

## **EMPLOYMENT AGREEMENT**

BETWEEN:

### **HEALTH SCIENCES NORTH**

(the "Hospital")

- and -

### **DOMINIC GIROUX**

(the "Executive")

WHEREAS the Executive will be employed as the President & Chief Executive Officer of Health Sciences North (the "Hospital");

AND WHEREAS the Hospital has consented to the Executive also serving part time as the Chief Executive Officer of the Health Sciences North Research Institute (the "Institute"), and the Executive has accepted such a part time role, to be in addition to his full time employment with the Hospital;

NOW THEREFORE, in consideration of the terms and conditions set out below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Executive will be employed by the Hospital in the position of President & Chief Executive Officer and shall perform all the functions of that position under the direction and supervision of the Board of Directors of the Hospital (the "Board"). Further:
  - (a) Executive agrees to act in accordance with Board of Directors Policy Number II-3 "Executive Direction", as set out in attached Schedule A and as may be amended by the Board from time to time, and the By-Laws of the Hospital, and including responsibility for certain related and associated organizations.
  - (b) In general, Executive agrees to supervise, promote and direct the operations of the Hospital so as to further its objectives as set out in its mission, vision, value statements and policies. He shall regularly report to the Board of Directors of the Hospital on the affairs of the Hospital and shall perform other duties as from time to time may be conferred upon or assigned to him by the Board.
  - (c) Without restricting the description of duties and responsibilities set out above, Executive may delegate any of the above duties to other members of staff of the Hospital, save where specifically prohibited by law, Ministry directive or instruction of the Board.
  - (d) The Hospital agrees not to substantially alter the duties and responsibilities of the position in a manner which would have the effect of a demotion from the position of President & Chief Executive Officer, or reduce the wages or benefits without cause or the consent of the Executive.

2. This Agreement and the Executive's employment shall be for a term of five years commencing on October 2, 2017, and ending on October 1, 2022, unless earlier terminated by either party in accordance with the provisions below (the "Term").
3. The parties may enter into a renewal or extension of this Agreement upon mutual agreement. If either party wishes to do so, it should notify the other at least six months prior to the end of the Term. If no renewal is agreed, the employment shall terminate at the end of the Term without further notice or payment of any kind other than such minimum severance pay and other amounts as may be required pursuant to the *Employment Standards Act, 2000 (as amended)*.
4. Executive will receive an annual salary per year from the Hospital as set out in attached Schedule B, less any applicable statutory and other deductions, payable in accordance with the Hospital's payroll practices and other statutory obligations. The Executive's salary shall be subject to annual review and increase in accordance with performance outcomes, applicable legislation and any relevant Executive Compensation Framework approved by the Board. Fifteen percent of the Executive's total annual salary shall be "at risk" pensionable compensation earned, based on the achievement of a defined number of mutually agreeable performance targets, approved by the Board including Hospital Quality Improvement Plan (QIP) targets.
5. Executive shall be entitled to 35 vacation days per calendar year without loss of salary, commencing on January 1, 2018. Unused days will not be carried forward to the following year, and are forfeited without any additional payment or accrual value. Absences of greater than three consecutive weeks must be approved by the Board in advance. Executive will inform the Board Chair if he is away on vacation or for any other reason for five or more business days. It is understood and agreed that vacation days will be taken at the same time as those taken from the Institute.
6. Executive shall be permitted time off to attend professional development opportunities from time to time, to be agreed in consultation with the Board Chair.
7. Executive shall participate in the Hospital's group benefit plans as provided to all managers, including Group Life Insurance, Short and Long-Term Disability, Health and Dental Benefit Coverage and the Hospital of Ontario Pension Plan ("HOOPP"), in accordance with the terms of the applicable plans. Benefit coverage and premium cost sharing will be in accordance with Hospital policy for the management group.
8. Executive will be reimbursed for reasonable expenses incurred in the performance of his duties in accordance with the Hospital's policies.
9. Executive shall be eligible for an annual allowance of \$15,500 to cover professional fees and individual development deemed appropriate to fulfil his role.
10. Executive shall be eligible for a monthly car allowance of \$1000 as a taxable benefit. Flexibility in application will be subject to statutory obligations.
11. Executive will be provided with a smart phone with monthly airtime and data transmission, a laptop computer and other devices required to perform his duties and in accordance with Hospital policy. The devices and data remain the property of the Hospital.

