

THIS EMPLOYMENT AGREEMENT is made as of the 1st day of January, 2019,

BETWEEN:

**WOODSTOCK GENERAL HOSPITAL TRUST
o/a Woodstock Hospital**

(the “Hospital”)

– and –

PERRY LANG

(the “CEO”)

Background

- A. The parties agreed to an Offer of Employment dated June 19, 2018 (the “Offer”), whereby the Hospital’s Board of Directors offered the CEO the position of President and Chief Executive Officer of the Hospital.
- B. The parties wish to reflect the full terms and conditions of the Offer in this Agreement.

IT IS AGREED THAT:

1. **SUPERSEDES**

This Agreement replaces and supersedes the CEO’s existing employment agreement with the Hospital.

2. **POSITION & ACCOUNTABILITY**

The CEO will render full-time professional services to the Hospital for the term of this Agreement in the position of “President and Chief Executive Officer” or such other job title as the parties may agree on from time to time. He will at all times faithfully, industriously, and to the best of his ability perform all duties that may be required by virtue of his position as well as all duties set forth in the Hospital by-laws and policies (which may be amended by the Hospital from time to time) to the reasonable satisfaction of the Board of Directors. These duties shall specifically include, but not be limited to, those matters involving the day-to-day administration of the Hospital. The CEO’s duties shall be performed in compliance with the *Public Hospitals Act*, other applicable laws, and the Hospital’s by-laws, policies and procedures. In addition, the CEO shall perform in the same manner any duties assigned or delegated to him by the Board. The CEO is directly accountable to the Hospital’s Board of Directors.

3. TERM

This Agreement shall commence on January 1, 2019 and shall continue until terminated in accordance with its terms. This Agreement may be reviewed on written notice by either party.

4. SALARY

- (a) All terms of the CEO's employment agreement must comply with the requirements of the *Broader Public Sector Accountability Act, 2010* (Ontario) and the directives issued thereunder, as well as the *Broader Public Sector Executive Compensation Act, 2014*, the regulations thereunder and the Executive Compensation Policy and Framework approved by the Board of Directors on February 28, 2018 as amended (collectively, the "**Requirements**"). The Requirements may be expanded by new legislation or regulations passed by the Government and will apply to this Agreement without any amendment to this Agreement being required.
- (b) Subject to the holdback described in paragraph (c) below, the CEO shall receive an annual salary of \$250,000. The CEO will be eligible for annual salary increases in accordance with the Executive Compensation Policy and Framework (described above) and subject to the Requirements, commencing April 1, 2020. In the event that the Executive Compensation Policy and Framework ceases to be required by the Requirements, any annual salary increase will be subject to approval of the Board of Directors.
- (c) As required by the *Excellent Care for All Act, 2010* (Ontario), a portion of the CEO's compensation must be linked to the achievement of the performance improvement targets set out in the Hospital's annual quality improvement plan. Accordingly, 2% of the CEO's annual salary is at risk should the performance improvement targets set out in the annual quality improvement plan not be achieved. The Board of Directors will determine in the fourth quarter of the fiscal year whether the holdback should be paid out based on achievement of the performance improvement targets. The CEO agrees that the Board of Directors exercising this obligation is not deemed to constitute constructive dismissal.
- (d) In April of each year, the Board will undertake a review of the CEO's performance, which will provide for a review of:
- (i) the CEO's progress toward achievement of Hospital objectives determined by the Board;
 - (ii) the job description of the CEO;
 - (iii) the Hospital's performance under any accountability agreement between the Hospital and the Local Health Integration Network;

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- (iv) the Hospital's performance under the annual quality improvement plan required by the *Excellent Care for All Act, 2010* (Ontario);
 - (v) any notices, compliance directives or orders issued by the Local Health Integration Network or the Minister of Health and Long-Term Care pursuant to the *Local Health System Integration Act, 2010* (Ontario), the *Public Hospitals Act* or any other similar legislation which may be enacted in the future; and
 - (vi) other relevant matters.
- (e) The review process will establish measurable performance expectations, including both short-term and long-term objectives for the CEO, as identified by the Board of Directors in cooperation with the CEO.

