr. Johnston agrees to notify the City forthwith of any claim or action brought against him arising out of his employment.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective the date first above written notwithstanding the actual date or dates of execution.

Executed on behalf of the City of Vancouver by:



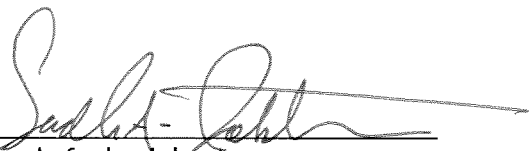
Mayor Gregor Robertson

SIGNED, SEALED AND DELIVERED by)
MR. SADHU AUFOCHS JOHNSTON in the presence of:)

PAUL MOCHRIE)
Witness)

453 W 12th AVE)
Address)

VANCOUVER BC)



Sadhu Aufochs Johnston