



THIS EMPLOYMENT AGREEMENT is made the 2nd day of February, 2016
BETWEEN:

THE DEEP RIVER AND DISTRICT HOSPITAL
(herein called the "Hospital")
OF THE FIRST PART

and

Richard Bedard
(herein called the "Executive")
OF THE SECOND PART

WHEREAS the Hospital wishes to employ the Executive as its President and Chief Executive Officer and the Executive wishes to be employed by the Hospital in that capacity and upon the terms set forth in this agreement;

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

1. RESPONSIBILITIES

1.1 The Executive shall report to the Board of Directors of the Hospital (the "Board") and agrees to perform such duties and exercise such powers as may be prescribed or specified from time to time by the Board; and in accordance with the Hospital's policies, procedures, by-laws, rules and regulations. The Executive represents and warrants to the Hospital that he has the required skills and experience to perform the duties and exercise the powers and responsibilities required of the President and Chief Executive Officer of the Hospital.

1.2 The Executive shall, save as set out herein, devote the whole of his working time and attention to the business and affairs of the Hospital fulfilling the responsibilities as President and Chief Executive Officer and shall not, without the written consent of the Hospital, engage either directly or indirectly in any other business or occupation of a permanent, temporary or part time nature.

The Hospital acknowledges and confirms that the Executive is a Surveyor, certified with Accreditation Canada. The Hospital further confirms and agrees that the Executive shall continue to conduct surveys on behalf of Accreditation Canada at locations away from the Hospital to a maximum of five (5) business days per year without additional approval from the Hospital Board. The Hospital further confirms that such surveying services and conduct shall not constitute a breach of this Agreement. The time required to conduct surveys will, at the Executive's discretion, be taken as vacation or leave without pay.

1.3 The Executive acknowledges that as President and Chief Executive Officer of the Hospital he will acquire information about certain matters and things which are confidential. The Executive undertakes not to disclose any information relating to the private or confidential affairs of the Hospital to any third party either during his employment or after, except as may be necessary in the proper discharge of his duties, as required by law, or with the prior written consent of the Hospital.

2. COMPENSATION AND BENEFITS

2.1 The Hospital and the Executive acknowledge and agree that the Executive's compensation is currently subject to the *Excellent Care for All Act*, 2010 ("ECAA"), the *Broader Public Sector Accountability Act*, 2010 ("BPSSA"), and the *Broader Public Sector Executive Compensation Act*, 2014 ("BPSECA") all as amended from time to time ("Wage Restraint Legislation"). In keeping with the Hospital's statutory obligations under this legislation and the Hospital Governance Policy GO-009: CEO Compensation, the total compensation of the Executive shall consist of two parts. The first part is a base amount per annum, payable in accordance with the Hospital's usual payroll processes, less all the appropriate and required deductions. The second part of the annual compensation represents an amount that is awarded based on the Executive's performance.

2.2 The amount of base salary at the start of employment will be \$141,926 per annum.

2.3 Up to 9% of the base salary will be awarded based on the Executive's performance. 4% of base salary will be awarded for successful achievement of the Hospital's Annual Quality Improvement Plan goals in compliance with requirements of the Excellent Care for All Act. The Executive will be eligible for a further performance award of up to 5% of base salary payable based on performance documented in the Executive's annual performance appraisal and consistent with the DRDH CEO Compensation Governance Policies, as may be amended from time to time. Any performance amount awarded to the Executive is payable as a lump sum re-earnable amount in the first quarter of the following fiscal year. For partial fiscal years, the performance award amounts will be based on the base salary pro-rated for the number of complete months worked. All such payments shall form part of the Executives pensionable earnings, and are subject to the normal appropriate and required deductions.

Subject to constraints imposed by the Wage Restraint Legislation, or any other applicable law, the Board of the Hospital will review the Executive's annual compensation on a yearly basis, and shall set the Executive's total annual compensation effective on each anniversary of the commencement of employment or such other date as the Board shall choose. Such determination shall be made consistent with, and in accordance with, the organization's CEO Compensation Policies.

