

EMPLOYMENT CONTRACT

BETWEEN:

ROSS MEMORIAL HOSPITAL

("The Hospital")

- and -

KELLY ISFAN

("the Executive")

WHEREAS the Hospital wishes to appoint the Executive and she wishes to be appointed by the Hospital to the position of President and Chief Executive Officer (CEO) on the terms and conditions hereinafter provided;

NOW THEREFORE in consideration of the mutual promises and covenants set out in this Employment Contract and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Hospital and the Executive agree as follows:

1. Description of Services

- 1.1 The Executive shall be appointed as the President and Chief Executive Officer (CEO). The Executive acknowledges that the duties of her position are subject to change over time and may be unilaterally revised by the Board of Governors in writing, from time to time, provided that such revisions are consistent with the duties customarily performed by a President and CEO.
- 1.2 The Executive acknowledges and agrees that their employment is to be administered in a manner consistent with the mission statement and values set out in Hospital Policy POL.ADM.2759.
- 1.3 The Executive shall be responsible for the due observance and enforcement of the *Public Hospital Act*, the *Mental Health Act*, the *Criminal Code*, the Hospital's policies, procedures, rules and regulations, all other applicable statutes and regulations, and directions from the Board of Governors. The Executive agrees that at all times she shall do so in accordance with the Hospital's values statement and the Code of Conduct.
- 1.4 The Executive shall report to the Board of Governors for the Hospital.

2. Professional Responsibilities

- 2.1 During the term of this Employment Contract, the Hospital will:
- (a) Reimburse the Executive for all reasonable travel and general expenses in accordance with the Hospital expense policy, incurred by her in fulfillment of her responsibilities and the business of the Hospital;
 - (b) Pay the registration fees and any reasonable costs incurred by the Executive when attending conferences, seminars, or similar meetings on behalf of the Hospital, and with the agreement of the Chair of the Board.
- 2.2 The Executive agrees to furnish the Hospital with reasonable supporting documentation pertinent to the fees and expenses listed above, for accounting purposes.
- 2.3 The Hospital shall post the reimbursed expenses of the Executive in accordance with the requirements of the *Broader Public Sector Accountability Act*.

3. Representations and Warranties

- 3.1 The Executive warrants that she will, and can, carry out all contractual obligations pursuant to this Employment Contract and appointment in a diligent fashion, and with a high degree of professional competence. The Executive is accountable to the Board of Governors for all of her contractual and employment obligations.
- 3.2 The Executive warrants that she will act competently, loyally and in a trustworthy manner to the best of her knowledge, skill and ability and in accordance with the Hospital's best interest.
- 3.3 All representations, warranties, covenants and limitations of liability in this Employment Contract shall continue in force after the termination of this Employment Contract.

4. Full Time and Attention

- 4.1 Subject to paragraph 4.2 below, the Executive shall, throughout the term of her appointment, devote full time attention to the business and affairs of the Hospital. The Executive acknowledges that this position will include the carrying out of such duties in the evenings and weekends, as may be required from time to time, in addition to regular business hours.
- 4.2 (a) The Executive shall not undertake any other business or occupation or become a director, officer, employee, partner or agent of any other corporation, partnership, firm or person ("Other Organizations"), except with the permission of the Board of Governors.

- (b) The Executive shall, only with the Board of Governors' consent, be entitled to undertake activities for other organizations which are consistent with her responsibilities in respect of raising the profile of the Hospital and/or improving its relationship with key stakeholders such as government (federal, provincial or municipal), other education or research organizations, and other healthcare providers or their respective associations, provided such activities do not interfere with her ability to discharge her responsibilities to the Hospital.

5. *Term of the Employment Contract*

- 5.1 This appointment commences on April 1, 2020 and shall continue until terminated in accordance with this Employment Contract.

6. *Termination of the Employment Contract*

- 6.1 The Executive's employment may be terminated in the following manner:

- 6.1.1 By the Executive, at any time, for any reason, by providing a written notice of resignation four (4) months in advance of the effective date of the resignation. The hospital shall be entitled, in its sole discretion, to accept such resignation effective immediately and pay to the Executive the applicable salary, respective pay in lieu of benefits and pension, and any performance bonus payable during the four (4) month resignation notice period.

