

EMPLOYMENT CONTRACT

B E T W E E N:

**THE SOUTH WEST CCAC
(the "Employer")**

OF THE FIRST PART

and

**SANDRA COLEMAN
(the "Executive")**

OF THE SECOND PART

WHEREAS the Employer is a Community Care Access Corporation as defined in the *Community Care Access Corporations Act 2001* (the "Act");

AND WHEREAS the Executive is a key executive and has made valuable contributions to the operations of the Employer;

AND WHEREAS the Executive has been employed with the Employer or its predecessor since April 17, 2001 and has served in the position of Chief Executive Officer pursuant to the terms and conditions set out in an Employment Agreement made as of April 1, 2009 (the "Former Agreement") and April 1, 2012;

AND WHEREAS the Employer and the Executive wish to modify the terms and conditions of their employment relationship, effective January 1, 2014,.

THEREFORE, in consideration of the mutual promises and covenants set forth, and other good and sufficient consideration, the parties hereto covenant, agree and acknowledge as follows:

1. APPOINTMENT AND TERM

- 1.1 The Employer and the Executive agree that the above preamble shall form part of this Employment Agreement ("Agreement").
- 1.2 Subject to the terms and conditions of this Agreement, the Employer will continue to employ the Executive in the position of Chief Executive Officer ("CEO") and the Executive hereby accepts such continuing employment.
- 1.3 For purposes of this Agreement the Executive's term of employment with the Employer commenced on April 17, 2001 and the Executive's employment shall continue until terminated in accordance with the provisions of this Agreement.

2. DUTIES AND RESPONSIBILITIES

- 2.1 As CEO, the Executive will continue to exercise the authorities, duties and responsibilities of the most senior administrator at the Employer, and as delegated by the Board of Directors (the "Board"), to

represent, manage and direct the operations of the Employer, subject always to the control and direction of the Board. In this capacity, the Executive must well and faithfully serve the Employer, and must make all efforts to protect and promote the Employer's goals and interests, as a fiduciary of the Employer.

- 2.2. The Executive is accountable to the Board for the overall leadership and management of the Employer and the management, funding, integration and coordination of health care services in the geographic area in accordance with the mission, policies, standards and objectives established by the Board, legislation, and any applicable directives, policies or directions of the Minister or Local Health Integration Network.
- 2.3. Within the authority delegated or otherwise assigned to the Executive from time-to-time, the Executive will be responsible for the matters described in Appendix 'A' attached hereto and forming part of this Agreement.
- 2.4. The Executive shall be employed in the South West with the head office in London, Ontario.
- 2.5. The direct reporting relationship for the Executive, as CEO of the Employer, will be to the Board and, as such, the Executive must regularly report, and be accountable, to the Board.
- 2.6. Unless prevented by ill health or otherwise granted prior written consent by the Board, the Executive shall devote all of her working time, attention and ability to the business and affairs of the Employer in her capacity as CEO and the Executive shall not be employed by, provide services to, or otherwise be engaged in, any other organization. Notwithstanding the foregoing, it is recognized that it will be a normal and expected part of the Executive's duties and responsibilities under this Agreement that the Executive may serve as a voluntary member on the board of directors of other related organizations and associations and/or otherwise represent the Employer on suitable external task groups and committees.

3. COMPENSATION

For purposes of administering this Agreement, the compensation year of the Executive shall commence April 1 of each year and end on March 31 of the next following year.

Subject to termination in accordance with this Agreement and in accordance with Board Policy related to CEO compensation and at all times in accordance with the law, the Employer agrees to provide the Executive with the following compensation.

3.1 Base Salary

- a. Effective January 1, 2014, the Executive will be paid an annual base salary of \$290,000 ("Base Salary"), payable in arrears in equal bi-weekly installments, subject to any and all necessary withholdings and deductions.
- b. The Executive's compensation shall be reviewed annually by the Executive Compensation Committee of the Board. In considering the level of compensation, the Board shall have regard to:

- (i) Board Policy on CEO compensation; and
 - (ii) such other factors as (i) the Executive's time in employment with the Employer; (ii) an assessment of the Executive's performance; (iii) the Executive's successful completion of any professional development programs or education related to the Executive's duties as CEO; (iv) economic increase based on inflation; (v) the average annual increase then approved by the Employer for its other senior executives.
- c. On the basis of such review the Employer may adjust and increase the Executive's then current Base Salary such that Executive is reasonably and fairly compensated in relation to Board Policy.
- d. The Executive Compensation Committee may engage the services of an executive compensation expert, as and when required, to provide advice and other assistance to the Board.
- e. Any annual base salary adjustments shall occur in the spring and shall be effective as of April 1st of that year. The Board Chair will communicate any such increase to the Executive in writing, which will thereby automatically amend this Agreement.
- f. In establishing any annual base salary adjustments, the Board may also consider the Executive's attainment of full performance incentive payouts and/or whether the failure to achieve full performance incentive payout may be related to challenges beyond the Executive's and/or the Employer's control

