

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is effective as of the 31st day of March, 2023 (the “Effective Date”) or such earlier date as the parties mutually agree.

BETWEEN:

PETERBOROUGH REGIONAL HEALTH CENTRE

(hereinafter referred to as the "Employer")

- AND-

DR. LYNN MIKULA

(hereinafter referred to as the "Employee")

WHEREAS the Employee is employed by the Employer as Executive Vice President, Chief of Staff, Chief Medical Executive and Chief Medical Information Officer of the Employer;

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;

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

1. EMPLOYMENT

- (a) From the Effective Date, or such earlier date as the parties mutually agree, the Employee is employed as the President and Chief Executive Officer of the Employer.
- (b) 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, and the compensation set out herein compensates the Employee for all hours worked.
- (c) The Employee will report to the Employer’s Board of Directors, and agrees to carry out all lawful instructions given to the Employee by the Chair of the Employer’s Board of Directors (the “Chair”) or their delegate.
- (d) The Employee agrees to observe all policies of the Employer as the Employer may in its absolute discretion create and amend from time to time and to perform all services associated with the position herein.

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 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. The Employee is in all respects a fiduciary to the Employer and is obligated to observe all fiduciary obligations and duties imposed by law both while employed by the Employer and thereafter. The Employee will not place herself in a position which may be in conflict in any way with the Employer's best interests.

2. NON-DISCLOSURE

- (a) The Employee acknowledges that during her employment with the Employer, she will acquire access to confidential information. Confidential information includes, but is not limited to, information pertaining to finances, patients, employees, and supplier information, including personal health information under the *Personal Health Information Protection Act, 2004*, computer programs, private business activities, organizational plans and strategies, marketing information or plans, procedures, systems, and practices, negotiations of contracts, and any other information which in good faith and good conscience ought to be treated as confidential related to the Employer and any of its patients, patient families, employees or contractors.
- (b) During her employment and thereafter, the Employee shall:
 - (i) Maintain the strictest confidence and secrecy of all Confidential Information;
 - (ii) Take all reasonable precautions to prevent the unauthorized disclosure and dissemination of Confidential Information;
 - (iii) Not use Confidential Information for her own benefit or for the benefit of any other person; and
 - (iv) Not disclose to any other person or entity any Confidential Information at any time, either orally or in writing, or otherwise, in any manner, directly or indirectly, unless and until such Confidential Information has ceased to be confidential.
- (c) The Employee shall not (either during her 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.

- (d) The obligations in this Agreement in respect of Confidential Information also apply to personal health information under the *Personal Health Information Protection Act, 2004*, and in the event of any conflict, the higher standard will apply. The Employee shall comply with all relevant requirements including the *Personal Health Information Protection Act, 2004* and the *Freedom of Information and Protection of Privacy Act, 2004*, and any other applicable legislation and regulations thereunder with respect to the confidentiality of medical or hospital records.
- (e) All Confidential Information and property of the Employer shall be promptly returned upon request by the Employer, and upon termination of this Agreement.

3. PREVIOUS AGREEMENTS

The Employee's employment with the Employer was previously governed by a contract of employment dated January 1, 2022. The parties agree that the terms of any previous contract of employment between the parties, including without limit the contract of employment dated January 1, 2022, 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 the Effective Date, or such earlier date as the parties mutually agree, and ending on May 31, 2028 (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 \$418,000 (subject to statutory withholdings and deductions) for the performance of her 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 and associated directives, 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 and the Board of Directors shall mutually determine and agree upon the semi-annual and long-term goals and objectives for her position. The Board of Directors shall conduct a performance evaluation of the Employee in the first 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. The Board of Directors shall conduct two 360 reviews, or a no-less rigorous review as determined by the Board of Directors, one year from the Effective Date and three years from the Effective Date. Any such review shall include external stakeholders.
- (c) The Employee shall continue to participate in such health and dental benefits as are enjoyed from time to time generally by employees in accordance with the established practices and policies of the Employer as the Employer may in its absolute discretion create or amend from time to time. In this regard, the Employee acknowledges having received a copy of the benefit documentation in force as of the date hereof. The Employer's obligation is limited to the payment of any employer premiums for each benefits plan. Any payment under any group benefit plan will be made by the insurer and not the Employer. The Employer has the right at any time and without notice to change any insurance carrier or to agree with the insurer to changes in the insurance policy, including any changes to coverage, entitlement or payment relating thereto.
- (d) The Employee shall be entitled to continue to participate in the Healthcare of Ontario Pension Plan ("HOOPP").
- (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 that this Agreement is for a fixed term and will end automatically on the Termination Date, and notwithstanding anything herein contained to the contrary, this Agreement may also 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 all her minimum statutory entitlements required under the Ontario *Employment Standards Act, 2000*, as amended from time to time ("ESA"), if any, and only those minimum statutory entitlements, if any, which may include (all only as and if applicable and required by the ESA) accrued and outstanding wages and

vacation pay (and vacation pay during any statutory notice period, if applicable), statutory notice or statutory pay in lieu of notice, statutory severance pay, statutory benefit continuation, and any other minimum statutory entitlement required by the ESA.

