

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is effective as of the 6th day of July, 2020.

BETWEEN:

PETERBOROUGH REGIONAL HEALTH CENTRE

(hereinafter referred to as the "Employer")

- AND -

DR. PETER MCLAUGHLIN

(hereinafter referred to as the "Employee")

WHEREAS the Employee is employed by the Employer as President and Chief Executive Officer pursuant to an employment contract effective June 1, 2016;

AND WHEREAS the Employer wishes to continue to employ the Employee as President and Chief Executive Officer and the Employee wishes to be employed by the Employer in the capacity and upon the terms set forth in this Agreement;

AND WHEREAS the Board of Directors of the Employer has approved this Agreement;

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

1. EMPLOYMENT

- (a) The Employee is employed as the President and Chief Executive Officer of the Employer.
- (b) Subject to subsection (c), the Employee is employed on a full-time basis for the Employer and it is understood that the hours of work involved will vary and may be irregular.
- (c) The Employee shall also be permitted to continue in his clinical duties in the catheterization lab as a member of the medical staff of the Employer for a maximum of 0.5 days per week. Such clinical duties are compensated through OHIP. Should the Employee decide to discontinue these clinical duties, his salary will not increase.
- (d) The Employee agrees to carry out all lawful instructions given to the Employee by the Employer.

- (e) The Employee agrees to observe all policies of the Employer as the Employer may in its absolute discretion create from time to time and to perform all services associated with the position herein.
- (f) The Employee agrees that during the currency of this Agreement, the Employee shall devote the Employee's full-time and skill to the duties and responsibilities contemplated herein and shall not be engaged in any other employment in any other capacity, except as set out in subsection 1(c) of this Agreement, or any other activity that interferes with the provision of the services contemplated herein or that is for the benefit of any person, corporation or enterprise whose business interests are either competitive or in conflict with those of the Employer. Requested participation of the Employee in an external project or other undertaking, deemed advantageous to the Employer and the Employee's professional development, is subject to the approval of the Chair of the Board of Directors.

2. NON-DISCLOSURE

The Employee shall not (either during the continuance of his employment or any time thereafter) disclose any information relating to the private or confidential affairs of the Employer to any person other than for the purposes of the Employer or as required by law.

3. PREVIOUS AGREEMENTS

The Employee's employment with the Employer was previously governed by a contract of employment dated June 1, 2016. The parties agree that the terms of any previous contract of employment between the parties, including without limit the contract of employment dated June 1, 2016, are replaced and superseded by the terms of this Agreement.

4. TERM OF EMPLOYMENT

Subject to being terminated at an earlier date pursuant to the provisions of section 10 of this Agreement, the term of this Agreement shall be for a fixed term commencing on July 6, 2020 and ending on May 31, 2023 (the "Termination Date").

Where the parties enter into negotiations to renew the Agreement, an agreement to renew ("Renewal Agreement") must be entered into no less than six (6) months preceding the Termination Date. If a Renewal Agreement is not entered into within six (6) months preceding the Termination Date, the Agreement will expire and the employment of the Employee will end on the Termination Date in accordance with section 10 of this Agreement.

5. SALARY AND BENEFITS

- (a) The Employer shall provide the Employee with a gross annual salary of \$380,000 (subject to statutory withholdings and deductions) for the performance of his duties as President and Chief Executive Officer. The salary is to be paid at such times and in such fashion as is in keeping with the ordinary practices and policies of the Employer. Such salary shall be reviewed periodically by the Employer and may be increased from time to time by the Employer as the Employer may in its absolute discretion decide without the necessity of an amendment hereto, subject to the terms of any applicable legislation, including the *Broader Public Sector Accountability Act, 2010*, the *Broader Public Sector Executive Compensation Act, 2014* and the *Protecting a Sustainable Public Sector for Future Generations Act, 2019*. The Employer agrees to review the Employee's salary and other compensation arrangements if the Government of the Province of Ontario enacts or amends wage restraint legislation in a manner which allows public hospitals to adjust the compensation arrangements of executives. Any adjustment to the Employee's compensation arrangements as a consequence of such review shall be retroactive to the date that legislation allows such adjustment to occur.
- (b) The Employee shall determine the annual and long-term goals and objectives which shall be reviewed by and approved by the Board of Directors. The Board of Directors shall conduct a performance evaluation of the Employee in the 1st quarter of each fiscal year, to determine the extent to which the Employee has been successful in achieving the goals and objectives set in the preceding fiscal year.
- (c) The Employee is not eligible to participate in the Employer's benefit plans that it provides to employees and other executives. In lieu, the Employee shall remain enrolled in the benefit plan provided by through the University of Toronto Pension Plan by Green Shield Canada and the Employer shall reimburse the Employee the premium cost of the Green Shield Canada benefits. The Employer shall also provide a healthcare spending account to an annual maximum of \$3,500, with a maximum carry-over at any time of a two-year maximum of \$7,000. The Employee forfeits any amount of the healthcare spending account not used in each year over and above the two year maximum carry forward.
- (d) Unlike other employees and executives employed by the Employer, the Employee will not be eligible to participate in the Healthcare of Ontario Pension Plan ("HOOPP"). In lieu of participation in HOOPP, provided that the Employee's employment is not terminated for cause, the Employer shall provide the Employee with a retiring allowance in an amount equal to \$20,000 for each year of completed service since June 1, 2016. The retirement allowance will be payable in a maximum of five equal