The Hospital agrees to review the Executive's salary and other compensation arrangements at such time as the Ontario legislature amends, repeals, or enacts additional Wage Restraint Legislation in a manner which allows public hospitals to adjust the compensation arrangements of executives. Any adjustment to the Executive's compensation as a consequence of such review may be retroactive to the date that legislation allows such adjustment to occur.

2.4 The Hospital shall conduct annual performance reviews in accordance with Governance Policy GO-010. The Executive's performance will be reviewed against annual objectives established by the

Board in consultation with the Executive. All future salary increases are subject to such annual review and at the sole discretion of the Board.

2.5 The Executive shall be entitled to coverage in the benefit plans and programs described in Appendix "A" to this Agreement, subject to all applicable requirements in accordance with the terms of such plans, together with such enhancements or additional benefits as may be available and as the Executive may elect. The waiting period for enrollment of the aforementioned benefits will be waived. The Hospital reserves the right to alter or amend the benefit plans and programs. The Benefits package will be based on a compensation level calculated on the basis of base salary amount, subject to compliance with the relevant benefit plans.

2.6 The Executive shall be entitled to six (6) weeks paid vacation each year in accordance with the Hospital's, vacation policy as it may, be amended from time to time. The Hospital's vacation year is January 1 to December 31, and the Executive's vacation during the first year of employment will be prorated from the start date of his employment. Vacation time will be taken at such time as is convenient to the Executive with consideration given to the needs of the Hospital. The Executive must take a minimum of two (2) weeks vacation every calendar year. A maximum of two weeks of vacation earned in any given year may be carried over into the following year, but the cumulative vacation so carried over may not exceed four (4) weeks.

3. TERM/RENEWAL

3.1 The appointment commences on May 16, 2016 and shall continue until May 31, 2021 (the "Initial Term"). The Board may in its sole discretion renew this Agreement on the same terms and conditions set out herein, or on such other terms and conditions as agreed to between the parties, by giving notice in writing to renew the Agreement no later than six (6) months prior to the end of the Initial Term.

3.2 In the event the Board elects not to renew this Agreement, it shall expire at the end of the Initial Term, being May 31, 2021. The Executive acknowledges that following the expiry of the Agreement he has no further entitlements to any amounts from the Hospital, in law or in equity, including, but not limited to, any claims for termination or severance pay or reasonable notice at common law.

4. EXPENSES

4.1 It is understood and agreed that the Executive will incur expenses in connection with his duties under this Agreement. The Hospital shall reimburse the Executive for any reasonable expense actually incurred by the Executive in the course of his employment in accordance with the policies and procedures of the Hospital as they may be amended from time to time.

4.2 The Hospital will pay for reasonable temporary lodging for the Executive for the first one-month period of his employment while he looks for suitable housing in the Deep River area.

4.3 The Hospital agrees to pay for accountable moving expenses as per Canada Revenue Agency guidelines up to \$20,000 upon presentation of the original vouchers or receipts. The Executive agrees to

repay a prorated amount of such payments in the event his employment is terminated for any reason or if he resigns during the first eighteen (18) months of employment, as follows: 100% of the relocation allowance and moving expenses paid by the Hospital will be repaid if the Executive leaves within six (6) months of commencing employment; 75% will be repaid if the Executive leaves after six (6) months and up to twelve (12) months of employment; 50% will be repaid if the Executive leaves after twelve (12) months of employment up to eighteen (18) months of employment.

4.4 The Hospital will pay the cost of the Executive's annual membership fees to the Canadian College of Health Service Executives during the Term of the Agreement, and other dues and/or membership fees of employment related professional associations and organizations related to the Executive's duties with the Hospital to a maximum of fifteen hundred dollars (\$1500) per calendar year. Any fees or memberships beyond the \$1500 maximum will require approval in advance by the Board.

4.5 It is understood and agreed that as part of the effective performance of his role, the Executive will be absent from the Hospital from time to time to attend professional development meetings, conferences and/or seminars on behalf of the Hospital as have been mutually agreed with and approved in advance by the Board of Directors of the Hospital. The Hospital agrees to reimburse the Executive for the reasonable costs of enrolment, materials and travel expenses associated with, and in relation to, such meetings, conference and seminars.