3.2 **Performance Incentive**

Subject to Board Policy on CEO compensation and any directives/guidelines from the Ministry of Health and Long Term Care for employers in the Broader Public Sector, the Board may provide performance incentive compensation to the Executive as follows:

- a. The Board, in consultation with the Executive, will establish annual and long term goals and objectives for the Executive. The Board (or a committee of the Board) shall conduct a performance evaluation of the Executive in the 1st quarter of each compensation year, to determine the extent to which the Executive has been successful in achieving the goals and objectives set in the preceding compensation year.
- b. Upon completion of each such evaluation, the Board will determine whether the Executive is eligible to receive an annual lump sum payment of up to 10% of her base salary, as a performance incentive payment in consideration of the achievement of the goals and objectives.
- c. If the Board determines that the Executive is entitled to receive such performance incentive, the amount so awarded shall be paid to the Executive within 30 days of such determination.
- d. The performance incentive pay is pensionable for the purposes of the Healthcare of Ontario Pension Plan (HOOPP).

3.3 **Benefits**

- a. The Executive will be entitled to participate in all of the benefits available to other senior executive employees of the Employer from time to time in effect, subject to, and in accordance with, the terms and conditions of the applicable benefit plans.
- b. Membership in HOOPP per the terms and conditions of HOOPP. The Employer pays the employer contributions and the Executive pays the employee contributions.
- c. The Executive shall be entitled to six (6) weeks (i.e. 30 working days) of paid vacation for each year of employment, which will accrue at the rate of approximately 1.15 days per completed bi-weekly pay period (actual amount is based on 30 days per year/26 pay periods per year), subject to, and in accordance with, the Employer's vacation policies in effect from time to time or as amended by this paragraph. The vacation must be taken each year save and except that a maximum of 1 week of vacation may be carried forward to the following year.
- d. The Executive shall be entitled such statutory and other holidays as the Board provides to managerial staff of the Employer.
- e. The Employer shall pay reasonable educational expenses that have been approved by the Board in advance of the expense being incurred or pursuant to a policy of the Board.
- f. So long as the Executive remains actively employed by the Employer, the Executive will be provided with a blackberry/iPhone, iPad and a laptop computer, which are required by the Executive in order to perform her duties and responsibilities under this Agreement. For greater certainty, all expenses related to this equipment, including, but not limited to, the costs for telecom services and long-distance charges shall be paid by the Employer.
- g. It is understood that the Employer's responsibility for any insurance, pension or benefit plans is limited to the contribution of the Employer's agreed share of premiums and the Employer is not the insurer of any benefits provided pursuant to such plans.

3.4 Expenses

The Employer will reimburse the Executive for all reasonable business-related expenses, including, but not limited to, expenses for conferences, courses, and related travel and mileage for the Executive, incidental and other expenses actually and properly incurred by the Executive directly in the course of her employment with the Employer in accordance with, and subject to, the Employer's expense policies in effect from time to time. An expense report, along with appropriate statements, vouchers and receipts verifying such expenses, shall be submitted for approval by the Chair or Vice-Chair of the Board

4. **TERMINATION**

The Executive's employment with the Employer under this Agreement will terminate in the following circumstances.