instalments in each year after the Termination Date or earlier termination date in accordance with section 10 of this Agreement.

- (e) The Employee is subject to at-risk pay tied to the achievement of specific targets, in accordance with the Employer's Annual Quality Improvement Plan ("QIP"), in compliance with the *Excellent Care for All Act*, 2010. The amount of at-risk pay shall be 2% of gross annual salary. A portion of the at-risk payment is linked to achieving specific targets under the QIP. If such target is not achieved, the portion of at-risk pay will be withheld from the Employee's gross annual salary in the following fiscal year on a schedule to be determined by the Board in consultation with the Employee.
- (f) The Employer will provide the Employee with any and all office equipment reasonably necessary to perform the duties contemplated herein. The Employer shall also reimburse the Employee for all legitimate business expenses including travel expenses which are approved by the Employer and which are incurred by the Employee in the performance of the services contemplated herein. Upon request, the Employee shall provide the Employer with vouchers, receipts, statements and other requested documentation in respect of all such expenses.

6. VACATION

In each full year of employment, the Employee shall be entitled to six (6) weeks' paid vacation to be taken at a time mutually agreeable to the Employee and the Board. It is understood that vacation entitlement may not be accumulated but must, with respect to any completed year, be taken within the twelve (12) months following the end of such year unless otherwise approved by the Chair of the Board of Directors.

7. AUTOMOBILE ALLOWANCE

The Employee is entitled to an automobile allowance of \$1000 per month as a taxable benefit.

8. MEMBERSHIP FEES

The Employer shall pay the cost of the Employee's professional membership fees in up to two (2) health care professional associations.

9. PROFESSIONAL DEVELOPMENT ACTIVITY

The Employer will pay, subject to the Chair's approval, the Employee's registration and travel expenses associated with reasonable ongoing professional development activity. For all such expenses, the Employee shall furnish to the Employer statements and vouchers as and when required by the Employer.

10. TERMINATION OF EMPLOYMENT

Notwithstanding anything herein contained to the contrary, this Agreement may be terminated in the following manner:

(a) Termination for Cause

This Agreement may be terminated effective at any time for cause by the Employer giving notice in writing of such termination to the Employee. If this Agreement and the employment of the Employee hereunder are terminated for cause, the Employee shall receive any statutory benefits to which the Employee is entitled and shall continue to accrue and receive the Employee's annual salary and benefits through to the date of termination indicated in the termination notice and no more, except as may be required by the Ontario *Employment Standards Act, 2000*, as amended (the "ESA").

(b) Termination Date

This Agreement shall end on the Termination Date. If the Employee is entitled to receive severance pay at that time, the Employer shall provide severance pay.

(c) Termination Without Cause

The Employer is entitled to terminate this Agreement without cause at any time prior to the Termination Date by providing the Employee with accrued wages to the date of termination and a notice period of eighteen (18) months (the "Notice Period"). Such Notice Period shall consist of the following:

- (i) Notice of termination, pay in lieu of notice (or some combination thereof at the Employer's sole option) as prescribed by the minimum statutory notice of termination period in the ESA, along with minimum statutory entitlements during the ESA notice period, including for vacation pay and benefit continuation;
- (ii) A lump sum that is equal to the number of weeks' statutory severance pay to which the Employee is entitled under the ESA;
- (iii) Such additional salary continuance or pay in lieu of salary, or some combination thereof at the Employer's sole option, of the remaining Notice Period after accounting for the notice, pay in lieu of notice and severance pay made under (i) and (ii);
- (iv) Continued reimbursement by the Employer for the Green Shield Canada benefits plans for the Notice Period and continued provision of the healthcare spending account, provided that the Employee continues to be enrolled in such benefits; and

- (v) Payment of any accrued retiring allowance as set out in subsection 5(d).