5. TERMINATION

5.1 This Agreement shall continue until terminated in accordance with the provisions hereof:

(a) The Board may terminate this Agreement and the Executive's employment at any time for cause, without payment of any compensation save and except for any remuneration and unused vacation entitlement earned prior to the date of such termination.

(b) During the initial first year of this contract, the Board may terminate the Executive's employment at any time without cause upon providing the Executive with ten (10) month's notice of termination or payment in lieu of notice, (the "Notice Period"), subject to statutory conditions, plus continuance of all benefits, including insurance and disability benefits, and pension ("HOOPP") accrual and entitlements, for a period of ten (10) months, in satisfaction of all statutory, contractual and common law obligations. After the first year of this contract, and for the balance of the Term of this agreement, the termination notice or pay in lieu of notice requirement, as well as the period of benefit continuation, including insurance and disability benefits, and pension (HOOPP) accrual and entitlements, for termination without cause is set at twelve (12) months. The Executive acknowledges that all payments in lieu of notice of termination and/or severance pay to the Executive relating to the Notice Period may, at the discretion of the Board, be paid by way of lump sum or salary continuation based on the then-current base salary. For clarity, in no event shall the Executive be paid less than his entitlement under employment or labour standards legislation, including any entitlement to termination or severance pay. Any additional entitlement to vacation pay will accrue only over the minimum statutory notice period.

(c) The Executive may resign his employment upon the giving of not less than three (3) months advance notice in writing to the Board, provided that the Board waive any notice in excess of that

required by the Employment Standards Act, 2000 and the resignation would then become effective immediately. The Board shall have no obligation to make any further payment to the Executive other than salary, vacation pay accrued, pension (HOOPP) accrual, and any other statutory entitlements earned to the date of resignation set out in the said written notice.

(d) All obligations as contemplated by this Agreement shall end without notice upon the death or permanent long-term disability of the Executive.

(e) In the event of termination without cause, the Hospital shall provide the Executive with the services of an outplacement counsellor, to be agreed upon by the parties, for a period of six (6) months to a maximum of \$10,000.

5.2 In the event of the termination of the Executive's employment by either party for any reason, whether or not with cause and whether or not by notice or in any other manner whatsoever, the Executive shall:

- a) deliver to the Hospital all documents, books, materials, records, correspondence, papers, and information (on whatever media and wherever located) relating to the affairs of the Hospital. The Executive shall not be entitled to retain any copies of such documentation;
- b) deliver to the Hospital all the objects that the Executive has received from the Hospital, including but not limited to cellular phone, hardware and software, credit cards, keys to the workplace, as well as any other property belonging or relating to the Hospital which may be in the Executive's possession or control;
- c) irretrievably delete any information relating to the affairs of the Hospital stored on any disc, external hard drive or memory stick and all matter derived from it which is in the Executive's possession, custody, care, or control outside the premises of the Hospital and shall produce evidence of compliance with this sub-clause; and
- d) resign any office or appointment held by the Executive with the Hospital or related entity without any claim for compensation or damages for loss of such office or appointment and the Executive hereby irrevocably appoints the Hospital as the Executive's attorney to execute letters of resignation of such offices or appointments on the Executive's behalf.

6. HOSPITAL'S PROPERTY

6.1 The Hospital will provide the Executive with a laptop, docking station, two (2) monitors, and a printer for home use, in addition to a home internet connection and a personal communications device. This equipment is provided for business and not personal use, and remains the property of the Hospital. The use of this equipment is to be in accordance with the Hospital's technology and privacy policies and procedures.

With respect to the use of the cell phone and home internet connection, the Hospital acknowledges and agrees that reasonable personal usage is permitted and that all such associated fees shall be borne by the Hospital.

6.2 The Executive acknowledges that all items of any and every nature or kind created or used by the Executive pursuant to the Executive's employment under this agreement, or furnished by the Hospital to the Executive, and all office and computer equipment, credit cards, books, records, reports, files (paper or electronic), manuals, literature, confidential information or other materials shall remain and be considered the exclusive property of the Hospital at all times and shall be surrendered by the Executive to the Hospital in good condition upon the request of the Hospital, or immediately upon termination of the Executive's employment.

7. CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY

7.1 All trade secrets and confidential information, including computer programs, systems or software, and information discovered or developed by the Executive or discovered or developed by others and used by or disclosed to the Executive (the "Intellectual Property") during the course of his relationship with the Hospital, whether at the Hospital's place of business or otherwise, shall be and remain the exclusive property of the Hospital, the Executive shall have no right, title or interest therein, and this right shall continue notwithstanding the termination of this Agreement.

7.2 The Executive acknowledges that by virtue of his employment with the Hospital, he will be granted access to confidential and proprietary data and information with respect to the business of the Hospital and with respect to its employees and patients. This information (hereinafter referred to as "Confidential Information") includes, but is not limited to: marketing and servicing programs, procedures and techniques, business, management, investment and human resources strategies, loss control and information management services, financial information; and notes, records, data, software and other documents reflecting the business of the Hospital and its employees and patients.

7.3 Confidential Information shall remain the exclusive property of the Hospital. No interest, licence or any right respecting the Confidential Information is granted to the Executive under this Agreement, by implication or otherwise. The Executive agrees that he will only access Confidential Information as may be directly required in connection with the provision of his duties and responsibilities and not for any other purpose.

7.4 The Executive shall not either during the term of this Agreement or at any time thereafter use for his own purpose, or disclose, divulge or communicate orally, in writing or otherwise to any entity, person or persons the nature or existence of the Intellectual Property or the Confidential Information other than with the prior written consent of the Hospital Board Chair.

7.5 The Executive shall, at any time during the term of this Agreement or at any time thereafter, assist the Hospital in obtaining and maintaining any patent, copyright, trademark or other protection for the Intellectual Property in any country, at the sole expense of the Hospital.

8. NOTICES

8.1 Any demand, notice or other communication to be given in connection with this agreement ("Communication") that may be given in writing may be given by personal delivery or by registered mail addressed to the recipient as follows:

To the Executive:

Richard Bedard
127 Widder Street, Goderich, ON N7A 3V2

To the Hospital: to the attention of the Chair of the Board at the Hospital address or delivered personally to the Chair of the Board or, in his absence, to the Vice Chair of the Board;

or to such other addresses or individual as may be designated by notice by either party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if made or given by registered mail, on the second day, other than a Saturday, Sunday or statutory holiday in Ontario following a deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system, which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9. GOVERNING LAW

9.1 This agreement shall be deemed to have been made in and shall be construed in accordance with the laws of Ontario and the parties irrevocably attorn to the jurisdiction courts of Ontario.

10. ENTIRE AGREEMENT

10.1 This agreement constitutes and expresses the whole agreement of the parties with respect to the employment of the Executive and supercedes all prior arrangements and understandings between them. Any modification to this agreement must be in writing and signed by the parties or it shall have no effect and shall be void.

11. SEVERABILITY

11.1 Should any provision of this agreement become invalid, illegal or not enforceable it shall be considered separate and several from the agreement and the remaining provisions shall remain in force and binding upon the parties as though such provision had not been included.

12. ENUREMENT

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

13. CONSENT TO USE AND COLLECTION OF PERSONAL INFORMATION

13.1 By accepting employment with the Hospital, the Executive hereby authorizes and consents to the collection, use, and disclosure of his personal information as may reasonably be required by law to manage the employment relationship, to enable the provision of wages and benefits, to evaluate and assess his performance, to conduct any necessary investigation, and to facilitate contact with the Executive. The Executive acknowledges and agrees that such information may be disclosed to appropriate third parties for the purpose of administering the employment relationship consistent and in accordance with the purposes for which the personal information was collected. The Hospital is authorized to retain the Executive's personal information for as long as may be required for employment purposes and for a reasonable period of time thereafter as may be necessary, or as may be required by law.