4.1 Termination Without Cause

- a. The Employer may terminate this Agreement and the employment of the Executive without cause at any time during the term of this Agreement by delivering written notice to the Executive.
- b. In the event of termination by the Employer without cause, the Executive shall receive in lieu of notice, payment of six (6) months base salary plus payment of one (1) month's base salary for each completed year of service, to a maximum in total of twenty-four (24) months base salary, less any withholding taxes and other required deductions ("Pay-in-Lieu of Notice Period").
- c. Any Pay-in-Lieu of Notice Period payment may be paid by the Employer, in its sole discretion, either by way of salary continuation, by way of a lump sum payment or any combination of the foregoing.
- d. For greater certainty, during any Pay-in-Lieu of Notice Period:
 - (i) The Employer will continue to pay to the Executive, an amount (less required deductions) equal to the Executive's annual Base Salary as of her termination date for the Pay-in-Lieu of Notice Period.
 - (ii) All benefits as referenced in Article 4 above, excluding long term disability benefits, will continue until the earlier of: (A) the last date in the Pay-in-Lieu of Notice period; or (B) the date that the Executive otherwise obtains replacement coverage for such benefits from new employment. In the event that the Employer is not able to continue said benefits, it will compensate the Executive by way of a lump sum payment equivalent to the cost to the Employer for the said benefits for the Pay-in-Lieu of Notice Period.
 - (iii) Should the Executive obtain alternate comparable employment in Ontario at any time prior to the expiration of the Pay-in-Lieu of Notice Period immediately following the date of termination, the Employer would only continue to pay the difference, if any, in the salary and benefits. By example, if the Executive's alternate position was to pay Twenty Thousand Dollars (\$20,000.00) a year less, then the Employer would pay this difference to the Executive for the balance of the Pay-in-Lieu of Notice Period. Similarly, contributions would continue to be made to the HOOP pension plan in the event that the Executive's alternate position does not offer the HOOP pension plan.

4.2 Termination for Cause

Without limiting or otherwise affecting any of the remedies that the Employer may have hereunder, the Employer may immediately terminate the Executive's employment, at any time, for cause (without notice or payment of compensation in lieu of notice or damages of any kind) by notifying the Executive in writing of such termination. For greater certainty, "cause", which shall mean cause as defined at common law.

4.3 **Resignation**

The Executive may terminate her employment, at any time, by providing where practical three (3) months, but in no event less than 60 days, written notice (or such lesser notice upon which the parties may mutually agree) of her resignation date to the Employer. The Employer may waive the notice, in whole or in part, and the Executive hereby agrees to accept any such waiver in that regard.

If the Executive voluntarily resigns from her employment, she shall not be entitled to any notice or severance.

4.4 **Release**

The parties confirm that the provisions in paragraphs 4 of this Agreement are fair and reasonable, and are in full satisfaction of any and all entitlements that the Executive may have, pursuant to statute (including any claim for termination pay or severance pay under the then applicable employment standards legislation), contract, common law or otherwise, as a result of the termination of the Executive's employment with the Employer. The parties further agree that, upon any termination of the Executive's employment, the Executive will have no action, cause of action, claim, complaint or demand whatsoever against the Employer, its respective successors or assigns, or any of its officers, directors, executives or agents or any other person as a consequence of such termination.

5. **CONFLICT OF INTEREST**

The Executive shall devote her full attention to the performance of the duties of CEO of the Employer and shall not engage in any activity or undertake other responsibilities or positions that conflict or potentially conflict with those duties. The Executive shall disclose to the Chair of the Board without delay any circumstances that may be reasonably interpreted as creating a conflict of interest or a potential conflict of interest with the position or duties as CEO.

6. **CONFIDENTIALITY**

During and following the term of this Agreement, the CEO shall not divulge any information of a character confidential to the Employer except as required by law. For the purposes of this section "information of a character confidential to the Employer" means information that is not generally available to the public.

7. **GENERAL PROVISIONS**

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

b. In the event that any covenant or provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, by any Court or tribunal of competent jurisdiction, the parties hereto acknowledge and agree that such invalidity or unenforceability will attach only to such provision or part of such provision, and the remaining part of such provision and all other provisions of this Agreement will continue in full force and effect.

c. Any notice to be made or given in connection with this Agreement will be made or given in writing and may be made or given by personal delivery or by registered mail or courier (with all delivery charges prepaid), and addressed to the Executive or the Board Chair (as the case may be) at his/her last known address.

d. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto; their respective permitted heirs, executors, administrators, legal personal representatives, successors and assigns.

e. The Executive hereby acknowledges having read and understood all of the provisions of this Agreement and agrees to be fully bound by all of the terms, conditions and covenants contained in this Agreement. The Executive acknowledges that she has obtained or has had the opportunity to obtain legal advice in connection with the terms and conditions of this Agreement.

f. This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto, except as otherwise specifically provided for in this Agreement. Also unless otherwise specifically provided for in this Agreement, no waiver of any breach of any provision of this Agreement will 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, will be limited to the specific breach waived.

g. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of the Agreement and supersedes all previous negotiations, communications, and other agreements relating thereto, unless specifically incorporated by reference herein. There are no representations, warranties, conditions, undertakings or other agreements, express or implied, between the parties other than as expressly set forth in this Agreement.

h. This Agreement is effective from January 1, 2014.

Signed this 5th day of March, 2014 by

Mary Lapaine, Board Chair

Sandra Coleman, CEO