

EMPLOYMENT AGREEMENT

This **AGREEMENT** is made this 7th day of July, 2016.

B E T W E E N :

Haliburton Highlands Health Services Corporation
("HHHS")

- and -

Carolyn Plummer
(the "Employee")

1. APPOINTMENT

1.1. HHHS hereby appoints Employee as President and Chief Executive Officer of HHHS and Employee accepts such appointment.

2. DUTIES, RESPONSIBILITIES AND ACCOUNTABILITY

2.1. The Employee agrees to serve as the President and Chief Executive Officer of HHHS to the best of her ability in compliance with all applicable laws, this Agreement and HHHS' by-laws, policies, procedures, rules and regulations, all as may be amended from time to time.

2.2. The Employee agrees to perform the duties and exercise such powers as may be prescribed or specified from time to time by the Board of Directors of HHHS, and she shall be directly accountable to the Board of Directors of HHHS in accordance with HHHS' by-laws and applicable policies and procedures. The Board Chair shall act as the Board's central point of official communication with the Employee.

3. TERM

3.1. The term of this Agreement shall be for a five (5) year period beginning July 7, 2016 and ending June 30, 2021, subject to earlier termination under Article 9 (Termination).

3.2. It is understood that the terms and conditions of this Agreement shall continue in force notwithstanding that the position and/or duties performed by the Employee may change from time to time; provided that no material change to the Employee's duties will be made without prior consultation and discussion among the parties.

4. FULL TIME AND ATTENTION

- 4.1. The Employee agrees to devote her full time and attention to the performance of the business and affairs of HHHS and she shall not accept any appointment as an officer, director, employee or consultant with any other organization during the term of this Agreement and any renewal hereof, without the prior consent of the Board of Directors.
- 4.2. HHHS encourages the Employee to maintain a full-time residence in Haliburton County for the duration of the Agreement.

5. COMPENSATION AND BENEFITS

5.1. HHHS shall pay the Employee a combination of an annual base salary and performance based compensation award to the maximum of \$180,000.00, as follows:

- i) Annual base salary of \$162,000.00, less statutory and applicable deductions. Adjustments to base salary, if any, will be in accordance with Part II.1 of the *Broader Public Sector Accountability Act, 2010* and any other applicable legislation (it is anticipated by the parties that there will be no increase in base salary for some or all of the term of this contract based on current legislation, however, should that change, the base salary may be reviewed after the first year of the term, and adjusted prospectively), LHIN funding increases to HHHS, and subject to satisfactory performance by the Employee; and
- ii) Annual performance based compensation, based on previously agreed criteria including the HHHS Quality Improvement Plan, up to a maximum \$18,000.00, less statutory and applicable deductions, will be in accordance with Part II.1 of the *Broader Public Sector Accountability Act, 2010* and any other applicable legislation (it is anticipated by the parties that there will be no increase in performance based compensation for some or all of the term of this contract based on current legislation). The annual performance based compensation cycle will be April 1 until March 31, with the payment being received following the Board's approval of the HHHS Audited Financial Statements. For any part year of employment in this position, the eligible performance based compensation for the fiscal year ending March 31 will be pro-rated accordingly. The amount of performance based compensation will be determined in accordance with Article 5.2 below.

5.2. Each year the Board of Directors of HHHS will undertake a review of the Employee's performance, which will include a review of the fulfilment of the duties and responsibilities based on mutually agreed upon goals and objectives. As part of this process, the amount of Employee's performance based compensation award shall be determined by the Board of Directors based on the results of the annual performance review and level of achievement of the mutually agreed upon goals and objectives, and will be in accordance with Part II.1 of the *Broader Public Sector Accountability Act, 2010* and any other applicable legislation.

- 5.3. The Employee shall be entitled to participate in all benefits applicable to the position of President and Chief Executive Officer at HHHS, including HOOPP, dental, extended health, group life insurance, accidental death and dismemberment and disability benefits, together with such enhancements or additional benefits as may be available and as the Employee may elect. All participation shall be subject to the terms and conditions of the applicable plans or policies.
- 5.4. The costs of benefits will be divided between HHHS and the Employee in accordance with Hospital policy for its management employees.
- 5.5. The Employee and HHHS will pay their respective contributions to HOOPP in accordance with HOOPP regulations as may be updated from time to time.