- 6.1.2 By the Hospital, in its absolute discretion, without any notice or payment if there is cause for the termination; such action shall require a majority vote of the entire Board. In such case, the Executive shall receive any amounts accrued but not paid, up to and including the date of termination, but nothing further, save and except for her entitlements, if any, under the ESA.

- 6.1.3 By the Hospital where there is no 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 her salary and benefits as permitted by HOODIP, as follows (a) for the month in which the Executive's duties were terminated; (b) for twelve (12) months thereafter if the Executive's employment is terminated with the first year of her employment with the Hospital; and (c) an additional one month for each additional year of completed service after the Executive's first year of employment with the Hospital, 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 clarity, the maximum Salary Continuance Period may be up to twenty-four (24) months.

The Salary Continuance period includes the full amount of notice required by the Employment Standards Act, 2000 ("ESA"), as well as severance pay and all other outstanding entitlements, if any, owing under the ESA. These payments shall fully satisfy the Hospital's notice and severance obligations upon the termination of employment, whether arising under the ESA, the common law or this Employment Contract.

- 6.2 During the "Salary Continuance Period", the Executive's entitlements will be subject to her obligation to mitigate as set out in section 6.4.
- 6.3 During the Salary Continuance Period, the Executive will continue to participate in all benefit plans, including the pension plan, applicable to the position for the duration of the notice period, except as modified by section 6.4, below, with the exception of short term disability (STD), long term disability (LTD) and out of country travel insurance coverage. These benefits (STD, LTD and out of country travel insurance coverage) shall only be continued for the minimum period of time required under the ESA, after which time these benefits shall cease.
- 6.4 The Executive's entitlement to salary continuance under this Employment Contract is subject to her obligation to take active steps to seek and accept reasonable alternative employment during the salary continuance period. If the Executive obtains alternative employment or becomes self-employed during the salary continuance period, she shall notify the Hospital immediately. If the income obtained from such employment or self-employment is equal to or greater than seventy-five percent (75%) of the Executive's total compensation at the time of her termination, the salary continuance payments and benefit continuation shall cease and the Executive shall be paid a lump sum amount equal to fifty percent (50%) of the outstanding salary continuance payments (calculated from the date that the employment or self-employment commenced to the end of the salary continuance period). This payment is in respect of salary continuance for base salary only. The Executive will no longer continue to receive any performance related pay, or continue to participate in any benefit plans or receive pension contributions, or be entitled to pay in lieu of such benefit plans and pension contributions, effective from the date that the employment or self-employment commenced. Despite the foregoing, at no time shall the Executive receive less than her entitlements under the ESA. The hospital shall have no further obligations to the Executive.
- 6.5 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 her discretion, may invoke the provision 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 6.1.3 shall not be paid if the Executive is offered comparable full-time employment (as defined in Section 6.6) in the alternative governance and/or corporate structure.

- 6.6 Comparable full-time employment means employment that pays a salary at least equivalent to 90% of the salary last applicable to the Executive in her position at the Hospital.
- 6.7 The Hospital shall provide, under Termination without Cause, relocation and employment counselling to a maximum value of \$5,000.
- 6.8 It is understood that the Executive's entitlements from the Hospital upon termination shall not be less than the minimum entitlements mandated by the ESA.
- 6.9 Notwithstanding the foregoing, if the Executive is unable, by reason of illness, injury, physical or mental disability or incapacity, to perform her duties and responsibilities for a reasonable period of time, then her employment will be deemed frustrated and terminated without notice, pay in lieu of notice, severance pay or other obligation except as may be required by the ESA. However, the termination of employment in these circumstances will not disentitle the Executive from receipt of any Long Term Disability benefits to which the Executive is entitled in respect of a disability that arose during the currency of her employment.
- 6.10 Upon termination of employment, the Executive is required to return to the Hospital all property, information and material provided to her by the Hospital.
- 6.11 In the event of the Executive's death during the term of this Employment Contract, this Employment Contract shall be automatically terminated, and the Executive's Estate shall not be entitled to receive any remuneration or payments pursuant to this Employment Contract after the date of her death, except in respect of any earned but unpaid salary, vacation pay earned but unpaid, and/or any other benefits which the Executive's Estate is entitled to receive.

