

**PRESIDENT & CHIEF EXECUTIVE OFFICER  
EMPLOYMENT AGREEMENT**

THIS AGREEMENT made as of the 1<sup>st</sup> day of January, 2015.

BETWEEN:

**RED LAKE MARGARET COCHENOUR MEMORIAL HOSPITAL**

a corporation incorporated under the laws of the  
Province of Ontario and having its principal place  
of business in Ontario

(hereinafter referred to as "RLMCMH")  
and

**ANGELA BISHOP**

of the Province of Ontario  
(hereinafter referred to as "CEO")

WHEREAS RLMCMH desires to obtain the benefit of the services of the CEO, and the CEO desires to render such services on the terms and conditions set forth in this agreement (the "Agreement").

IN CONSIDERATION of the CEO's performance of the obligations contained in this Agreement, RLMCMH's payment of remuneration to the CEO, and for other good and valuable consideration set forth herein, the Parties agree as follows:

**1. Employment**

- 1.1 RLMCMH will employ the CEO as its President and Chief Executive Officer. The CEO agrees that she will at all times faithfully, industriously, and to the best of her skill, ability, experience and talents, and to the highest professional standards, perform all of the duties required of her position as described in Policy BG-JD-03.
- 1.2 In carrying out these duties and responsibilities, the CEO shall comply with all RLMCMH policies, procedures, rules and regulations, both written and oral, which are announced by RLMCMH from time to time.
- 1.3 The CEO will provide her full time and attention to her job duties and responsibilities and exclusively represent the interest of RLMCMH at all times.

Any exceptions to this, such as involvement on Boards, shall be approved by the RLMCMH Board in advance.

It is understood and agreed to by the CEO that RLMCMH may make alterations to her assignments, duties and responsibilities without causing the termination of this Agreement, provided that such alterations maintain the assignments, duties and responsibilities that are reasonably commensurate with those of a President and Chief Executive Officer.

- 1.4 The CEO warrants that in carrying out the duties and responsibilities set out in this Agreement, she will not intentionally infringe, contravene, breach, interfere with or harm any rights of any person or entity, including (but not limited to) any intellectual, property, moral, confidentiality, contractual or common law rights except that no breach of this clause may be found in circumstances involving the CEO's compliance with the directions of the Board of Directors.
- 1.5 Additional terms and conditions of employment of the CEO shall be governed by the policies and procedures of RLMCMH, as may be in effect from time to time, however this Agreement shall govern in the event of any inconsistency between this Agreement and any such policies and procedures.

## **2. Appointment and Term**

- 2.1 The term of the CEO's employment as President and Chief Executive Officer shall be fixed for a period of two (2) years commencing on January 1, 2015 and ending on December 31, 2016 (the "Term"), unless extended or renewed pursuant to paragraph 2.2, or terminated prior to the expiry of the Term in accordance with the provisions at paragraph 7.
- 2.2 RLMCMH and the CEO may renew this agreement upon the expiry of the Term on such terms and conditions as they may, in writing, agree. Either party may give notice in writing to the other on or before August 1, 2016, of the desire to negotiate a further agreement term.
- 2.3 Upon the expiration of the Term, and in the absence of an agreement to renew, the employment of the CEO will be deemed terminated on December 31, 2016. For greater clarity, no notice of termination will be necessary at the expiration of the Term, the CEO will not be entitled to any notice of termination or pay in lieu thereof, and the CEO will have no claim for damages or otherwise against RLMCMH, its officers, directors, servants, agents or employees in respect of the expiration of the Term.

### **3. Remuneration**

- 3.1 As full compensation for all services provided for herein, RLMCMH shall pay to the CEO a base salary of \$149,500.00 per annum, to be paid in arrears and in accordance with RLMCMH's regular payroll practice.
- 3.2 All or some of the remuneration will be subject to statutory deductions as RLMCMH is from time to time required to make pursuant to law.
- 3.3 The CEO's compensation is subject to the *Excellent Care for All Act, 2010*, as amended ("ECFAA"), and the *Broader Public Sector Accountability Act, 2010*, S.O. 2010, c. 25, as amended (the "BPSAA"). In accordance with the ECFAA, a percentage of the CEO base salary (5% for 2014/15) is held back and subject to achieving targets as set out in RLMCMH's annual Quality Improvement Plan. The percentage and targets are determined and published annually by the QIP Committee in consultation with the CEO and approved by the Board. Adjustments to the base salary referenced in Article 3.1 are wholly within the discretion of RLMCMH.

