

THIS AGREEMENT is made effective the 16th day of August, 2020 (the "Effective Date"),

BETWEEN:

CAMBRIDGE MEMORIAL HOSPITAL

a corporation without share capital duly incorporated under the laws of the Province of Ontario having its head office in the City of Cambridge, in the Province of Ontario

(the "Hospital")

-and-

PATRICK GASKIN

of the City of Waterloo, in the Province of Ontario

("P. Gaskin")

RECITALS

The Hospital and P. Gaskin entered into an Employment Agreement effective August 16, 2010 appointing P. Gaskin as the President and Chief Executive Officer at the Hospital ("2010 Agreement").

The Hospital and P. Gaskin subsequently entered into a subsequent agreement effective August 16, 2015 to continue their employment relationship ("2015 Agreement")

The Hospital and P. Gaskin have now agreed to continue their employment relationship pursuant to a new fixed term employment agreement.

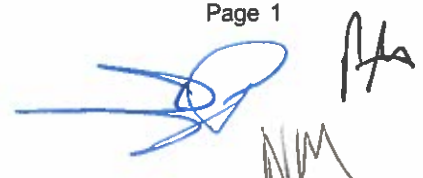
The terms of the employment relationship have been negotiated between the Hospital and P. Gaskin and are set out in this Agreement.

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the parties agree as follows:

1. DEFINITIONS

In this Agreement, unless the context otherwise requires, each capitalized term shall have the following meaning attributed thereto:

- (a) "Agreement" means this agreement, including its recitals and all schedules attached to this agreement, all as may be supplemented or amended from time to time in accordance with this Agreement;

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- (b) "Board" means Board of Directors of the Hospital;
- (c) "Chair" means the Director elected by the Board to serve as Chair of the Board;
- (d) "Chief Executive Officer", or its acronym, means in addition to 'administrator' as defined in Section 1 of the *Public Hospitals Act*, the President and Chief Executive Officer of the Hospital;
- (e) "Employment Commencement Date" means the date that P. Gaskin began employment with the Hospital as Acting President and Chief Executive Officer, being September 16, 2009;
- (f) "Minister" means the Minister of Health; and,
- (g) "MOH" means Ministry of Health.

2. CHIEF EXECUTIVE OFFICER

P. Gaskin agrees to serve as the President and Chief Executive Officer of the Hospital to the best of his ability in compliance with all applicable laws, the Hospital's By-Laws, policies, procedures, rules and regulations, all as may be amended from time to time, and this Agreement.

3. ACCOUNTABILITY

- (a) P. Gaskin shall be directly accountable to the Board in accordance with the Hospital's By-Laws and applicable policies and procedures.
- (b) The Chair shall act as the Board's central point of official communication with P. Gaskin.
- (c) P. Gaskin shall follow all lawful instructions and directions given to him by the Board.

4. TERM

- (a) This Agreement shall be for the period of five (5) years from the Effective Date unless terminated earlier by either party in accordance with Section 10.
- (b) The Chair shall advise P. Gaskin on or before March 31, 2024 whether the Agreement may be renewed, and if so, for what further term and on what conditions. In the event a renewal is not offered, P. Gaskin shall continue to perform his responsibilities under this Agreement until the expiration of its term, subject to either party's right to terminate this Agreement in accordance with Section 10.

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5. FULL TIME AND ATTENTION

- (a) P. Gaskin shall, throughout the term of his employment, devote his full time and attention to the business and affairs of the Hospital. P. Gaskin acknowledges that this position will include the carrying out of duties in the evenings and weekends, as may be required from time to time, in addition to regular business hours.
- (b) (i) P. Gaskin shall not undertake any other business or occupation or become an employee, partner or agent of any other corporation, partnership, firm or person ("Other Organizations").
- (ii) Notwithstanding paragraph 5(b) (i) above, P. Gaskin may, with the Board's consent or as required under the *Public Hospitals Act*, undertake activities as a director or officer for Other Organizations which are consistent with his responsibilities in respect of raising the profile of the Hospital and/or improving the Hospital's relationship with key stakeholders such as government (Federal, Provincial or Municipal), other education or research organizations, and other healthcare providers or their respective associations, provided such activities do not interfere with P. Gaskin's ability to discharge his responsibilities to the Hospital.

