

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is made effective the 19th day of June, 2023,

BETWEEN:

LAPP CORPORATION

a corporation established under the *Joint Governance of Public Sector Pension Plans Act*
(Alberta)
(the "**Employer**")

- and -

TROY MANN

(the "**Employee**")

WHEREAS:

The Employer has the authority to employ an individual as President and Chief Executive Officer of the Employer;

The Employer is a "public agency" pursuant to the *Reform of Agencies, Boards and Commissions Compensation Act* ("**RABCCA**");

The Employee is a "designated executive" pursuant to the RABCCA;

Accordingly, this Agreement is subject to, and limited by, the RABCCA, the *Reform of Agencies, Boards and Commissions Compensation Regulation* (the "**Regulation**"), any applicable ministerial order, and/or any related directives and guidelines, as may be amended by the Government of Alberta; and

The Employer and the Employee have agreed to enter into a fixed term employment agreement, which replaces any and all previous agreements between the Parties;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Employer and the Employee agree as follows:

1. POSITION AND TERM

- 1.1 The Employer will employ the Employee in the position of President and Chief Executive Officer of the Employer (the "**Position**").
- 1.2 The Employee will report to the Board of Directors of the Employer (the "**Board**") or the Board's authorized designate.

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- 1.3 Notwithstanding the date on which the Parties duly execute this Agreement, the term of this Agreement and the Employee's employment will commence on June 19, 2023, and will continue until the end of the day on June 19, 2028 (the "**Term**") at the conclusion of which this Agreement and the Employee's employment with the Employer shall end, unless terminated earlier in accordance with this Agreement. This Agreement is for a fixed term only and shall not be combined with any prior employment agreements between the Employer and the Employee to create a contract of indefinite duration.
2. **SECURITY CLEARANCE**
 - 2.1 As a condition precedent to this Agreement, the Employee agrees to undertake a security clearance in accordance with the requirements and at the option of the Employer (Canadian Criminal Credit Inquiry and Canadian Criminal Record Check) and the terms set out in Clause 2.2. If the Employer, in its sole discretion, finds the security screening to be unsatisfactory, this Agreement is deemed void.
 - 2.2 The Employee consents to the disclosure and release of personal information by the Employer for the purposes of conducting a security clearance to determine the Employee's suitability for employment. If additional consent is required, the Employee will provide the necessary consent to release personal information to the Employer when requested to enable disclosure to third parties the Employer deems necessary to assist in obtaining the security clearance.
3. **CONDUCT**
 - 3.1 The Employee will perform the duties of the Position and all additional duties as directed by the Employer from time to time (collectively, the "**Duties**"). The Employee will perform and discharge the Employee's Duties in a manner that is in the best interests of the Employer and in accordance with its objectives as determined by the Board.
 - 3.2 The Employee agrees to devote the Employee's full attention and energy to the performance of the Duties and to perform the Duties faithfully, diligently and to the best of the Employee's abilities. The Employee will not be involved in any appointment, business, undertaking or employment other than employment under this Agreement ("**Concurrent Employment**") except with the prior written approval of the Board or to the extent required by applicable legislation. The Board reserves the right to revoke approval for Concurrent Employment in its sole discretion.
 - 3.3 The Employee agrees to comply with the Employee Code of Conduct established by the Employer, as amended from time to time, all applicable legislation, and all other directives, guidelines, rules and policies of the Employer respecting the performance of the Duties and the conduct of employees generally, including but not limited to rules governing conflicts of interest and restrictions on Concurrent Employment.
 - 3.4 The Employee acknowledges that during the Term, the Employer and the Position may be subject to provisions of the *Conflicts of Interest Act*. The

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Employee will comply with all applicable restrictions and obligations outlined in the *Conflicts of Interest Act*, including, but not limited to, restrictions on post-employment, Concurrent Employment, furthering private interests, using influence or insider information, and holding public securities, as well as obligations concerning financial disclosure and disclosure of real or apparent conflicts of interest.

