

**EXECUTIVE EMPLOYMENT AGREEMENT**

**THIS AGREEMENT** made as of the 8<sup>th</sup> day of March, 2012

**BETWEEN:**

**HÔPITAL GÉNÉRAL DE HAWKESBURY & DISTRICT GENERAL HOSPITAL  
INC.,**

**1111 Ghislain, Hawkesbury, ON K6A 3G5**

a non-share corporation formed under the laws of Ontario

(“**HGH**”)

– and –

**MARC LEBOUTILLIER,**

**235 Place Tudor, Vanier, ON K1L 7Y1**

an individual residing in Ottawa, Ontario

(the “**Executive**”)

**WHEREAS :**

- i. The Executive has been employed by the HGH as its Chief Executive Officer since June 27, 2007 pursuant to a term contract;
- ii. The Executive currently has a total of thirty (30) years of work experience in the healthcare sector;
- iii. In recognition of the Executive’s work experience in the healthcare field and his positive contributions to the HGH since 2007, the HGH wishes to continue to employ the Executive pursuant to a new term contract until at least December 31, 2017, with the possibility of a further extension beyond that date;
- iv. The HGH and the Executive have reached an agreement regarding the Executive’s terms of employment under the new term contract.

**NOW THEREFORE** this Agreement witnesses that in consideration of the premises, covenants and agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

**ARTICLE 1. DUTIES & RESPONSIBILITIES**

**1.01 Duties to be Performed**

The Executive shall serve as the **Chief Executive Officer** and in this position shall fulfill the following duties:

- (a) assume direct and actual superintendence and charge of the HGH, including serving as and fulfilling all the duties ascribed to the “administrator” under the *Public Hospitals Act* (Ontario);
- (b) fulfill such other duties as the Board of Directors of the HGH may from time to time direct; and
- (c) delegate such of his duties as “**Chief Executive Officer**” of HGH to the senior management team of the Hospital as is appropriate and reasonable, at all times retaining ultimate authority and responsibility for the administration of HGH.

#### 1.02 **Amendment of Duties**

The duties of the **Chief Executive Officer** may be amended, reviewed and enriched, from time to time, by the Board of Directors of the Hospital.

#### 1.03 **Compliance with Laws and Instructions**

- (a) The Executive shall be obligated to perform his duties in compliance with the provisions of the *Public Hospitals Act* (Ontario), other applicable laws, and the by-laws, policies, rules and regulations of the Hospital.
- (b) The Executive shall follow all lawful instructions and directions given to him by the Board of Directors of HGH.

#### 1.04 **Cooperation and Collegiality**

- (a) The Executive shall ensure that, in carrying out his duties and responsibilities for the Hospital, he shall promote and foster an atmosphere of collegiality and cooperation with the Hospital and among the staff.
- (b) The Executive shall also encourage cooperation, coordination and collegiality while, in the course of his duties, interacting with persons outside the Hospital, including the Local Health Integration Network (“**LHIN**”), the Ministry and other hospitals in the region.

#### 1.05 **Confidentiality**

- (a) The Executive shall strictly observe the rights of all patients of the Hospital to privacy and confidentiality. In addition, the Executive shall comply with the requirements of all relevant legislation, including, but not limited to the *Public Hospitals Act* (Ontario) and the regulations thereunder, with respect to the confidentiality of medical records.
- (b) The Executive shall not, either during the term of his engagement or at any time thereafter, disclose to any person, firm or corporation any confidential information concerning the business or affairs of the Hospital (including the Hospital’s practices, executives and patients) that the Executive may have acquired in the course of, or incidental to, his relationship with the Hospital, other than disclosure as required by law.

- (c) Confidential information does not include information that was or is:
  - (i) in the public domain other than by reason of acts or omissions by the Executive, or
  - (ii) lawfully received in good faith by the Executive from a third party lawfully in possession of same and entitled to disclose same.