6. EXPENSES

- 6.1. It is understood and agreed that the Employee will incur expenses in connection with her duties and responsibilities under this Agreement. HHHS will reimburse the Employee for any reasonable and substantial expenses, provided such expenses were incurred in accordance with established HHHS policy and, where applicable, approved by the Board.
- 6.2. The Employee shall be reimbursed for the use of her automobile while performing duties pursuant to this Agreement. Such reimbursement shall be based on an allowance for each kilometre travelled by the Employee at the rate to be established by HHHS from time to time for its employees.

7. PROFESSIONAL DEVELOPMENT

- 7.1. HHHS will provide for annual professional membership in the Canadian College of Health Leaders (CCHL), the Registered Nurses Association of Ontario (RNAO) or similar profession-based association, and other organizations required by HHHS.
- 7.2. The Employee is currently enrolled in a program in long-term care home administration or management and intends to complete this program.
- 7.3. It is recognized that the Employee should maintain currency in the health industry and in its professional standards and issues and further, that this benefits HHHS and is part of the professional responsibility of the Employee. Thus, it is recognized that the Employee must attend professional and health industry related meetings, conferences, courses and seminars.
- 7.4. The Employee shall inform HHHS in a timely manner, with regard to the information or issues raised at such conferences and meetings and, where appropriate, its dissemination and practical application within HHHS.
- 7.5. The Employee will receive reimbursement for all reasonable costs incurred (including registration fees, travel, accommodation and meals in accordance with Part IV of the *Broader Public Sector Accountability Act, 2010* and sections 5.0 and 6.0 of the Government of Ontario Management Board of Cabinet Travel, Meal and Hospitality

Expenses Directive) in attending such meetings, conferences and seminars. Prior Board approval to attend conferences within Ontario is not required. Conferences out of Ontario will require prior approval. The Board reserves the right to request a travel and conference expense report from the Employee.

8. MANAGER-ON-CALL

8.1 As part of the HHHS management team, the Employee is expected to function as the Manager-on-Call for the organization on a rotating basis. As compensation for these duties, each calendar year the Employee will be entitled to an additional five paid days off, as per HHHS consistent management practice.

9. TERMINATION

9.1. The Employee may terminate this Agreement voluntarily at any time by giving not less than six (6) months notice in writing to HHHS. HHHS may waive such notice in whole or in part.

9.2. HHHS may terminate this Agreement at any time for cause and without payment of any compensation, and upon provision of written notification to the Employee of same. For the purposes of this Agreement, "cause" means cause as defined by common law and shall include but not be limited to:

- (a) The theft by the Employee of any funds or property of HHHS;
- (b) An attempt by the Employee to obtain any personal advantage from any transaction in which she has an interest which is adverse to the interest of HHHS unless the Employee shall first have obtained the written consent of the Board of Directors of HHHS;
- (c) A material breach of a provision of this Agreement;
- (d) The incompetence of the Employee; or
- (e) The conviction of the Employee of a criminal offence, which conviction is not reversed on appeal, and which renders the Employee unsuitable for continued employment.

A failure by HHHS to rely on the provisions of this paragraph in any given instance or instances shall not constitute condonation or be deemed a waiver of the right of HHHS to apply such provisions.

9.3. HHHS may terminate this Agreement without cause at any time by providing nine months' written notice of termination, plus one additional month of notice for each completed year of service with HHHS, to a combined maximum of twelve months' notice. At HHHS's option, it may provide continuation of base salary in lieu of all or part of such notice period, and if it does so, the Employee's benefits coverage will be continued for the period of notice required by the *Employment Standards Act, 2000* (as amended) (the "ESA"). The Employee will also be paid any amounts already granted by

the Board as performance based compensation award, but will have no entitlement to any performance based compensation award not already granted by the Board. The Employee shall be subject to a duty to mitigate during this period of notice or pay in lieu, but shall in no event receive less than her entitlements under the ESA.

- 9.4. HHHS will provide the Employee with written notice at least six months in advance of the end date of this Agreement of its intention to extend or not extend the Employee's appointment as President and Chief Executive Officer. Should HHHS indicate an intention to extend the Employee's appointment, and the Employee wishes to extend her appointment, the parties will begin in a timely manner the negotiation of a new employment agreement. Should HHHS indicate an intention not to extend the Employee's appointment, then the Employee's employment will cease as of the end date of this Agreement and the Employee shall have no entitlement to any further notice or pay in lieu of such notice, other than such severance pay as may be required under the ESA.
- 9.5. This Agreement shall be terminated upon the death or total disability of the Employee for a period of no less than six months. The Parties agree that the inability of the Employee to perform the essential duties and requirements of her position for six months or more will result in a frustration of this Agreement.