5. **AUTHORITY**

The CEO shall have, subject always to the instructions of the Board, authority to manage those areas covered by the duties of the CEO, including authority to enter into contracts or commitments on behalf of the Hospital and to employ and to dismiss all other executives and agents of the Hospital.

6. **BENEFITS AND RELATED POLICIES**

- (a) The CEO shall be entitled to continued enrolment in the Hospital's extended health care plan and all other standard plans available to Hospital executives and approved by the Board from time to time. Participation in all benefit plans is subject to the terms of those applicable benefit plans, which may be altered during the term of this Agreement.
- (b) The CEO shall be entitled to six (6) weeks of compensated vacation time each calendar year to be taken at times mutually agreed upon between the CEO and the Chair of the Board. The CEO's vacation entitlement will increase based on the Hospital's vacation entitlements policy. Unused vacation time shall not accumulate from year to year, unless approved in writing by the Board Chair.
- (c) The Hospital agrees to pay dues to professional associations and societies and to such organizations and clubs of which the CEO is a member, as approved by the Chair of the Board, as being in the best interests of the Hospital.
- (d) The Hospital agrees to reimburse the CEO for education and training up to a total amount not to exceed \$5,000 per annum, to be paid to the CEO based on evidence of actual and properly incurred expenses.

7. **REIMBURSEMENT OF EXPENSES**

The Hospital will reimburse the CEO for any expenses in connection with duties under this Agreement, including professional designations and associations approved

in writing by the Board Chair, provided that: (a) the CEO gives the Hospital an itemized written account and receipts acceptable to the Hospital within ninety (90) days after they have been incurred and (b) all expenses are in compliance with the Hospital's expense policy, which shall be consistent with the Broader Public Sector Expenses Directive and the *Broader Public Sector Accountability Act* (Ontario). Monthly accounts shall be submitted in writing for approval by the Board Chair. The CEO will not be reimbursed for any single item in excess of two thousand dollars (\$2,000.00) unless approved in advance by the Chair.

8. TERMINATION OF EMPLOYMENT

- (a) This Agreement may be terminated in the following manner:
- i. By the CEO, at any time, for any reason on giving no less than three months' written notice to the Hospital. The Hospital may waive notice in whole or in part.
 - ii. By the Hospital, in its absolute discretion, without any notice or payment if there is cause for the termination.
 - iii. By the Hospital, without reason or cause, provided that the Hospital gives the CEO prior written notice equal to 12 months, plus one additional month for each full year of the CEO's service under this Agreement up to a maximum aggregate notice period of 18 months (the "**Notice Period**"), or at the election of the CEO on paying to the CEO the equivalent lump sum payment in lieu of such notice (or a combination of notice and payment in lieu). The payment in lieu or lump sum, as the case may be, does not include the at risk portion of the CEO's annual salary (as set out in Section 4(c), unless the Board of Directors determines that the CEO is eligible to receive the at risk portion based on the achievement of the annual quality improvement plan targets.
- (b) The payments under Section 8(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 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 CEO agrees to accept the notice or pay in lieu of notice as set out in Section 8(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 CEO under any applicable statute and any rights that the CEO may have at common law, and the CEO waives any claim to any other payment or benefits from the Hospital.
- (c) The termination of the CEO's employment must be by a vote of a majority of the Board of Directors.

- (d) Giving notice or the payment of any amount by the Hospital to the CEO on termination of the CEO's employment shall not prevent the Hospital from alleging cause for the termination.
- (e) Upon termination of this Agreement for any reason, the CEO acknowledges that all items of any kind created or used by him pursuant to his employment or furnished by the Hospital to him including, but not limited to, all equipment, books, records, credit cards, reports, files, CDs, 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 Board of Directors of the Hospital, in good condition, promptly without being requested to do so.

9. RELOCATION AND EMPLOYMENT COUNSELLING

In the event of termination without cause, the Hospital shall reimburse the CEO for employment counseling expenses to a maximum value of \$8,000, to be paid based on evidence of actual and properly incurred expenses.