12. This Agreement and the employment of Executive may be terminated at any time in the following manner:
  - (a) By the Executive, by providing six months' advance notice in writing. An earlier departure may be mutually agreed by the parties;
  - (b) By the Hospital at any time without cause by providing Executive with advance notice for the lesser of:
    - (i) eighteen months plus one month per completed year of service, to a maximum of twenty-four months; or
    - (ii) the remainder of the Term,  
  
in full satisfaction of all notice and severance obligations. The Hospital may at its option provide continuation of the Executive's base salary and benefits, with the exception of Short and Long-Term Disability coverage, in lieu of working notice for such period, or until the date that the Executive commences new employment, whichever is earlier.
  - (c) By the Hospital at any time, without advance notice or payment in lieu of notice, for just cause.
  - (d) Should the above provisions be less than the Executive's entitlements under the applicable employment standards legislation, the Executive shall receive his entitlement under such legislation instead of the above, in full satisfaction of all notice and severance obligations.
13. Should the Executive's employment with the Institute end at any time for any reason, his employment with the Hospital shall also terminate.
14. Executive shall not engage in any activity or undertake other responsibilities or positions that conflict or potentially conflict or create the appearance of a conflict with his duties and responsibilities hereunder, nor shall he undertake employment with any other employer apart from the Institute without written permission of the Board.
15. In the event that a conflict of interest or perceived conflict of interest arises as a result of the Executive's role with the Hospital, or where a conflict of interest arises as between the Hospital and the Institute, the Executive shall promptly disclose such to the Board Chair.
16. The Hospital agrees that it shall defend, hold harmless and indemnify the Executive during the Term and following the termination of his employment from any and all demands, claims, suits, actions and legal proceedings brought against the Executive in his capacity as agent and employee of the Hospital, including payment of legal costs, charges and expenses of a civil or administrative action or proceeding, to the extent permitted by law, where:
  - (a) The subject incident arose while the Executive was acting in the scope of his employment and in good faith; or
  - (b) An administrative proceeding seeks a monetary penalty against the Executive, and the Executive reasonably and in good faith believed that the action to which the penalty relates was lawful.

The Executive acknowledges that the Hospital is not liable to indemnify him for any actions undertaken or omissions made by the Executive outside of his duties as Executive, or in any circumstances where the law prohibits the indemnification of an executive, officer or director.

17. In the course of Executive's employment with the Hospital, he shall acquire and have access to sensitive and confidential information belonging to the Hospital, the Institute, and patients, including personal health information, research plans, research results, inventions, technologies, operations and other confidential materials and information. Executive agrees that he shall not (either during the period of his employment or any time thereafter) use such information for any purpose other than on behalf of the Institute or the Hospital in furtherance of his duties, and he shall not disclose any such information to any person other than for the purposes of the Institute, of the Hospital or as ordered under the authority of any statute.
18. In the course of Executive's employment with the Hospital, he may create or contribute to work product, including all information, materials, inventions, ideas, treatments, formulae, works, drawings, designs, specifications, plans, documentation, reports, research, material, algorithms, solutions, requirements, architecture, techniques, know-how, methods, methodologies, tools, processes, templates, test cases and plans, test scripts, tapes, discs, code, notes, memoranda, data, prototypes, improvements, enhancements, innovations, modifications, corrections, updates, upgrades, derivatives, revisions, translations, abridgements, condensations, expansions, transformations or adaptations to or regarding any of the foregoing, and other original works of authorship, whether in tangible or intangible form (the "Work Product"). Executive agrees that all such Work Product is exclusively owned by the Hospital, and he hereby irrevocably assigns all right, title and interest in and to the Work Product to the Hospital, and irrevocably waives all moral rights thereto. Executive agrees to provide to the Hospital all assistance reasonably required to protect or register its intellectual property in the Work Product, including, without limitation, assistance in the preparation of any applications for registration or other protection, execution and delivery of any and all assignments, instruments and documents required to evidence the Hospital's ownership of such Work Product throughout the world, and cooperation with the Hospital in obtaining, defending and enforcing its rights therein. If the Hospital requires such assistance following the termination of the employment relationship, the Hospital shall pay Executive reasonable per diem compensation for such assistance.
19. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. In the event that any term is found to be contrary to law, that term will be amended to conform to the law or deleted and the other terms of the Agreement shall remain binding on the parties.
20. This Agreement represents the complete agreement between the parties and any other agreement, written or oral, explicit or implicit is hereby revoked and of no further force or effect. Further, any modifications to this Agreement must be in writing and signed by the parties hereto.
21. Executive acknowledges that he has had the opportunity to read, and understands this Agreement, and has had the opportunity to consult legal counsel.

