

EMPLOYMENT CONTRACT

THIS AGREEMENT is made as of November 24, 2014

BETWEEN

ROSS MEMORIAL HOSPITAL (the "Hospital")

-and-

DR. ALBERT LAUWERS (the "Executive")

WHEREAS the Hospital wishes to employ the Executive as President and Chief Executive Officer and the Executive wishes to be employed by the Hospital in that capacity and upon the terms set forth in this agreement;

THEREFORE IN CONSIDERATION of the respective promises and covenants contained herein the parties agree as follows:

1. Appointment and Responsibilities

- 1.1 In accordance with the terms and conditions of this Agreement, the Hospital hereby agrees to appoint and employ the Executive as Chief Executive Officer of the Hospital, and the Executive hereby accepts such appointment and employment with the Hospital.
- 1.2 The Executive shall perform, to the best of his ability, the responsibilities of this position as set out in the job description, attached as Schedule A and as may be amended from time to time, policies, procedures, bylaws, and as requested by the Board of Governors.
- 1.3 The Executive agrees to perform his duties and exercise such powers as may be prescribed or specified from time to time by the Board of the Directors of the Hospital (the "Board"), as communicated to the Executive through the Chair of the Board or such alternate as designated by the Board.
- 1.4 Subject to Section 1.5 below, the Executive agrees to devote his full business time and attention to the business of the Hospital. The Executive shall not engage in any other business or occupation of a permanent, temporary, or part-time nature, directly or indirectly, except with the permission of the Hospital. The Executive shall fully disclose all relevant matters to the Hospital.

- 1.5 The Executive is entitled to continue to practice medicine on an occasional basis to maintain his clinical skills and to provide an enhanced perspective of the quality of the clinical services provided by the Hospital. The Executive shall provide the Board Executive with quarterly written notice of the aggregate time spent by the Executive on such clinical activities and the Board Executive may require that the Executive decrease such activities if the activities are perceived to be detracting from the Executive's performance. The Executive's current level of clinical activity is acceptable (i.e. four hours per week).
- 1.6 The Hospital agrees not to substantially alter the responsibilities of the position without the written consent of the Executive.

2. COMPENSATION

- 2.1 The Hospital shall pay the Executive an annual salary of \$270,500 per annum, less deductions required by law, which shall be payable in accordance with the Hospital's usual payroll practices.

In addition, the Executive may receive a performance-based payment of up to \$10,000 based on his achievement of the performance targets established in the Hospital's annual Quality Improvement Plan and, if applicable, other performance objectives as agreed to by the parties on an annual basis.

- 2.2 The Hospital shall conduct a formal written performance review at the end of the first year, and every two years thereafter with an informal verbal review in the intervening years. All reviews will be conducted against annual objectives mutually agreeable to the Executive and the Hospital.
- 2.3 Future salary increases are subject to annual review at the discretion of the Board of Governors; any such increases will take place effective April 1st of each year of the Executive's employment at the Hospital. Any increases are subject to applicable legislation.
- 2.4 Compensation increases shall reflect the executive compensation strategy adopted by the Board of Governors in May 2011, subject to applicable legislation.

3. BENEFITS

- 3.1 The Executive shall participate in the benefit plans as provided by the Hospital, according to the policies that are in place for non-union employees except as amended by this Agreement.
- 3.2 The Executive shall be entitled to an annual health benefit account in the amount of \$2,500 in order to access health benefits in accordance with the Hospital's insured health benefit plan, and shall receive additional life insurance benefits in the amount of the Executive's annual salary.
- 3.3 In the event the Executive becomes disabled and qualifies for benefits in accordance with the Hospital's short term disability policy, the Hospital will pay

the Executive his full salary and other benefits (“Compensation”) provided in the Agreement until such time as the Executive qualifies and receives Long Term Disability (“LTD”) benefits, but in no event shall the Hospital pay Compensation longer than ten (10) months from the commencement of the Executive’s short term disability leave. Upon commencement of receipt of LTD benefits, any resulting overpayment to the Executive by the Hospital will be forthwith reimbursed to the Hospital by the Executive.

3.4 Vacation. The executive shall be entitled to five weeks vacation in accordance with the current Hospital policy governing management staff.

3.4.1 Such vacation shall be taken at such times that are determined to be mutually convenient to the Hospital and to the Executive.