### **4. Expenses**

- 4.1 Subject to RLMCMH policies, the CEO shall be entitled to reimbursement for reasonable expenses incurred by her on RLMCMH's behalf and in the course of her employment. All expenses must be incurred in accordance with RLMCMH's policies. The CEO will present on a monthly basis an itemized account of such expenses, together with such vouchers and other receipts as RLMCMH may request or Canada Revenue Agency may require.

### **5. Vacation**

- 5.1 The CEO shall be entitled to accrue vacation at six (6) weeks in each of the remaining years of the contract. This accrued vacation can then be used in the following fiscal year.
- 5.2 In keeping with Corporate policy, unused vacation is not to be carried over to the next year, with the exception of 1 week, except in unusual circumstances authorized by the Board of Directors.

## **6. Benefits**

- 6.1 The CEO shall be entitled to participate in the Benefit Package attached hereto as Appendix "A", subject to the terms and conditions of such group-benefit plans or private policies. The CEO acknowledges that RLMCMH may revise the terms of the Benefit Package, including the plans or policies, from time to time.

## **7. Termination of Agreement**

- 7.1 The Parties agree that the CEO's employment under this Agreement may be terminated as follows:
- a. by the CEO, at any time, for any reason, on giving at least one hundred and eighty (180) days' written notice to RLMCMH. In the event the CEO should provide written notice, RLMCMH may waive such notice and the CEO shall be paid her regular base salary up to the date of termination, inclusive of all employment benefits.
  - b. by RLMCMH without any notice or pay in lieu of notice, for cause. For the purposes of this Agreement, cause includes, but is not limited to, the following:
    - i. any material breach of the provisions of this Agreement, which is not corrected within fourteen (14) days of receipt by the CEO of notice of said breach;
    - ii. any conduct of the CEO which in the reasonable opinion of RLMCMH tends to bring herself or RLMCMH into disrepute; or;
    - iii. conviction of the CEO of an indictable criminal offence for which no pardon has been or is granted.
  - c. by RLMCMH in its absolute discretion and for any reason whatsoever upon providing the CEO with the following:
    - i. in the first year of employment, up to and including the first anniversary date of the commencement of the CEO's employment, working notice of the termination of the CEO's employment equal to six (6) months. In the event of the provision of such notice, all remuneration and benefits to which the CEO is entitled at the time of the provision of the working notice shall continue throughout the six month working notice period; or
    - ii. in lieu of the working notice set out at (i), as follows:
      - A. payment in an amount equal to six (6) months' base salary, either paid as a lump sum or as a salary continuation, at the sole discretion of RLMCMH. Any payment made pursuant to this

section shall be less any necessary statutory deductions and the CEO will receive a net amount. The CEO shall be obligated, following termination of her employment, to make reasonable efforts to obtain reasonable alternative employment. Where RLMCMH has elected to provide the CEO with salary continuance during the applicable reasonable notice period, should the CEO obtain alternative employment or become self-employed during the applicable notice period, RLMCMH will cease making termination payments hereunder and will pay the CEO fifty per cent (50%) of any unpaid balance of termination payments in full and final settlement of its obligations hereunder.

- B. to the extent allowed by the relevant insurers, continuation of all benefits set out at paragraph 6 (except any disability or life/ADD insurance benefit, which will cease immediately) for a six (6) month period subsequent to the date of termination.
- iii. in or after the second year of the CEO's employment, working notice of termination of the CEO's employment equal to the greater of:
    - twelve (12) months; and
    - one (1) month for every full year of employment to a maximum of eighteen (18) months.
- iv. in lieu of the working notice set out at (iii), as follows:
    - A. payment in an amount prescribed in (iii), either as a lump sum payment or as a salary continuance. Any payment made pursuant to this section will be less any necessary statutory deductions and the CEO will receive a net amount; the choice of lump sum versus salary continuance shall be made at the sole discretion of RLMCMH. The CEO shall be obligated, following termination of her employment, to make reasonable efforts to obtain reasonable alternative employment. Where RLMCMH has elected to provide the CEO with salary continuance during the applicable reasonable notice period, should the CEO obtain alternative employment or become self-employed during the applicable notice period, RLMCMH will cease making termination payments hereunder and will pay the CEO fifty per cent (50%) of any unpaid balance of termination payments in full and final settlement of its obligations hereunder.
    - B. to the extent allowed by the relevant insurers, continuation of all benefits set out at paragraph 6 (except any disability or life/ADD insurance benefit, which will cease immediately), for the same number of months as calculated in paragraph 7.1 (c) (iii), which are subsequent to the date of termination.