4. LEGAL FRAMEWORK GOVERNING THIS AGREEMENT

- 4.1 The Parties acknowledge, understand, and agree that the terms and conditions of this Agreement (including, but not limited to, all forms of compensation, remuneration, benefits, and entitlements provided for by this Agreement to the Employee by the Employer) are subject to, and strictly limited by, the RABCCA, the Regulation, any applicable ministerial order, and/or any related directives and guidelines, as may be amended by the Government of Alberta (collectively, the "Legal Framework").
- 4.2 Accordingly, the Parties further acknowledge, understand, and agree that if a part or all of any clause of this Agreement is illegal, invalid, or unenforceable pursuant to the Legal Framework governing this Agreement, or any other statutory authority, it will be limited and read down to the extent necessary to ensure that it strictly complies with the Legal Framework governing this Agreement or any other statutory authority. If limiting and reading down a part or all of any clause of this Agreement is not possible in order to achieve such compliance, then it will be severed from this Agreement and the remaining provisions of this Agreement will continue to have full force and effect.

5. COMPENSATION

- 5.1 The Employer will pay the Employee an annual base salary of \$300,000.00 (the "**Base Salary**") less required deductions and withholdings, payable in equal biweekly installments in accordance with the Employer's regular payroll practices.
- 5.2 In performing the duties of the Position, the Employee is employed on a full-time basis by the Employer and he acknowledges and agrees that the hours of work, which may vary and be irregular, are those required to meet the Employee's obligations hereunder. The Employee further agrees that this provision of the Agreement constitutes an agreement to work such hours (including hours in excess of full-time hours) solely for the remuneration specified in this Agreement.
- 5.3 The Base Salary shall be reviewed, and cost-of-living-increases to same considered, by the Employer annually during the Term in accordance with any policies of the Employer. However, any increases to the Employee's Base Salary shall be at the Employer's discretion.
- 5.4 The Employee shall be eligible for an annual incentive payment in an amount up to a maximum of twenty percent (20%) of his annual base salary, less deductions and withholdings. The Board shall review and decide on awarding any annual incentive payment amount in accordance with the Employer's Compensation

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Philosophy policies in existence and as amended from time to time. However, under no circumstances shall payment of any annual incentive payment result in the Employee's total compensation contravening the Legal Framework.

6. NO OTHER RIGHTS OR BENEFITS

- 6.1 The Employee will not be entitled to any of the rights or benefits afforded to other employees of the Employer, except as expressly provided in this Agreement.

7. BENEFITS

- 7.1 The Employee is eligible for paid annual vacation leave of thirty (30) workdays, which shall be administered in accordance with the policies and procedures of the Employer.
- 7.2 The Employee is eligible for paid holidays and other general leave days or leaves of absence in accordance with the policies and procedures of the Employer and in the same manner as the Employer provides to its senior management employees generally.
- 7.3 Effective as of the start date of the Term, the Employee shall participate in the Employer's health benefits program, including its flexible spending account and short and long-term disability benefits, in accordance with the formal plan documents and applicable policies of the Employer. All eligibility and coverage issues relating to such programs will be determined by the administrator of the programs. The Employer shall not have any liability in respect of eligibility or coverage decisions made by the administrator of the programs. The Employer has the right to make changes to this program or obtain different coverage without providing the Employee with prior reasonable notice.
- 7.4 The Employee will be provided with a reserved underground heated parking stall, which will be treated as a taxable benefit at current market value as required pursuant to applicable law.

8. RETIREMENT BENEFITS

- 8.1 Effective as of the start date of the Term, the Employee shall participate in the Management Employees Pension Plan and the Supplemental Retirement Plan for Public Service Managers in accordance with the formal plan documents, and applicable legislation and policies.

9. VEHICLE ALLOWANCE

- 9.1 The Employer will provide the Employee with a vehicle allowance in the amount of Six Thousand Dollars (\$6,000) per year, payable in equal bi-weekly amounts, less required deductions and withholdings, and in accordance with the Employer's regular payroll services. This allowance is not pensionable.

10. BUSINESS EXPENSES

10.1 The Employee may be reimbursed for reasonable expenses incurred while performing the Duties. Reimbursement of expenses will be in accordance with the applicable policies of the Employer.

11. PROFESSIONAL DEVELOPMENT

11.1 Where appropriate for the nature of the Duties, the Employer will pay on behalf of the Employee or reimburse the Employee for the costs of the Employee's attendance at conferences, seminars or professional development programs.