10. ARBITRATION

Any issues arising out of the application, interpretation, or administration of this Agreement shall be determined by final and binding arbitration, without any right of appeal, pursuant to the *Arbitration Act, 1991*. The dispute shall be submitted to arbitration by either party giving written notice of the commencement of the arbitration process. The arbitration shall be conducted before one arbitrator agreed upon by the parties within thirty (30) days of the notice of arbitration or, failing such agreement, by appointment of the Superior Court of Justice (Ontario) (provided that either party applying to the Court for the appointment of an arbitrator shall give written notice to the other party of such application). The arbitration shall be conducted in private and the proceedings and outcome shall be confidential to the parties. The arbitration shall be held in Woodstock, ON. The arbitrator shall have the power to award compensation or damages in the case of breach of the terms of this Agreement. However, the arbitrator shall not have the power to order reinstatement of the CEO nor shall he/she have the power to amend or alter in any way the terms of this Agreement. The arbitrator may also, 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 legal fees, arbitrator's fees and costs and other costs incurred by that party with respect to the arbitration.

11. INSURANCE/INDEMNITY

- (a) The Hospital shall insure the CEO under its general liability insurance policy for directors and officers for all acts done by him in good faith as CEO throughout the term of this Agreement.
- (b) The CEO shall be indemnified by the Hospital as provided in the Hospital's by-laws, as amended by the Hospital from time to time.

12. CONFIDENTIALITY

- (a) In carrying out his duties, the CEO shall faithfully serve the Hospital and use his best efforts to promote its interests. The CEO shall maintain the confidentiality of any confidential information (including information about the Hospital's practices, employees or patients) during and following the term of his employment. Confidential information does not include information that was in the public domain other than by reason of acts or omissions by the CEO or lawfully received in good faith from a third party lawfully in possession of same and entitled to disclose same. The CEO may disclose confidential information of the Hospital pursuant to the lawful requirement of a court or government agency of competent jurisdiction without condition of confidentiality, but only to the extent of such requirement, and provided that the Hospital is notified in advance of the specifics of the disclosure.
- (b) The parties will agree in advance upon any appropriate press releases to announce the commencement and termination of this Agreement.

13. OWNERSHIP OF INFORMATION

All confidential information of the Hospital, whether it is developed by the CEO during his period of employment or by others employed or engaged by or associated with the Hospital, is the exclusive property of the Hospital and shall at all times be regarded, treated and protected as such.

14. NON-SOLICITATION/NON-DISPARAGEMENT

- (a) The CEO will not, either while employed by the Hospital or subsequent to the CEO's termination of employment for any reason for a period equivalent to the CEO's then-current Notice Period (as defined in Section 8(a)(iii)), without the Hospital's express prior written consent, either as an individual, or in conjunction with any other person, firm, corporation, or other entity, whether acting as a principal, agent, employee, consultant, or in any capacity whatsoever solicit, or communicate in any way with any employees or physicians of the Hospital for the purpose of having such employees or physicians in any way engaged by another healthcare organization, person, firm, corporation or other entity.
- (b) The CEO and the Hospital covenant and agree that neither party shall engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including without limitation the repetition or distribution of derogatory rumours, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity or goodwill of the other party, which in the case of the Hospital includes the Board of Directors, employees, physicians and/or patients.

15. **NOTICES**

- (a) Any notice to be given to the CEO shall be delivered to the CEO personally or mailed by registered mail to the CEO's address last known to the Hospital.
- (b) Any notice to be given to the Hospital shall be mailed by registered mail to the Hospital at its address last known to the CEO or delivered personally to the Board Chair.

16. **SEVERABILITY**

In the event that any provision or part of this Agreement shall be deemed invalid by a court, the remaining provisions shall remain in effect.

17. **ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties and any previous agreements, written or oral, expressed or implied, relating to the employment and appointment of the CEO by the Hospital in any role or position are terminated and superseded.

18. **AMENDMENT OF AGREEMENT**

Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect.

19. **HEADINGS**

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the Agreement.

20. **GOVERNING LAW**

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

21. **INDEPENDENT LEGAL ADVICE**

Each party has had the opportunity of obtaining independent legal advice and has read and understood the terms of this Agreement and freely agrees to those terms.

WOODSTOCK GENERAL HOSPITAL TRUST
o/a Woodstock Hospital

~~Brent VanParys~~, Board Chair

I have authority to bind the Hospital.

Audrey Forrest
Witness

Perry Lang U O —