7.2 The amounts set out at (b) and (c) above represent the full extent of the CEO's contractual, statutory and common law entitlements at termination.

- 7.3 In all cases, following termination of her employment, the CEO shall be obligated to make reasonable efforts to obtain reasonable alternative employment.
- 7.4 In the event of any termination of the CEO's employment and/or this Agreement, howsoever caused, the CEO shall take steps immediately to replace any disability or insurance benefit provided to the CEO by RLMCMH. The CEO acknowledges that RLMCMH cannot guarantee in any way that any disability or insurance benefits provided to the CEO by RLMCMH can be maintained on her behalf after termination.
- 7.5 In the event of termination of the CEO's employment and/or this Agreement, howsoever caused, the CEO shall tender her resignation of all director and/or officer positions pertaining to or related to RLMCMH.
- 7.6 The CEO acknowledges that all items of any and every nature or kind created or used by the CEO pursuant to her employment under this Agreement, or furnished by RLMCMH to the CEO, and all computer equipment, cell phones, credit cards, books, records, reports, files, manuals, literature, confidential information or other materials and duplicates thereof, shall remain and be considered the exclusive property of RLMCMH at all times and shall be returned to RLMCMH, in good condition, promptly at the request of RLMCMH, or in the absence of a request, on the termination of the CEO's employment with RLMCMH. The only exception to this will be items, property and information which the CEO had prior to her employment with RLMCMH.

## **8. Confidential Information and Non-Solicitation**

- 8.1 During and following the term of this Agreement, the CEO shall not divulge any information of a character confidential to RLMCMH, except as required by law, or in the context of an administrative or judicial proceeding. "Information of a confidential character" includes, but is not limited to, information that is not generally available to the public but does not include any information which is provided to the CEO on a non-confidential basis from a source other than RLMCMH, its directors, officer, employees or patients, or has been independently acquired or developed by the CEO without violating any of her obligations under this Agreement.
- 8.2 The CEO agrees that for a period of one (1) year from the date of her termination, howsoever caused, the CEO will not hire, take away or cause to be taken away, from RLMCMH any employee of RLMCMH.

**9. Severability**

9.1 If any term or provisions of this Agreement is determined to be invalid or unenforceable by any Court, such determination shall not invalidate the rest of this Agreement which shall remain in full force and effect as if the invalid term or provision had not been made part of this Agreement.

**10. Cancellation of Other Agreements**

10.1 This Agreement (which includes any future RLMCMH policies and procedures) constitutes the entire agreement between the Parties with respect to the employment of the CEO and any and all previous agreements, written or oral, express or implied, between the Parties are terminated and cancelled and each of the Parties 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 agreement. Any modification to this Agreement must be in writing and signed by the parties to it, or it shall have no effect and shall be void.

**11. Independent Legal Advice**

11.1 The CEO acknowledges that she understands this Agreement, and acknowledges that she has had the opportunity to obtain independent legal advice with respect to it.

**12. Laws**

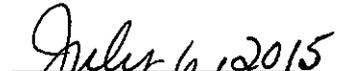
12.1 This Agreement shall be governed by the laws of the Province of Ontario.

IN WITNESS WHEREOF, RLMCMH has executed this Agreement by its duly authorized officer and the CEO has hereunto affixed her hand and seal as at the date first above written.

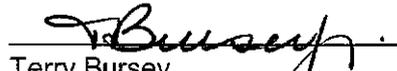
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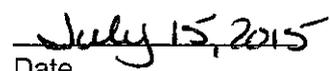
  
Witness

  
Angela Bishop

  
Date

\_\_\_\_\_  
Witness

  
Terry Bursey  
Chair, Board of Governors

  
Date

## APPENDIX "A" - FRINGE BENEFITS

Life Insurance	Hospital 100%	Employee 0%
ADD	Hospital 100%	Employee 0%
Disability Insurance	Hospital 75%	Employee 25%
Semi-Private	Hospital 100%	Employee 0%
Extended Health Care	Hospital 75%	Employee 25%
Dental	Hospital 75%	Employee 25%

### **Hospitals of Ontario Pension Plan:**

Employee: 6.9% of annualized earnings up to the year's maximum pensionable earnings  
(CPP \$49,000 - 2014)  
9.2% of earnings above \$49,000

Hospital: 1.26 x Employee Contributions

As revised from time to time by the Hospitals of Ontario pension Plan.

For purposes of determining the annual contribution, "Earnings" shall have the definition found in the Hospitals of Ontario Pension Plan.

### **Required Employee Contributions**

All required employee contributions outlined herein shall be deducted from the Employee's gross pay.