1.06 **Executive's Powers**

- (a) The Executive shall have, subject to the general or specific instructions and directions of the Board of Directors, full power and authority to manage and direct the operational business and affairs of HGH, including power and authority (subject to the by-laws of HGH) to enter into contracts, engagements or commitments relating to the operations of every nature or kind in the name of and on behalf of the Hospital and to engage and employ and to dismiss all managers and other executives and agents of HGH.

**ARTICLE 2. FULL TIME COMMITMENT**

2.01 **Faithful Service**

- (a) In carrying out his duties and responsibilities under this Agreement, the Executive shall faithfully serve the Hospital and use his best efforts to promote the interests thereof.
- (b) The Executive shall, throughout the term of his employment, devote his full time and attention to the business and affairs of the Hospital and shall not, without the prior written consent of the Board of Directors, undertake any other business or occupation or become a director, officer, executive or agent of any other company, firm or individual.
- (c) The Executive acknowledges that carrying out his duties under this Agreement may require him to work evenings and weekends, from time to time, in addition to regular business hours.

**ARTICLE 3. TERM**

3.01 **Term**

- (a) The Executive's employment hereunder shall commence with effect April 1, 2012 and continue to December 31<sup>st</sup>, 2017 or until terminated earlier in accordance with the provisions of this Agreement.
- (b) Upon the taking effect of this Agreement, the terms and conditions of the Executive's Employment Agreement of March 30, 2007 shall cease to have effect.

3.02 **Renewal**

- (a) For the purposes of succession planning or as deemed necessary by the Board, this Agreement may be extended for a period of 15 months from January 1<sup>st</sup>, 2018 to March 31<sup>st</sup>, 2019, under the same terms and conditions, by mutual consent of the parties.

**ARTICLE 4. COMPENSATION & BENEFITS**

4.01 **Remuneration**

- (a) The Hospital agrees to pay the Executive a base salary of two hundred and thirteen thousand nine hundred and fifty dollars (\$213,950) per annum.
- (b) In addition to the base salary, the Executive will be eligible to receive an annual incentive payment representing: (i) up to 15% of base salary in recognition of the achievement of the identified HGH's corporate objectives for the year; and (ii) up to 5% of base salary in respect of his achievements in regard to the HGH's annual Quality Improvement Plan, all in accordance with the terms and conditions set out in the CEO's Evaluation attached hereto as Appendix "A".
- (c) The salary payable to the Executive shall be payable at intervals and in accordance with HGH normal payroll practices.

4.02 **Base Salary Review**

The Executive's base salary shall be reviewed annually in accordance with:

- i) Any Cost Of Living Adjustment granted to non-unionized hospital employees, as determined by the Board on July 1<sup>st</sup> of each year;
- ii) The compensation rates for positions of equivalent scope and responsibility within the appropriate hospital comparator group;
- iii) Any relevant salary guidelines or directions as may be recommended by the OHA.

The HGH shall be under no obligation to increase the Executive's base salary at the time of review.

4.03 **Performance Review**

- (a) The Executive's performance review is a continuous process and an integral part of every regular Board meeting, at which time the members of the Board review and approve the Executive Limitations and Ends monitoring reports submitted by the Executive as per a calendar approved by the Board.
- (b) The Executive's performance is reviewed on an annual basis, taking into account the annual corporate objectives submitted to the Board and the annual Quality Improvement Plan. The annual review shall be conducted in accordance with Appendix "A" and shall include: (i) an assessment of the Executive's general performance over the past twelve

(12) months; (ii) a review of the achievement by the Executive of the corporate objectives determined by the Board; and (iii) a review of the Executive's achievement of the objectives set out in the annual Quality Improvement Plan as determined by the Board and the Executive.