The Employee hereby acknowledges that the Notice Period is reasonable and that it satisfies all claims, whether at common law or under the ESA, which the Employee may have for wrongful dismissal, severance pay or notice of termination. In no event shall the Employee receive less than his entitlements under the ESA.

- (d) Termination by the Employee

This Agreement and the employment of the Employee hereunder may be terminated at any time by the Employee giving to the Employer ninety (90) calendar days' notice of resignation in writing. Upon receipt of such notice, the Employer, in its sole discretion, may, by notice in writing, waive the notice of resignation period in whole or in part by specifying an earlier termination date; however, in such an event, the Employee shall be paid the outstanding portion of annual salary for such waived period. All other entitlements shall cease as of the earlier termination date.

- (e) Termination by Mutual Agreement

This Agreement and the employment of the Employee hereunder may be terminated by mutual agreement of the parties hereto in writing, in which event the Employee shall continue to accrue and receive the Employee's annual salary and benefits through to the date of termination specified in such mutual agreement.

- (f) Termination by Permanent Disability

Unless otherwise determined by the Board, the Employee shall be removed from his employment and the position of President and Chief Executive Officer in the event he is unable to perform a majority of his duties for a period of six months because of any health issue or disability. In the event of such termination, the Employee shall be entitled only to his minimum entitlements under the ESA.

- (g) Termination by Death

This Agreement and the employment of the Employee hereunder shall be automatically terminated by the death of the Employee. All compensation to the Employee shall cease at the Employee's death, with the exception that any accrued retiring allowance as set out in section 4(d) will be paid to the Employee's estate directly in one lump sum payment.

11. OWNERSHIP OF PROPERTY

- (a) The Employee agrees that during the term of his employment with the Employer and thereafter any and all equipment, devices or other property

provided to the Employee by the Employer shall remain the property of the Employer. The foregoing shall include all property (whether in electronic or hard copy form) including without limitation computers, peripherals, software, cellular phones, keys, door passes and any other equipment.

- (b) Upon termination of this Agreement, the Employee shall immediately return to the Employer any and all of the foregoing property and shall return to the Employer any other property which has been leased or rented by the Employer for use by the Employee, unless otherwise agreed that the Employee may purchase the property at fair market value as determined by the Employer.
- (c) The Employee agrees that upon termination of this Agreement the Employee shall take all reasonable steps required by the Employer to assist in the orderly transfer of the information, documentation and other property of the Employer in the possession of the Employee.

12. NOTICES

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To the Employee: delivered by hand or sent to his home address

To the Employer: One Hospital Drive, Peterborough, ON, K9J 7C6

13. ARBITRATION

Any issues arising out of the application, interpretation or administration of this Agreement shall be determined by final and binding arbitration pursuant to the Arbitration Act. The Arbitrator shall be appointed in accordance with the Arbitration Act and the Arbitrator shall have the power to award compensation, or damages in case of breach of the terms of this Agreement. However, the Arbitrator shall not have the power to order reinstatement of the Employee nor shall he/she have the power to amend, or alter in any way the terms of this Agreement.

14. ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties hereto with respect to the employment of the Employee and any and all previous agreements and representations, written or oral, express or implied, between the parties hereto or on their behalf, relating to the employment of the Employee by the Employer are hereby terminated and cancelled and each of the parties hereto hereby releases and forever discharges the other of and from all manner of actions, causes of action, claims and demands whatsoever under or in respect of any such prior agreements and representations. Except as provided

herein, no amendment or variation of any of the provisions of this Agreement shall be valid unless made in writing and signed by each of the parties hereto.

15. SEVERABILITY

In the event that any provision herein or part thereof shall be deemed void, invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions and all rights accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall, to the extent permitted by law, be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal or unenforceable provision.

16. ENUREMENT

The Employee may not assign, pledge or encumber the Employee's interest in this Agreement nor assign any of the rights or duties of the Employee under this Agreement without prior written consent of the Employer. This Agreement shall be binding on and inure to the benefit of the successors and assigns of the Employer and the heirs, executors, personal legal representatives and permitted assigns of the Employee.

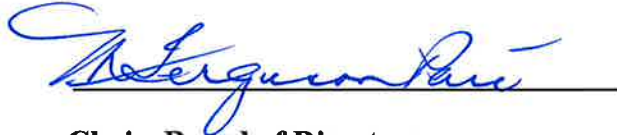
17. INDEPENDENT LEGAL ADVICE

The Employee acknowledges that he has read and understands this Agreement and acknowledges that he has had the opportunity to obtain independent legal advice with respect to it.

Signatures on next page

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

For Peterborough Regional Health Centre



Chair, Board of Directors


Witness
Dr. Peter McLaughlin