14. ARBITRATION

14.1 Any dispute between the Hospital and the Executive concerning this Agreement shall be referred to a single arbitrator in accordance with the Arbitration Act, 1991 (Ontario). The parties shall jointly appoint the arbitrator. Where the parties cannot agree on an arbitrator within a reasonable time frame (not to exceed thirty (30) days following a request by either part to engage in arbitration), either party shall be at liberty to apply to any judge of the Superior Court of Justice (Ontario) for an order appointing the arbitrator, provided that the other party is given not less than twenty one (21) days prior written notice of that application and is permitted to attend and speak to the Court at the hearing of that application. Amongst other matters that may be in dispute under this Agreement, the arbitrator shall be entitled to decide whether the facts surrounding a dismissal of the Executive for Just Cause support the finding by the Hospital of Just Cause.

14.2 The parties shall each be liable to the arbitrator to pay one-half of the arbitrator's fees and disbursements. In the event that the parties agree in writing at the outset of the dispute that the arbitrator's decision with respect to the dispute shall be final and without recourse to appeal, the Hospital agrees to pay two-thirds of the arbitrator's fees and disbursements, and the Executive shall be responsible for the remaining one-third of the arbitrator's fees and disbursements. Notwithstanding the foregoing, the arbitrator may, but shall not be obliged, to award to the party to the dispute whom the arbitrator decides has achieved substantial success in the arbitration proceedings all or any part of the solicitors' fees, arbitrator's fees and costs and other costs incurred by that party with respect to the arbitration.

15. ACKNOWLEDGEMENT

15.1 The Executive hereby acknowledges that he has read and understands each of the provisions of this Agreement, and has executed this Agreement voluntarily and with full knowledge of its significance, and intends to be fully bound by the same.

15.2 The Executive acknowledges having had an opportunity to seek independent legal counsel in respect of this Agreement, and is satisfied that he fully understands all of his rights and obligations, and the consequences of the breach of any of his obligations.

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



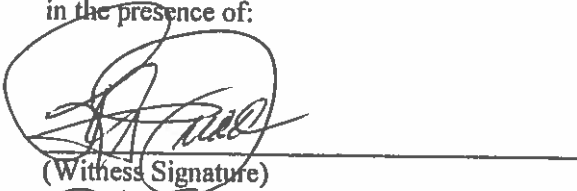
Richard Bedard



Janet Gow
Chair, Board of Directors
Deep River and District Hospital

SIGNED, SEALED AND DELIVERED

in the presence of:



(Witness Signature)

RA Judd

(Print Name)

SCHEDULE "A"

BENEFITS — PRESIDENT AND CHIEF EXECUTIVE OFFICER

Hospitals of Ontario Pension Plan (HOOPP) - A defined benefit (DB) pension plan that is dedicated to providing a secure retirement income to more than 285,000 workers in Ontario's healthcare sector. More than 470 employers across the province offer HOOPP to their employees.

Hospitals of Ontario Group Life Insurance Plan (HOOGLIP) – A group life insurance plan that covers the employee and an optional life insurance plan available to the employee and spouse.

Hospitals of Ontario Disability Insurance Plan (HOODIP) – This plan provides the employee with short-term sick pay coverage and long term disability.

Extended Health – This program covers drugs, vision, hospital private room, chiropractor, massage therapist, physiotherapist, hearing aids, and medical and non-medical travel emergencies.

Dental – This plan covers basic services (e.g., oral exam, x-rays and fillings), supplemental services (e.g., periodontal and endodontic services), dentures, major restorative services (e.g., crowns and bridgework), and orthodontics for dependent children.

Accidental Dismemberment & Death (AD&D) – As a compliment to life insurance, this plan provides for additional payments from accidents resulting in paralysis, loss of use a limb, speech, sight or hearing, or death.

Workplace Safety & Insurance Board (WSIB) – This plan provides earnings benefits and health care coverage for employees who are injured as a result of a workplace accident.

Employer Health Tax – This provides the employee with healthcare under the Ontario Health Insurance Plan (OHIP).

Details of benefit entitlements are as set out in the manual(s) provided to the employee by the employer. Benefits are subject to any and all changes made by the relevant carrier or legislation.