#### 4.04 **Benefits**

- (a) ***Automobile Allowance.*** The Hospital shall pay the monthly sum of \$350.00 to the Executive for gasoline and shall provide the Executive with an automobile allowance of one thousand two hundred and fifty dollars (\$1,250) monthly to assist with the upkeep, wear and tear and mileage incurred by the Executive through the use of his automobile in connection with the performance of his duties under this Agreement.
- (b) ***Expenses.*** It is understood and agreed that the Executive will incur expenses in connection with his duties under this Agreement, other than automobile related expenses. The Hospital will reimburse the Executive for such reasonable, necessary and substantiated expenses provided he submits an itemized written account of same in accordance with established HGH policy.
- (c) ***Benefit Plans.*** The Executive will be entitled to the package of benefits and perquisites which are made available to executives of HGH, as set out in summary form in Appendix "B".
- (d) ***Membership in Professional Associations.*** The Hospital agrees to pay membership dues to professional associations and societies and to such service organizations and clubs of which the Executive wishes to be a member, subject to the approval of the Board of Directors that such membership is in the best interests of the Hospital.
- (e) ***Professional Development.*** The Executive will be permitted to be absent from the Hospital during working days to attend professional development meetings and conferences. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and shall not be considered vacation time.
- (f) ***Vacation.*** The Executive shall be entitled to seven (7) weeks of compensated vacation time in each calendar year, to be taken at times mutually agreed to by the Executive and the Board, and of which no more than four (4) weeks shall be taken consecutively. The Executive shall not be allowed to carry any unused earned vacation into the next calendar year without the prior written consent of the Board.

#### 4.05 **Officer Insurance & Indemnification**

- (a) The Hospital shall insure the Executive under the general liability insurance policies for directors and officers for all acts done by him in good faith as Chief Executive Officer throughout the term of this Agreement.
- (b) Where civil or other proceedings are brought against the Executive or he otherwise becomes a party to such proceedings before any court, tribunal or board, and the Executive has exercised his powers in accordance with his duties and authority set out in this Agreement, the Hospital shall assume the defence of such proceedings (including the

costs thereof) and shall pay any and all damages, penalties, interests and costs awarded, including punitive or aggravated damages, provided that the Executive co-operates fully with the Board of Directors or the designate(s) in the investigation, preparation and presentation in such proceedings. When the Hospital assumes the defence of any proceeding pursuant to this section, the Hospital agrees to keep the Executive informed of the status of such proceeding and obtain his consent prior to entering into any settlement, which consent shall not be unreasonably withheld.

- (c) The Executive shall not be indemnified for damages, penalties or reasonable legal costs arising from:
  - (i) neglect or fault of the Executive in his personal capacity as a private citizen; or
  - (ii) conduct, acts or omissions that constitute Just Cause.

## **ARTICLE 5. TERMINATION**

### **5.01 Termination**

- (a) The parties understand and agree that employment pursuant to this Agreement may be terminated in the following manner in the specified circumstances:
  - (i) by the Executive at any time, for any reason, by giving two (2) months' written notice to the Hospital;
  - (ii) by the Hospital, acting in its absolute discretion, without any notice or pay in lieu of notice, for Just Cause (as that term is defined in Section 5.02).
  - (iii) by the Hospital, acting in its absolute discretion, for any reason, by giving the Executive eighteen (18) months' prior notice in writing plus one (1) month for each completed year after April 1<sup>st</sup>, 2012 to a maximum of twenty-four (24) months, or on paying to the Executive the equivalent termination pay in lieu of notice in equal monthly amounts over a period of twelve (12) months.
- (b) The pay in lieu of notice referred to in Section 5.01(a)(iii) above shall include base salary at the time of termination and the value of the Executive's annual incentive payments averaged over the five (5) preceding years.
- (c) In addition to the payments contemplated in Section 5.01(a)(iii) above, upon termination the Executive shall be entitled to:
  - (i) any accrued vacation entitlement;
  - (ii) continuation of the Executive's health, insurance and other benefits for the duration of the notice period, provided that if such benefits may not be continued under the contractual arrangements between HGH and its insurers, the value of such benefits shall be calculated and paid to the Executive forthwith; and

- (iii) continuation for the notice period of contributions to the Hospitals' of Ontario Pension Plan (HOOPP).