7. *Remuneration, Vacation and Benefits*

- 7.1 The Executive shall be paid an annual salary of \$270,500, less any and all deductions required by law, which is inclusive of overtime, holiday and vacation pay.
- 7.2 In addition, the Executive may be paid an annual bonus of up to \$10,000 based on her achievement of the annual performance targets established in the Hospital's annual quality improvement plan, the achievement of other performance objectives established annually by the Hospital, and an assessment of performance based on the Executive's performance appraisal as provided for below in sections 7.3 and 7.4.

- 7.3 In line with Hospital policy, the Board of Governors of the Hospital will perform the assessment and evaluation of the Executive's performance to determine whether the Executive has met the performance objectives as may be, from time to time, set by the Board of Governors. This assessment and evaluation shall be conducted consistent with any applicable policy or procedure which may be established or amended from time to time and having regard to the *Excellent Care for All Act, 2010*, and the *Commitment to the Future of Medicare Act* or any successor or related legislation as well as any notices, compliance directives or orders issued by the Minister pursuant to such legislation, or other related legislation which may be enacted in the future.
- 7.4 The Executive's salary will be reviewed and may be adjusted annually each April 1st as per the Board's approved executive compensation framework and in accordance with the *Broader Public Sector Executive Compensation Act, 2014*, or any successor or related legislation as well as any notices, compliance directives or orders issued by the Minister pursuant to such legislation, or other related legislation which may be enacted in the future..
- 7.5 The Hospital shall provide the Executive with six (6) weeks paid vacation per year. Vacation days shall be taken at times mutually agreed to by the Executive and the Chair of the Board.
- 7.6 In addition, the Hospital will provide the Executive with five (5) days paid vacation per year in recognition of on-call responsibilities. On-call responsibilities and vacation in respect of on-call will be effective after six-months in the position of President and CEO.
- 7.7 The Hospital shall provide the Executive with a smartphone and laptop, as well as remote desktop access.
- 7.8 The Executive shall participate in the benefit plans, including pension plan, as provided by the Hospital, according to the policies that are in place for non-union employees except as amended by this Employment Contract. Participation in these benefit plans will be subject to the terms of the applicable benefit plan or policy in effect from time to time. The Hospital may change these benefits and benefit terms from time to time, in which case the Hospital will advise the Executive of the change(s). The Executive will be subject to the general conditions and limitations in any benefit plan or program which may be changed without notice. For insured benefits, the Hospital is only required to pay their portion of the premiums and shall have no further obligations to the Executive. Termination of benefits will be in accordance with the Termination provisions of this Employment Contract.
- 7.9 The Executive can claim fees associated with two professional certifications/ associations, up to a maximum of \$1,000 each fiscal year.
- 7.10 To ensure the Executive's continuing professional development, the Executive can undertake educational courses and programs that are aligned with professional duties, as approved by the Chair of the Board.

8. Relocation Allowance

8.1 The Hospital shall provide for an allowance of up to \$15,000 toward any relocation expenses, which may include costs incurred for temporary accommodation, while the Executive establishes a household within the City of Kawartha Lakes. The Executive will establish a permanent residence within the City of Kawartha Lakes, or any other community in reasonable distance from the Hospital as may be agreed upon by the Executive and the Chair of the Board, within 12 months. All receipted expenses must be submitted and paid out before March 31, 2021. The Executive must commit to a period of employment of no less than three years. Should the Executive resign prior to completing three years' service, the Executive will be obligated to reimburse the Hospital for a portion of this allowance, as set out below.

Less than one years' service:	100% of the relocation assistance paid
Less than two years' service:	50% of the relocation assistance paid
Less than three years' service:	25% of the relocation assistance paid

9. Hospital's Property

9.1 The Executive acknowledges that all items of any and every nature or kind created or used by the Executive pursuant to her appointment under this Employment Contract, or furnished by the Hospital to the Executive, and all equipment, credit cards, books, records, reports, files, 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, in good condition, promptly on the date she ceases for any reason to be the President and CEO irrespective of the time, manner or cause of the release from her appointment. Without limiting the generality of the foregoing, the Executive further covenants and agrees with the Hospital that all documents, including, without limitation, instructions, drawings, notes, memoranda, drawings, blueprints, manuals, letters, notes, notebooks, reports, sketches, formula, records, files, computer programs, data, inventions, patents and other property relating to the Hospital made or conceived by her during the term hereof or which may come into her possession during her capacity as President and CEO hereunder are the sole and exclusive property of the Hospital and will not without the prior written consent of the Hospital, be removed from the offices of the Hospital (except to the extent necessary in carrying out Executive's duties hereunder) and shall, in any event, be returned to the Hospital upon the Executive ceasing for any reason to be appointed in her capacity as President and CEO.