(b) Termination Date

This Agreement shall end on the Termination Date, in which case the only obligations owing by the Employer to the Employee shall be any additional entitlements required under the ESA, if any, which may include (all only as and if applicable and required by the ESA) accrued and outstanding wages and vacation pay (and vacation pay during any statutory notice period, if applicable), statutory notice or statutory pay in lieu of notice, statutory severance pay, statutory benefit continuation, and any other minimum statutory entitlement required by the ESA.

(c) Termination Without Cause

The Employer is entitled to terminate this Agreement without cause prior to the Termination Date by providing the Employee with accrued wages to the date of termination and a notice period of sixteen (16) months plus one month per year of service from the Effective Date to a maximum total notice period of eighteen (18) months (the "Notice Period"). Such Notice Period shall consist of the following:

- (i) The minimum statutory notice of termination, pay in lieu of notice, or some combination thereof at the Employer's sole option as prescribed by the ESA, along with all other minimum statutory entitlements during the ESA notice period, including for vacation pay and benefit continuation;
- (ii) Continued participation in all benefit plans and HOOPP during the minimum statutory notice period prescribed by the ESA;
- (iii) A lump sum that is equal to the number of weeks' statutory severance pay to which the Employee is entitled under the ESA;
- (iv) 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 (iii), and for clarity, this additional continuance or pay in lieu shall be calculated based only on the Employee's base salary including any at-risk amounts;
- (v) Continued participation in health and dental benefit plans and HOOPP, as permitted by the carriers, during the remaining Notice Period. For clarity, participation in short-term and long-term disability benefits shall cease at the end of the minimum statutory notice period prescribed by the ESA and will not be continued for the remainder of the Notice Period.

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. For clarity, the Employee agrees that she is not entitled to common law notice of termination beyond the provisions herein. In no event shall the Employee receive less than her entitlements under the ESA. Prior to receiving any Notice Period or other amounts that are in excess of ESA minimum entitlements, the Employee shall execute a standard full and final release of claims and indemnity in a form satisfactory to the Employer.

(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 except as may otherwise be required by the ESA. The Employee shall in all cases receive all entitlements under the ESA.

(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.

11. OWNERSHIP OF PROPERTY

- (a) The Employee agrees that during the term of her 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 her home address

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

13. 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, including the prior version of this Agreement executed on **December 19, 2022** 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.

14. GOVERNING LAW

This Agreement shall be construed in accordance with the law of the Province of Ontario and the federal laws of Canada applicable therein.

15. SEVERABILITY AND EMPLOYMENT STANDARDS

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. All covenants, provisions and restrictions in this agreement shall be interpreted in accordance with the ESA, and if a greater entitlement is provided for under the ESA than as set out in any covenant, provision or restriction of this agreement, that greater entitlement shall prevail, the Employee's entitlements shall be increased only to the extent necessary to satisfy such greater entitlement, and the Employer will provide such greater entitlement.

16. NO WAIVER

The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall a waiver by either party of the breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

17. 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.

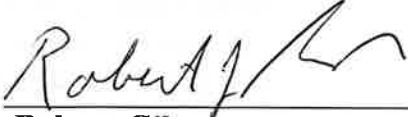
18. INDEPENDENT LEGAL ADVICE

The Employee acknowledges that she has read and understands this Agreement and acknowledges that she has had the opportunity to obtain independent legal advice with respect to it. This Agreement will be interpreted as if both parties had equally participated in its negotiation and preparation. Each party waives any rule of law or interpretation that requires or allows any presumption or conclusion that the Agreement should be interpreted more strictly or more adversely against the drawer or preparer of this Agreement.


Signatures on Next Page

IN WITNESS WHEREOF the parties hereto executed this Agreement that is effective on the day, month and year first above written.

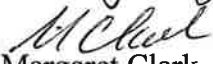
For Peterborough Regional Health Centre

Per: 

Robert Gibson
Chair, Board of Directors
Date:



Dr. Lynn Mikula
Date: *January 30, 2023*

Witness: 
Margaret Clark
Date: *January 30, 2023*