- (a) In the event that this Agreement is terminated upon the commencement of long-term disability of the Employee, HHHS will pay to the Employee nine months base salary, inclusive of her entitlement to termination pay under the ESA if any.
- (b) The commencement of long-term disability will be determined by the provider of the disability insurance in accordance with the applicable long-term disability plan.
- (c) The Employee agrees to accept the payments set out in (a) above as full, final and complete settlement of any and all amounts owing to her from HHHS as a result of the frustration of this Agreement.

10. VACATION ENTITLEMENT

- 10.1. The Employee will receive a vacation entitlement of six weeks per year. The Employee's vacation shall be taken at a mutually agreeable time and the Employee will provide HHHS with reasonable advance notice of her vacation requests. HHHS retains the right to unilaterally schedule the Employee's vacation in the event that a mutually agreed upon time cannot be achieved.
- 10.2. Any unused vacation entitlement may not be carried forward to the following year, but shall be forfeited.

11. LIABILITY INSURANCE

- 11.1. HHHS shall insure the Employee under its general liability policy for all acts done by her in good faith and in the execution of her duties, throughout the term of her

employment and any renewal thereof, and for circumstances where the Employee is specifically named in a lawsuit launched by a patient, member of the Medical Staff, or any other party where HHHS is co-defendant.

12. CONFIDENTIALITY

12.1. It is recognized that in the performance of her duties, the Employee will acquire detailed and confidential knowledge of Hospital operations and other confidential documents and information. The Employee agrees and undertakes to not in any way use, disclose, divulge, furnish or make accessible to any person or entity, either during her employment or any time thereafter, any confidential knowledge, information or document relating to the affairs and operations of HHHS, except as may be necessary in the proper discharge of her duties, as required by law, or with the prior written consent of HHHS.

13. EMPLOYER'S PROPERTY

13.1. The Employee acknowledges that all items of any and every nature or kind created or used by the Employee pursuant to her employment under this Agreement, or furnished by HHHS to the Employee, and all equipment, credit cards, books, records, reports, files, diskettes, manuals, literature, confidential information or other materials shall remain and be considered the exclusive property of HHHS at all times and shall be surrendered to HHHS upon the request of HHHS, or in the absence of a request, on the cessation, termination or ending of the Employee's employment with HHHS.

14. RENEWAL

14.1. The provisions of this Agreement apply to any renewal thereof, except as expressly modified in writing by the Parties hereto.

15. PARAGRAPH HEADINGS

15.1. All paragraph headings have been inserted herein for convenience of reference only and do not form part of the written Agreement.

16. BINDING EFFECT AND NON-ASSIGNMENT

16.1. This Agreement shall ensure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators and successors, and shall not be assignable.

17. AMENDMENT

17.1. Except where provided to the contrary in this Agreement, the terms and conditions of this Agreement may be amended at any time by mutual written agreement of the Parties.

18. INVALIDITY OF A PROVISION

18.1. The invalidity of any particular provision of this Agreement shall not affect the validity of any other provision.

19. ENTIRE AGREEMENT

19.1. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written.

20. GOVERNING LAW


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


IN WITNESS WHEREOF the Parties have executed this Agreement effective this 7th day of July, 2016.

EMPLOYEE

Haliburton Highlands Health Services Corporation

Per:

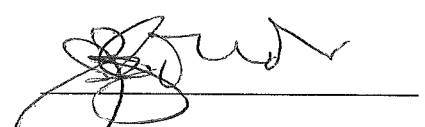
Signature: 
Name: Carolyn Plummer

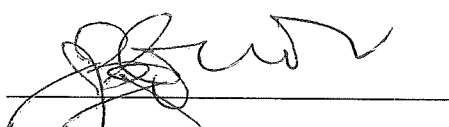
Signature: 
Title: Board Chair

Print Name: David Bonham

Witness

Witness

Signature: 
Print Name: JEFFREY B. GOLLOB

Signature: 
Print Name: JEFFREY B. GOLLOB