10. Conflict of Interest

- 10.1 It is understood and agreed that a conflict of interest or the perception of one does not necessarily involve monetary gain, but may arise in a variety of ways. The Executive shall be responsible for recognizing and avoiding all circumstances that may give rise to actual or perceived conflict of interest situations.
- 10.2 The Executive agrees to promptly report any potential, actual, or perceived conflicts of interest to the Board of Governors as established by the Hospital's policies, and understands and agrees that failure to do so will constitute cause for termination under this Employment Contract.
- 10.3 The Executive shall not, during the term of the Employment Contract, under any circumstances, either directly or indirectly, engage in any other occupation, business or entity, or have any interest in same, without the advance written consent of the Board of Governors, and understands and agrees that engaging in such conduct without advance written consent will constitute cause for termination under this Employment Contract.

11. Confidentiality

- 11.1 The Executive acknowledges that in the performance of this Employment Contract, confidential information relating to the Hospital, its patients and the services it provides may be disclosed or become known to the Executive. The Executive agrees that no such confidential information shall be divulged in any form, nor used directly or indirectly for Executive's own purposes or for the purposes of any person, corporation, firm, association or thing other than the Hospital, without the Hospital's prior consent, and understands and agrees that failure to abide by this obligation will constitute cause for termination under this Employment Contract. The Executive acknowledges this obligation shall continue in force after the termination of this Employment Contract.
- 11.2 The Executive acknowledges the information as referred to in Article 11.1 could be used to the detriment of the Hospital. Accordingly, the Executive undertakes not to disclose same to any third party either during the term of this Employment Contract, except as may be necessary in the proper discharge of her responsibilities under the Employment Contract, or at any time after the term of her appointment except with the written permission of the Hospital's Board of Governors. The Executive understands and agrees that violation of this undertaking will constitute cause for termination under this Employment Contract.

12. *Independent Legal Advice*

- 12.1 The Executive acknowledges that she has had an opportunity to obtain independent legal advice prior to the execution of this Employment Contract, that she understands her rights and obligations under this Employment Contract, and that she has voluntarily signed this Employment Contract. Legal fees incurred in the course of negotiating the Employment Contract will be reimbursed up to a maximum of \$2,000 on receipt of the invoice for the legal fees for the same.

13. *Assignment of the Employment Contract*

- 13.1 The rights and obligations of the Hospital under this Employment Contract shall pass to, and be binding upon, its successors and assigns. The rights and obligations of the Executive under this Employment Contract are not assignable or transferable in any manner except as specified herein.

14. *Severability*

- 14.1 The Hospital and Executive agree that if any of the provisions or a part of a provision of this Employment Contract are deemed illegal or unenforceable, such provisions shall be considered separate and severable from this Employment Contract, and the remaining provisions or part of a provision of the Employment Contract shall continue in force, and be binding upon the parties as though such provision or part of a provision had never been included.

15. *Entire Employment Contract*

- 15.1 This Employment Contract constitutes the entire agreement between the parties. There are no other agreements, understandings, representations or warranties, either collateral, oral or otherwise.
- 15.2 Any disputes as to the validity, interpretation, and performance of this Employment Contract shall be determined in accordance with the laws and by the Courts of the Province of Ontario.

16. *Amendments and Waiver*

- 16.1 No amendments to this Employment Contract shall be valid or binding unless set forth in writing and duly executed by the parties hereto. No waiver of any breach of any term or provision of this Employment Contract shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

17. *Governing Law*

- 17.1 This Employment Contract shall be governed by and interpreted in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties hereto have caused this Employment Contract to be executed:

THE HOSPITAL

Per

Valerie L Harris

Val Harris, Chair - Board of Directors
Ross Memorial Hospital

December 3, 2019

Date

I have read, understand and accept the terms and conditions of this Employment Contract.

DATED at Amvici, Ontario this 2nd day of December, 2019.

Kelly Isfan
Kelly Isfan

Witness
Witness