6. REMUNERATION

- (a) The Hospital agrees to pay P. Gaskin an annual base salary of two hundred and eighty-five thousand dollars (\$285,000), remitted on a bi-weekly basis. This base salary shall be reviewed every year by the Board taking into account the performance review conducted by the Executive Committee as more particularly described in Section 7. Such salary increases, if any, shall be effective as of April 1st of the calendar year.
- (b) Notwithstanding anything else in this Agreement, P. Gaskin acknowledges and agrees that this Agreement is subject to the *Broader Public Sector Executive Compensation Act, 2014* and the Compensation Framework established under Ontario Regulation 406/18, and may be subject to other legislative restraints in the future. Any payments of salary, performance incentive payments or other compensation under this Agreement, including any future increases, will be made in compliance with all legislative restraints applicable to the Hospital and P. Gaskin's employment under this Agreement.
- (c) Performance Incentive
- i. P. Gaskin will be eligible to receive an annual lump sum payment up to a maximum of twenty percent (20%) of his then annual base salary as a performance incentive payable in respect of achievement of objectives in the preceding fiscal year in accordance with the *Excellent Care for All Act, 2010*, or any successor or other related legislation. The Board's decision to pay a performance incentive payment under this paragraph shall not result in an adjustment to the future base salary payable to P. Gaskin.

- ii. The determination of whether a performance incentive is payable shall be made by the Board prior to June 30 of each year and shall be based upon consideration of the achievement of strategic goals, objectives and operational targets as are set annually by the Board.
- iii. The performance incentive payable in accordance with subsection ii. above, if any, shall be paid on or before July 31 of each year.

7. PERFORMANCE REVIEW

(a) By no later than June 15th of each calendar year, the Executive Committee of the Board will undertake a review of P. Gaskin's performance for the prior fiscal period, which will provide for a review of:

(i) P. Gaskin's progress toward achievement of the Hospital's preceding fiscal year objectives as determined by the Board, including his performance in respect of achieving the Hospital's financial goals and objectives;

(ii) the job description of the CEO as approved by the Board from time to time;

(iii) the Hospital's performance under any accountability agreement between the Hospital and MOH or any governmental body or agency that may in the future fund or hold the Hospital accountable for its clinical or financial performance;

(iv) any notices, compliance directives or orders issued by the Minister pursuant to the *Commitment to the Future of Medicare Act* or any other similar legislation, including *Excellent Care for All Act, 2010*, *Broader Public Sector Accountability Act, 2010*, *Broader Public Sector Executive Compensation Act, 2014* or other legislation which may be enacted in the future; and

(v) other relevant matters, including compliance with Section 5.

(b) Based on the performance review, the Executive Committee will make recommendations to the Board in respect of P. Gaskin's compensation. Any amendments to P. Gaskin's remuneration (including the payment to P. Gaskin of any performance incentive in accordance with Section 6 (c) (i)) must be approved by the Board, taking into account any relevant policies, the results of the performance review, as well as any legislated requirements including *Excellent Care for All Act, 2010* and the *Broader Public Sector Executive Compensation Act, 2014* or other legislation which may be enacted in the future.

(c) By no later than June 15th of each calendar year, the Executive Committee will develop, in



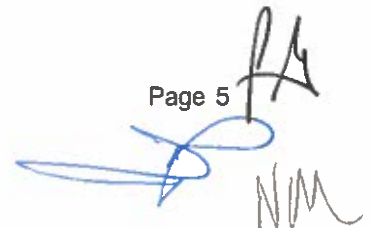
consultation with P. Gaskin, and recommend to the Board measurable performance expectations and objectives, including both short-term and long-term objectives for the CEO which shall form the basis for performance incentive in the then current fiscal year.