12. TERMINATION FOR JUST CAUSE

12.1 During the Term, the Employer may terminate this Agreement and the Employee's employment for just cause. For the purposes of this Agreement, the Parties understand and agree that just cause includes, but is not limited to: theft, fraud, dishonesty, failure to disclose requested information, breach of fiduciary duties, conduct contrary to or in breach of any obligation under Clause 3 (Conduct), Clause 17 (Notification of Criminal Charge), or Clause 20 (Confidential Information), or any matter that would constitute just cause for termination of employment at common law ("**Just Cause**").

12.2 In the event of termination for Just Cause, no notice or pay in lieu of notice will be provided to the Employee.

13. TERMINATION WITHOUT JUST CAUSE

13.1 During the Term, the Employer may terminate this Agreement and the Employee's employment without Just Cause.

13.2 In the event of termination without Just Cause, the Employee shall receive four (4) weeks' advance written notice from the Employer for each full year of continuous service, calculated from May 14, 2018 (in recognition of his previous employment with Alberta Pensions Services Corporation as a designated executive) and in accordance with section 7 of the Regulation, to a maximum of fifty-two (52) weeks (the "**Notice Period**").

13.3 In lieu of the advance written notice provided for by Clause 13.2, the Employer may, in its sole discretion, pay the Employee an amount equal to the Base Salary the Employee would have earned during the Notice Period or provide a combination of advance written notice and payment in lieu thereof.

13.4 If the Employer elects to provide pay in lieu of notice to the Employee, the Employer will pay an additional amount equal to the cost to the Employer for the benefits the Employee was receiving before termination to a maximum of sixteen percent (16%) of the amount paid in lieu of notice pursuant to Clause 13.3 in accordance with section 7(2)(b) of the Regulation.

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13.5 Further, if the Employer elects to provide pay in lieu of notice to the Employee, pursuant to section 7(4) of the Regulation, the Employee agrees that if the Employee becomes employed with either the Crown or a public agency during the pay in lieu of notice period, the Employee shall repay the Employer a portion of that payment in lieu of notice equal to the amount of compensation, before mandatory statutory deductions and benefits, earned in respect of the Employee's new employment during the pay in lieu of notice period, to a maximum of the pay in lieu of notice, before mandatory statutory deductions, paid in respect of the portion of the pay in lieu of notice period for which the Employee is employed.

14. TERMINATION BY EMPLOYEE

14.1 The Employee may terminate this Agreement and his employment by providing at least eight (8) weeks' written notice to the Employer to that effect. If the Employee gives notice in accordance with this Clause, the Employer reserves the right to waive all or part of the notice provided by the Employee, in which case the Employee will be paid the Base Salary during the waived period and the Employee's termination of this Agreement and his employment will be effective on the date of this election by the Employer.

15. NON-SOLICITATION OF EMPLOYEES OR CONTRACTORS

15.1 During the Employee's employment with the Employer and for a period of six (6) months following the termination of his employment, the Employee agrees that he shall not, for any reason:

15.1.1. solicit;

15.1.2. make an offer of employment to; and/or

15.1.3. make an offer to enter into a services arrangement to;

any existing employee or contractor of the Employer at the time of his termination without the express written consent of the Employer.

16. NEW AGREEMENT

16.1 The Employer will provide the Employee with at least eight (8) weeks' notice prior to the end of the Term regarding its intentions to reappoint the Employee to the Position for another fixed term in the Employer's sole discretion, or alternatively, let this Agreement expire at the conclusion of the Term in which case the Employee's employment will end at that time. In the event the Employee is reappointed to the Position, the Employee, and his reappointment to the Position, will be subject to a new agreement.

17. NOTIFICATION OF CRIMINAL CHARGE

17.1 The Employee will immediately notify the Employer if the Employee is charged with any offence under the *Criminal Code* (Canada) or the *Controlled Drugs and Substances Act* (Canada), or if charged with an offence under provincial or municipal legislation.

18. EMPLOYER POLICIES AND PROCEDURES

18.1 The Employee's employment will be subject to the policies and procedures of the Employer currently in place or as may be established from time to time, except to the extent of any conflict with the provisions of this Agreement. In the event of a conflict between this Agreement and the policies and procedures of the Employer, this Agreement will govern.