3.4.2 It is agreed that the Executive is required to take a minimum of four (4) weeks’ vacation each year.

3.4.3 Subject to 3.4.4, a maximum of one (1) week of unused vacation time from each year may be carried forward into the next vacation year.

3.4.4 Vacation time accumulated under this agreement may not exceed 7 weeks and as such, vacation time paid out on the expiry of this contract or termination of the employment of the Executive by the Hospital shall not exceed the maximum of 7 weeks accumulated under this agreement, plus any vacation time unused by the Executive in the year of termination/resignation.

3.5 Residency. The Executive shall maintain a permanent residence within the City of Kawartha Lakes.

3.6 Professional Dues and Memberships: During the term of this agreement, the Hospital will:

3.6.1 reimburse the Executive for all reasonable travel and general expenses incurred by him in fulfillment of his responsibilities and the business of the Hospital;

3.6.2 pay the registration fees and any reasonable costs incurred by the Executive when attending conferences, seminars, or similar meetings on behalf of the Hospital;

3.6.3 pay the Executive’s annual membership fees for any one service organization provided that the Board determines that such membership is beneficial to the Hospital and Executive in the furtherance of his duties; and

3.6.4 pay the Executive’s annual professional fees for up to two professional memberships as approved by the Board Executive.

- 3.7 The Executive agrees to furnish the Hospital with reasonable supporting documentation pertinent to the fees and expenses listed above, for accounting purposes. The Executive agrees to obtain the approval of the Chair of the Hospital Board for reimbursement of the expenses referred to above. Expenses related to items in Section 3.6 will be included in the Hospital's annual operating budget.
- 3.8 The Hospital shall post the reimbursed expenses of the Executive in accordance with the requirements of the Broader Public Sector Accountability Act.

4. AUTHORITY

The Executive shall have, subject to the instructions of the Hospital, authority to manage those areas covered by the duties of the Executive, including authority to enter into contracts or commitments on behalf of the Hospital, and to employ and to dismiss all other Executives and agents of the Hospital.

5. TERM OF EMPLOYMENT

- 5.1 The appointment commences on January 1, 2015, and shall continue until terminated in accordance with this Agreement.

6. TERMINATION

- 6.1 The Agreement and the Executive's employment may be terminated in the following manner:
 - 6.1.1 By the Executive, at any time, for any reason, upon giving no less than six (6) months' written notice to the Hospital. Notwithstanding the foregoing prescribed notice period, the Executive may request a shorter notice period and, if an effective transition plan is presented by the Executive and agreed to by the Board of Governors, the Hospital shall not unreasonably withhold agreement to waive the prescribed notice, whether in whole or in part. The Executive's resignation is effective immediately upon Executive's delivery of the prescribed notice or the mutually agreed upon shorter notice, as applicable (the "**Executive's Notice**"). The Hospital shall continue to pay the Executive's salary and benefits for the period stipulated in the Executive's Notice.
 - 6.1.2 By the Hospital, in its absolute discretion, without any notice or payment if there is just cause for the termination. Such action shall require a majority vote of the entire Board. In such case, there shall be no compensation or payment, save for any remuneration earned prior to the date of termination.
 - 6.1.3 By the Hospital, where there is no just cause; such action shall require a majority vote of the entire Board. After such termination, all rights, duties and obligations of both parties shall cease, except that the Hospital shall continue to pay the Executive his salary and benefits as permitted by

HOODIP, as follows: (a) for the month in which his duties were terminated; (b) for twelve (12) months thereafter if the Executive's employment is terminated within the first year of his employment with the Hospital as Executive; and (c) an additional one month for each additional year of completed service after his first year of employment with the Hospital as Executive, up to a maximum of twelve (12) additional months. The period of time covered under item (b), and (c) where applicable, is understood to be the "Salary Continuance Period". For greater certainty, the maximum Salary Continuance Period shall be twenty-four (24) months. If, however, the Executive commences comparable full-time employment (as defined in Section 6.1.7) prior to the end of the Salary Continuance Period, then the Executive shall receive, by way of salary continuance or lump sum at the discretion of the Hospital, 50% of the amount to be paid out in monthly salary and benefits for the remainder of the Salary Continuance Period and the Hospital shall have no further obligations to the Executive under this Section 6.1.3. It is intended by the parties that the Executive will use his best efforts to obtain comparable full-time employment following termination.