The Hospital will, at the request of the Executive, consider the possibility of paying the Executive the value or some or all of the amount payable under (ii) and (iii) above by way of a lump sum. Consent to the Executive's request shall not be unreasonably withheld.

- (d) The parties also acknowledge that the payments contemplated in Section 4.02(a)(iii) include all entitlement to either notice or pay in lieu of notice and severance pay under the *Employment Standards Act, 2000* (Ontario). In the event that the minimum statutory requirements as at the date of termination provide for a right or benefit that is greater than that provided for in this Agreement, such statutory requirements will replace the payments contemplated under this Agreement. The Executive agrees to accept the notice or pay in lieu of notice as set out in Section 4.02(a)(iii) in full and final settlement of all amounts owing to him by the Hospital on termination, including any payment in lieu of notice of termination, entitlement of the Executive under any applicable statute and any rights that the Executive may have at common law, and the Executive waives any claim to any other payment or benefits from the Hospital.

#### 5.02 **Just Cause – Definition**

“Just Cause” for the purposes of this Agreement means just and sufficient cause for termination of employment as defined by law and includes the following:

- (a) any material breach of the obligations or covenants contained in this Agreement;
- (b) wilful failure to carry out the Executive's duties as set out in this Agreement or as prescribed by the Board;
- (c) wilful failure to comply with the applicable legislation governing the Hospital including the *Public Hospitals Act* (Ontario), or with the Hospital's by-laws, policies, rules or regulations;
- (d) any conduct of the Executive that, in the opinion of the Board, tends to bring the Executive or the Hospital into disrepute; or
- (e) conviction of the Executive of a criminal offence punishable by indictment.

#### 5.03 **Payments on Termination**

- (a) The parties understand and agree that the giving of notice or the payment of pay in lieu of notice by the Hospital to the Executive on termination of the Executive's employment shall not prevent the Hospital from alleging that Just Cause exists for the termination.
- (b) Notwithstanding the termination of this Agreement for any reason whatsoever, the Hospital shall pay to the Executive any arrears of monies owing to the Executive up to the date of termination.

5.04 **Offices and Property on Termination**

- (a) On termination of this Agreement for any reason, the Executive shall resign all offices held at the Hospital and on the Board of Directors. In the event that the Executive fails to resign from all such offices, the Chief Governance Officer of the Board of Directors of the Hospital is hereby irrevocably authorized to effect such resignations and to execute all required documents and to take such actions as may be required to effect such resignations.
- (b) Upon termination of this Agreement for any reason, the Executive acknowledges that all items of any kind created or used by the Executive to perform the duties and furnished by the Hospital to the Executive including, but not limited to, all equipment, books, records, credit cards, automobiles, reports, files, diskettes, 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 to the Hospital, in good condition, promptly without being requested to do so.

**ARTICLE 6. DISPUTE RESOLUTION**

6.01 **Mediation**

- (a) Any dispute between the parties arising out of or concerning this Agreement may, with the consensus of all parties, be submitted to mediation, which shall focus on the needs of the parties and seek to solve problems co-operatively, with an emphasis on dialogue and accommodation. The goal of a mediation shall be to preserve and enhance the relationship of the parties by developing a mutually acceptable agreement that will fulfil the needs of all parties.
- (b) The parties and the mediator may adopt any procedural format that appears appropriate for the particular dispute.
- (c) The contents of all discussions during the mediation shall be without prejudice and non-discoverable in subsequent arbitration or litigation, if any.
- (d) If the parties can agree upon a mutually acceptable resolution of the dispute, such agreement shall be reduced to writing, signed by all parties and the dispute shall be at an end.