19. MATERIALS

19.1 All documents, records, manuals, software, and other materials pertaining to or used in connection with the business of the Employer, regardless of form, other than publicly available materials, (the "**Materials**") that come into the Employee's possession or control during the Employee's employment will, at all times, be and remain the property of the Employer.

19.2 The Employee will not make copies or reproductions of the Materials for the Employee's own use, or for the use of a third party. Upon termination or expiry of this Agreement, or upon request of the Employer, the Employee will immediately return all Materials to the Employer.

20. CONFIDENTIAL INFORMATION

20.1 Confidential information includes any information acquired, developed or produced by the Employee in connection with the performance of the Duties under this Agreement or any prior employment agreement with the Employer, whether in writing or not, that is not generally known to the public, and which could, if used or disclosed, cause damage, embarrassment, loss of reputation, or other harm to the Employer ("**Confidential Information**"). The Employee will not use or disclose any Confidential Information unless specifically approved by the Board or expressly permitted or required by law.

20.2 This duty not to disclose Confidential Information is in addition to the common law duty of confidentiality.

20.3 The Employee acknowledges and agrees that the Employee's obligations of confidentiality owed to the Employer shall survive the termination of this Agreement.

21. INJUNCTIVE RELIEF

- 21.1 The Employee acknowledges the value of Confidential Information to the Employer. The Employee further acknowledges that any material breach or threatened breach of any of the provisions contained in Clause 20 by the Employee may cause material and irreparable harm to the Employer that may not be reasonably or adequately compensated for by damages in an action at law.
- 21.2 The Employee agrees that in the event of a breach or threatened breach of any of the provisions of Clause 20, the Employer will be entitled to an injunction, in addition to any other remedies it may be entitled to at law and in equity.

22. INTELLECTUAL PROPERTY

- 22.1 Intellectual property means any work, information, records or materials, regardless of form, and all intellectual property rights therein, including copyright, patents, patent applications, industrial designs and trademarks that are developed, produced or acquired by the Employee in connection with the performance of the Duties (the "**Intellectual Property**"). All rights, title and interest in and to all Intellectual Property will belong solely to the Employer.
- 22.2 The Employee waives all moral rights in any copyrighted works authored or coauthored by the Employee in the performance of the Duties and the Employee's obligations under this Agreement. The Employee will execute a written waiver of moral rights in any copyrighted works authored or coauthored by the Employee immediately upon the request of the Employer.
- 22.3 The Employee will execute such assignment and other documents as are required by the Employer to transfer all right, title and interest in and to all Intellectual Property to the Employer. In the event that the Employee fails to execute such assignment and other documents within ten (10) business days after a written request from the Employer, the Employee appoints the Employer as the Employee's attorney to execute such assignment and other documents on behalf of the Employee.
- 22.4 The Employee will cooperate and render all assistance as may be reasonably requested by the Employer with respect to any applications, filings, or actions in relation to the Intellectual Property, including any applications for letters patent or for copyright or trademark registration, and any legal action or potential legal action that relates to the Intellectual Property. The Employer will reimburse the Employee for all reasonable expenses for such cooperation and assistance.

23. NOTICE OF PUBLICATION AND DISCLOSURE

- 23.1 The Employee agrees that this Agreement and any records and information created or collected pursuant to the Employee's employment (including but not limited to the Employee's name, classification, salary, benefits and employment responsibilities) may be disclosed by the Employer. Decisions about disclosure are in the Employer's sole discretion and are subject to the law and any

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applicable policies of the Government of Alberta including, but not limited to, the *Public Sector Compensation Transparency Act*, and any related regulations, directives and guidelines.

23.2 The Employee further acknowledges and agrees that the Employer may disclose this Agreement, in its entirety, to the Ethics Commissioner for the purpose of assisting the Ethics Commissioner in carrying out the Ethics Commissioner's duties and functions under the *Conflicts of Interest Act*. This consent does not apply to personal information made public or otherwise disclosed in accordance with Clause 23.1.

24. ENTIRE AGREEMENT

24.1 This Agreement, including any schedules or appendices, is the entire agreement between the Parties with respect to its subject matter and supersedes all previous agreements, negotiations or arrangements. There are no terms, conditions, commitments, representations or warranties except as contained in this Agreement.