6.1.3.1 The salary and benefits are inclusive of any entitlements to notice and /or severance pay under the Employment Standards Act or equivalent legislation;

6.1.3.2 Benefits during this termination period and under Article 6.1.1 shall not include further accumulation of vacation, subject to any requirements under the *Employment Standards Act, 2000*, but shall include continued participation and contributions to any applicable pension plan;

6.1.3.3 Any outstanding vacation for which the Executive is entitled at the date of termination will be paid;

6.1.3.4 If the Executive elects to receive a lump sum payment for benefits during the notice period in an amount equal to the amount that the Hospital would have paid to maintain the benefits during the notice period, the Executive specifically agrees to waive any entitlement to short and long term disability coverage following termination of this Agreement without notice, subject to statutory conditions, and agrees to release the Hospital from any claims related to disability coverage or benefits during the notice period.

6.1.3.5 The Hospital shall also provide, under Termination without Cause, relocation and employment counseling to a maximum value of \$5,000.

6.1.4 If at any time, due to the establishment of an alternative governance or corporate structure, the Executive is no longer responsible as or performing the duties of President and Chief Executive Officer, the

Executive, at his discretion, may invoke the provisions of Section 6.1.3 by giving written notice to the Chairperson of the Board of Governors. The compensation that might otherwise be payable under Article 6.1.3 shall not be paid if the Executive is offered comparable full-time employment (as defined in Section 6.1.7) in the alternative governance and or corporate structure.

6.1.5 Any notice given to the Hospital shall be sufficiently given if delivered in person, or of sent by pre-paid registered mail to the Hospital at 10 Angeline Street North, Lindsay, Ontario, K9V 4M8; or to the Executive at the last address provided by him to the Hospital.

6.1.6 The Agreement shall end without notice upon the death or permanent long term disability of the Executive.

6.1.7 "Comparable full-time employment" means employment which pays a salary at least equivalent to 90% of the salary last applicable to the Executive in his position at the Hospital. For clarity, the Executive acknowledges that the resumption of his practice of family medicine shall be considered "employment" for the purposes of this definition

7. EMPLOYER'S PROPERTY

The Executive acknowledges that all items of any and every nature or kind created or used by the Executive, pursuant to the Executive's employment under this Agreement, or furnished by the Hospital to the Executive, and all equipment, credit cards, books, records, reports, files, discs, manuals, literature, confidential information or other materials, shall remain and be considered the exclusive property of the Hospital at all times, and shall be surrendered to the Hospital upon the request of the Hospital, or, in the absence of a request, on the cessation, termination, or ending of the Executive's employment with the Hospital.

8. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and restates all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, relating to the subject matter hereof except as herein provided.

9. AMENDMENTS

No amendments are effective unless they are in writing and signed by both parties.

10. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada as applicable.

11. SEVERABILITY

If any provision of this Agreement is invalid, illegal or unenforceable, it will not impact on any other provision.

12. ENUREMENT

12.1 The Executive may not assign, pledge or encumber the Executive’s interest in this agreement, nor assign any of the rights or duties of the Executive under this agreement without prior written consent of the Hospital.

12.2 This Agreement shall be binding on and enure to the benefit of the successors and assigns of the Hospital and the heirs, executors, personal legal representatives and permitted assigns of the Executive.

13. LEGAL ADVICE / ACKNOWLEDGEMENT

The Executive hereby represents and warrants to the Hospital and acknowledges and agrees that he had the opportunity to seek, and was not prevented nor discouraged by the Hospital from seeking, independent legal advice prior to the execution and delivery of this Agreement and that, in the event that he did not avail himself of that opportunity prior to signing this Agreement, he did so voluntarily without any undue pressure and agrees that his failure to obtain independent legal advice shall not be used by him as a defence to the enforcement of his obligations under this Agreement.

The Executive acknowledges receipt of a copy of this Agreement duly executed by the Hospital.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day, month and year first written above.

ROSS MEMORIAL HOSPITAL

Per _____

Name: Karissa Ward

Title: Chairperson, Board of Governors

I have authority to bind the Hospital

The Executive:

Witness:

Dr. Albert Lauwers