

Florida Atlantic University President John W. Kelly
Summary of Changes to Proposed 2020-2021 Renewed Employment Agreement

The proposed 2020-2021 renewed employment agreement between Florida Atlantic University and President John Kelly contains three changes from Dr. Kelly's prior agreement.

Contract Term: The proposed 2020-2021 renewed employment agreement's term runs from March 1, 2020 through February 28, 2021. The prior agreement's term expired February 29, 2020. To ensure no break in service, the renewed employment agreement became effective March 1, 2020, subject to BOG approval.

Retention Provision: To incentivize Dr. Kelly's continued service as President of Florida Atlantic University, his employment agreement has two retention bonus provisions: (i) an annual retention bonus of 10% of his base salary paid at the end of each fiscal year, and (ii) a multi-year retention bonus of \$350,000 that is payable on February 28, 2022 (a target date that requires multiple annual renewals of his employment agreement, each at the sole discretion of the Board of Trustees and subject to the ratification of the Board of Governors).

Dr. Kelly or his estate is entitled to a prorated portion of the annual retention bonus if he is separated from the presidency without cause, dies, or becomes permanently incapacitated prior to the conclusion of a fiscal year. The proposed renewed employment agreement amends the multi-year retention bonus to apply the same vesting provisions to it, so that if Dr. Kelly's service as President ends for these reasons prior to February 28, 2022, Dr. Kelly or his estate is entitled to a portion of the multi-year retention bonus prorated to the length of his continuous service as President since October 1, 2016.

Cooperation Covenant: As requested by the Board of Governors, the proposed renewed employment agreement contains the following new general cooperation covenant:

"Without limitation of the obligations specified in this Agreement and applicable University rules, regulations, policies and procedures, Dr. Kelly agrees to cooperate fully in any review or investigation involving University matters in which he may possess pertinent information. This obligation shall survive the expiration or earlier termination of this Agreement."

In all other respects President Kelly's proposed 2020-2021 renewed employment agreement is unchanged from the employment agreement approved by the Board of Governors in 2019.