**ARTICLE 7. GENERAL**

7.01 **Severability**

If any covenant or provision of this Agreement is determined to be void or unenforceable in whole or in part by any court, such determination shall not affect or impair the validity of any



other covenant or provision of this Agreement, which shall remain in full force and effect as if the void or unenforceable covenant or provision had not been made part of this Agreement.

7.02 **Waiver**

No waiver by any party of any breach of any provisions herein shall constitute a waiver of the provision except with respect to the particular breach giving rise to the waiver.

7.03 **Governing Law**

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

7.04 **Entire Agreement**

This Agreement contains the entire agreement of employment between the parties hereto and supersedes all previous negotiations, representations, understandings and agreements, whether oral or written, with respect to the subject matter herein.

7.05 **Notice**

Any notice to be given under this Agreement shall be in writing and shall be personally delivered or sent by registered mail to the following address or such other address as any party may from time to time designate to the other by notice given in accordance with this Section:

(a) *Notices to HGH:*

Hôpital Général de Hawkesbury & District General Hospital Inc.  
1111 Ghislain St.  
Hawkesbury, ON  
K6A 3G5  
Attention: **Chief Governance Officer**

(b) *Notices to the Executive:*

Mr. Marc LeBoutillier  
63 Robinson Avenue  
Ottawa, ON  
K1N 8N8

Any notice personally delivered shall be deemed to be given on the date of delivery. A notice sent by mail shall be deemed to have been validly given on the fifth business day following the date of mailing.

7.06 **Assignment**

This Agreement shall not be assigned by any party without the written consent of the other, provided that the Hospital may assign this Agreement to any successor entity of that Hospital, without the consent of the Executive.

7.07 **Benefit of Agreement**

This Agreement shall endure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and permitted assigns.

7.08 **Time**

Time shall be of the essence in this Agreement.

7.09 **Headings**

The headings in this Agreement are inserted for convenience of reference only and shall not affect its interpretation.

7.10 **Independent Legal Advice**

The Executive confirms that prior to the execution of this Agreement, he had a full and complete opportunity to obtain independent legal advice and representation and that he has either done so or has freely chosen not to obtain such advice.

**IN WITNESS WHEREOF** this Agreement has been executed by the parties.

**SIGNED, SEALED AND DELIVERED**

In the presence of

**HÔPITAL GÉNÉRAL DE HAWKESBURY  
& DISTRICT GENERAL HOSPITAL INC.**

Per: *Sébastien Racine*  
Authorized Signatory

\_\_\_\_\_  
Witness

*Monique Diste*  
Witness

*Marc LeBoutillier*  
**MARC LEBOUTILLIER**

## APPENDIX A

### SUMMARY OF BENEFITS

#### Short Term Disability Plan

- Sick pay benefit coverage provided under the terms and conditions of the Hospitals of Ontario Disability Income Plan – HOODIP (Clarica)
- Premium paid 100% by Hospital

#### Long Term Disability Plan

- Long term disability benefit provided under the terms and conditions of the Hospitals of Ontario Disability Income Plan – HOODIP (Clarica)
- Premium paid 100% by Hospital

#### Group Life Insurance

- Basic life insurance equivalent to four (4) times the Executive's annual earnings, up to a maximum of \$720,000 (Clarica)
- Premiums paid 100% by Hospital

#### Accidental Death and Dismemberment Benefit

- Provided under the terms and conditions of the Hospitals of Ontario Accidental Death and Dismemberment Benefit Plan (Citadelle)
- Premium paid 100% by Hospital

#### Dental, Extended Health and Deluxe Travel Benefits

- Provided under the terms and conditions set in the Liberty Health Plan
- Premium for semi-private room coverage paid 100% by Hospital
- Premiums for other benefits paid 75% by Hospital and 25% by Executive

#### Hospitals of Ontario Pension Plan

- Premiums paid by Hospital and Executive based on the rates set by the Ontario Hospital Association