

## Contract Addendum:

The following notes are provided to clarify a number of the clauses included in the above contract.

2.4 The Board has approved a compensation strategy which indicates that in determining the CEO salary level, the Board will benchmark against the average compensation for CEO's in similar hospitals with a budget of \$50 to \$100 million (RMH budget is over \$85 million).

3.2 Health benefit account provides benefits which are part of the Hospitals health benefit plan. It does not provide access to private/preferential health benefits.

The contract includes additional life insurance coverage beyond the regular non-union life insurance coverage levels. The Hospital only pays the premiums for this additional coverage; the insurer, not the Hospital, is responsible for paying out any stated value of the policy should it be necessary.

3.4 Vacation is provided in accordance with the Hospital's policy for all non-union staff. The vacation accumulation clause is intended to limit or cap the amount of unused vacation that can be paid out on termination.

3.6 The CEO is required to be appropriately credentialed and participate in ongoing professional development to ensure that the Hospital benefits from current best practice in clinical, management and governance. The CEO is expected to, and supported in maintaining his accreditation and memberships in a professional association and achieve professional development credits required of the professional designation.

3.6.1 The Hospital has a detailed business-related expense reimbursement policy which governs the type of expenses reimbursable, the amount of reimbursement for items such as mileage, and requires semi-annual posting of expenses reimbursed on the Hospital website. This policy is in full compliance with the *Broader Public Sector Accountability Act* and Broader Public Sector Directives, and applies to all Hospital staff.

3.6.3 The Board of Governors considers involvement in the community an essential role for the CEO. As such, where the Board has determined that there is a benefit to the Hospital, the Board will encourage the CEO's membership and will fund the membership fee for one community service organization.

6.1 If the CEO is terminated without cause, the Hospital will provide a termination payment of 24 months. This amount is established in accordance with legal precedent and taking into consideration the CEO's experience in the healthcare industry (greater than 30 years) and length of service at the Hospital. This falls within the range of severance provisions offered to other hospital CEO's, and is consistent with employment and common law. It would only be paid on the event that the CEO is terminated without cause, and is not a retirement fund or allowance.