24.2 The Parties acknowledge and agree that there may be other enactments, administrative directives and Orders in Council that also impose rights, duties and obligations on the Parties and that may be amended from time to time without notice to the Employee. In the event of a conflict between this Agreement and any enactments, administrative directives or Orders in Council, the enactments, administrative directives and Orders in Council govern.

24.3 Acts, regulations, directives, codes, policies, authorities and guidelines referred to in this Agreement may be amended, repealed or replaced from time to time without notice to the Employee.

25. SURVIVAL OF TERMS

25.1 Despite any other provision of this Agreement, those clauses that by their nature continue after the termination or expiry of this Agreement will continue after such termination or expiry, including but not limited to:

- 25.1.1. Clause 3 Conduct
- 25.1.2. Clause 4 Legal Framework Governing This Agreement
- 25.1.3. Clause 13 Termination Without Just Cause
- 25.1.4. Clause 19 Materials
- 25.1.5. Clause 20 Confidential Information
- 25.1.6. Clause 21 Injunctive Relief
- 25.1.7. Clause 22 Intellectual Property

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- 25.1.8. Clause 23 Notice of Publication and Disclosure
- 25.1.9. Clause 27 Severability
- 25.1.10. Clause 28 Waiver

26. AMENDMENT

- 26.1 The Parties may by mutual agreement make written amendments to this Agreement.

27. SEVERABILITY

- 27.1 If a term or condition of this Agreement is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, that term or condition is deemed to be severed and the remaining terms and conditions of this Agreement continue to operate.

28. WAIVER

- 28.1 The failure of either Party to enforce any provisions in this Agreement will not be construed as a waiver or limitation of that party's right to subsequently enforce or compel strict compliance with every provision of this Agreement. Waiver by either Party of any breach by the other party of any terms or conditions of this Agreement will not operate as a waiver of any other breach or default.

29. NOTICES, APPROVALS AND REQUESTS

- 29.1 Notices, approvals, and requests referred to in this Agreement will be in writing and will be personally delivered or sent by recorded mail to the Employer or Employee at the address provided below:

TO THE EMPLOYER:

LAPP Corporation
Suite 1800, 10104 – 103 Avenue NW
Edmonton, Alberta T5J 0H8
Attention: Chair of the Board of Directors
Email: boardchair@lapp.ca

TO THE EMPLOYEE:

Troy Mann

A large black rectangular redaction box covering a signature.

and are deemed to have been provided as follows:

- 29.1.1. If personally delivered, upon delivery;

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- 29.1.2. If by recorded mail, on the third day after mailing; or
- 29.1.3. If by email, seventy-two (72) hours after the time of sending.
- 29.2. The contact information for notices, approvals and requests may be changed by notice to the other party in accordance with Clause 29.1.

30. JURISDICTION

- 30.1. This Agreement will be interpreted in accordance with the laws in force in the Province of Alberta. The Parties agree to submit to the jurisdiction of the courts of the Province of Alberta.

31. HEADINGS

- 31.1. The headings in this Agreement have been included for convenience only and do not define, limit or enlarge the scope or meaning of this Agreement or any part of it.

32. SINGULAR/PLURAL

- 32.1. In this Agreement, words in the singular include the plural and words in the plural include the singular.

33. BINDING

- 33.1. This Agreement will be binding on and will enure to the benefit of the Parties and their respective successors, assigns, heirs and legal representatives.

34. INDEPENDENT LEGAL ADVICE

- 34.1. The Employee acknowledges and agrees that the Employee was advised by the Employer to obtain independent legal or other professional advice. By signing this Agreement, the Employee agrees the Employee had the opportunity to seek independent legal or other professional advice and has either obtained such advice or has waived the right to obtain such advice.

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35. COUNTERPARTS

35.1 This Agreement may be executed in counterparts, in which case the counterparts together constitute one agreement, and in which case communication of execution by emailed PDF will constitute delivery.

This Agreement is signed by the Parties and is effective as of the date at the beginning of this Agreement.

LAPP CORPORATION

Signature

Name

Title

Date

Signature

Troy Mann

Name

May 12, 2023

Date

Signature

Name

May 12, 2023

Date