DATED AT Sudbury, Ontario, this 30<sup>th</sup> day  
of April, 2017.

  
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Witness

  
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Witness

  
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DOMINIC GIROUX

HEALTH SCIENCES NORTH

  
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By: Nicole Everest, Board Chair

## SCHEDULE A

### BOARD OF DIRECTORS

Health Sciences North / Horizon Santé-Nord

**ISSUED BY:** Board of Directors

**AUTHORIZED BY:** Board of Directors

**ISSUE DATE:** July 8, 2003

**NUMBER:** II-3

**REVISION DATE:** January 12, 2016

**REVIEW DATE:** November 17, 2016

**PAGE:** 6 of 2

**CATEGORY:** Part II – Provides for Excellent Management

**SUBJECT:** EXECUTIVE DIRECTION

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The Chief Executive Officer (CEO) is accountable to the Board of Directors (Board). The Board's sole official connection to the operational organization, its achievements and conduct will be through the CEO. The Board provides direction to the President and CEO in accordance with policies established by the Board and subject to direction of the Board. The Board delegates responsibility and concomitant authority to the Chief Executive Officer for the administrative and clinical operations of the Hospital.

The CEO shall:

1. Strive to ensure that the HSN staff, programs and services provide quality patient-centered care in a caring, compassionate, safe and attentive environment characterized by respect, integrity and ethical reflection.
2. Ensure that the organization's practices, activities and decisions are undertaken prudently, legally, and in an equitable and reasonable manner congruent with commonly accepted business practices and professional ethics. The CEO shall ensure that employees, medical staff, students and volunteers are able to function in a safe and healthy environment with appropriate mechanisms in place to manage risk.
3. Ensure that assets are protected, adequately maintained and not unnecessarily risked.
4. Ensure Board-stated priorities are reflected in the allocation of resources.
5. Ensure budgeting is based on generally accepted financial planning practices that balance expenditures in any fiscal year against expected revenues.
6. Promote a healthy and safe work environment for staff and volunteers that is consistent with the Hospital's values of respect, caring, innovation and learning.
7. Represent the Hospital externally to the community, government and media and other organizations and agencies in ways that shall not endanger the public image or credibility of HSN and or in ways that would hinder its ability to accomplish its mission.
8. Provide leadership support to the Board in the discharge of its responsibilities and ensure that the Board is informed and supported in its work.
9. The CEO is responsible to the Board for establishing the strategic planning process, for approval by the Board. The Board as a whole will engage with the CEO and senior leadership team in developing the strategic plan and monitoring it on an on-going basis.

## SCHEDULE B

### Salary Range over Term of Agreement

Note 1: The amount of annual re-earnable "at risk" salary is based on performance of the Executive. Movement within the range is subject to satisfactory performance. Annual Base Salary is paid via regular bi-weekly payroll with the Annual Performance Re-earnable (based on performance results for each Fiscal Year) payable in a lump sum payment via payroll on or around July 15<sup>th</sup> of each year. The timing of payment is based on the timing and completion of the Board performance review process.

<b>Effective Date</b>	<b>Annual Base Salary</b>	<b>Annual Performance Re-earnable 15%</b>	<b>Maximum Allowable Salary (includes 15% maximum)</b>
<b>Start</b>	<b>\$314,407</b>	<b>\$47,161</b>	<b>\$361,568</b>
<b>April 1, 2018</b>	<b>\$320,824</b>	<b>\$48,124</b>	<b>\$368,947</b>
<b>April 1, 2019</b>	<b>\$327,371</b>	<b>\$49,106</b>	<b>\$376,477</b>
<b>April 1, 2020</b>	<b>\$334,052</b>	<b>\$50,108</b>	<b>\$384,160</b>
<b>April 1, 2021</b>	<b>\$340,870</b>	<b>\$51,130</b>	<b>\$392,000</b>

Note 2: Annual Base Salary and re-earnable will be pro-rated from start date up to and including March 31, 2018