

Florida Atlantic University President John W. Kelly
Summary of Key Terms and Changes to Proposed 2019-2020 Renewed Employment Agreement

Contract Term: March 1, 2019 through February 29, 2020

The prior contract's expiration date was February 28, 2019. To ensure no break in service, the renewed contract became effective March 1, 2019, subject to BOG approval.

Compensation: Annual base salary increased from \$475,000 to \$505,000.

Supplemental deferred compensation retirement benefit increased from 15% to 25% of base salary.

Dr. Kelly is eligible for an annual performance bonus of up to 20% of his base salary, determined by the Board of Trustees in its sole and absolute discretion during its annual evaluation of Dr. Kelly's performance. Dr. Kelly is also entitled to an annual retention bonus of 10% of his base salary.

If Dr. Kelly remains continuously employed as President of Florida Atlantic University through February 28, 2022 (which would require two additional renewals of his agreement, at the sole discretion of the Board of Trustees and subject to the ratification of the Board of Governors), he will receive a contingent retention bonus of \$350,000.

Dr. Kelly is entitled to participate in all state and university benefits programs, receives the use of a full-size automobile and an annual executive physical, and is required to live in a university-provided residence on the Boca Raton campus.

Consistent with Florida Statutes, the maximum amount of the President's annual compensation funded from state funds is capped at \$200,000. Compensation beyond the cap is funded by the FAU Foundation.

Termination/Renewal: The renewed contract is subject to prior termination by either party in accordance with the terms of the contract, or to renewal by mutual consent of both parties and ratification by the Board of Governors. If the contract is terminated by the University for just cause (as defined), Dr. Kelly's employment with FAU will cease on the date of termination. If the contract is terminated by either party without cause:

- Dr. Kelly will return to his duties as a full professor with tenure.
- Dr. Kelly's salary will be 80% of his base presidential salary for his first three years as professor, and then adjusted in year four to the average base salary of the three most highly paid professors in his college.
- Dr. Kelly will remain eligible to participate in all state and university benefits programs, but will receive no other special compensation elements.