8. BENEFITS

- (a) The Hospital shall provide P. Gaskin with a monthly vehicle allowance of one thousand dollars (\$1,000). Any and all costs and expenses in respect of owning, leasing, maintaining, operating and insuring P. Gaskin's vehicle shall be his sole responsibility, including for travel within the Waterloo Region and Wellington County area ("WW"). P. Gaskin will be reimbursed by the Hospital for travel outside the WW in accordance with Hospital policy in effect from time to time. As of April 17, 2021, this allowance will cease and P. Gaskin will be reimbursed by the Hospital for all hospital-related travel in accordance with Hospital policy in effect from time to time.
- (b) The Hospital shall reimburse P. Gaskin for:
- i. leadership development and other professional development programs as approved by the Chair; and
 - ii. Professional membership fees incurred in no more than three (3) professional organizations that are reasonable and approved in advance by the Chair (e.g. Canadian College of Health Leaders, the American College of Healthcare Executives)
- to a combined maximum of seventeen thousand dollars (\$17,000) per annum.
- (c) P. Gaskin shall be entitled to continue participating in the benefits plans made available by the Hospital to its full-time senior administrative personnel. The benefit plans include pension, dental, extended health, and group life insurance as amended from time to time. P. Gaskin shall participate in such plans on the same terms as other employees, except with respect to Long Term Disability coverage which will be payable at the rate of sixty five percent (65%) of his base salary without regard to the generally applicable maximum cap on salary.
- (d) The Hospital shall establish an healthcare spending account for P. Gaskin and fund it at the rate of five thousand dollars (\$5,000) per fiscal year. This sum, or any unused balance thereof, is not transferrable from year to year.

9. EXPENSES

- (i) It is understood and agreed that P. Gaskin will incur expenses in connection with his duties under this Agreement. The Hospital will reimburse P. Gaskin for all reasonable and substantiated expenses provided they were incurred and substantiated in accordance with established Hospital policies or as approved by the Chair or delegate.



10. TERMINATION

(a) Resignation or Retirement

P. Gaskin may resign or retire at any time, and for any reason, upon providing a minimum of four (4) months' notice of resignation or retirement in writing to the Chair. The Hospital may waive such notice period (in whole or in part) in which case, the Hospital's only obligation will be to continue P. Gaskin's salary and benefits for four (4) months from the date such notice was provided.

(b) Termination by Mutual Agreement

This Agreement may be terminated by mutual agreement of P. Gaskin and the Hospital in writing.

(c) Termination in the Event of Death

This Agreement shall terminate immediately in the event of the death of P. Gaskin.

(d) Termination for Cause

P. Gaskin's employment may be terminated at any time for cause without any benefit continuation, notice or payment in lieu thereof, or severance pay. "Cause" shall be deemed to include, but shall not be restricted to the following:

- (i) If P. Gaskin has intentionally disregarded or disobeyed any order or instruction of the Board of Directors;
- (ii) If P. Gaskin has committed an act of dishonesty against the Hospital;
- (iii) If P. Gaskin has breached any of the material provisions of this Agreement;
- (iv) If P. Gaskin has been convicted of any criminal offence which may adversely affect the reputation of the Hospital in the eyes of its clients; funders, the Government of Ontario, or any of its agencies or the public in general;
- (v) If P. Gaskin is absent for more than five (5) working days without notifying the Chair and without reasonable explanation, unless P. Gaskin is prevented from doing so by illness or injury or other extenuating circumstances; or,
- (vi) If P. Gaskin demonstrates a repeated and documented inability to meet the performance of objectives established by the Board of Directors.

(e) Termination without Cause

- (i) The Hospital may terminate the employment of P. Gaskin at any time and for any reason

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whatsoever without cause, upon providing P. Gaskin with twelve (12) months' notice or pay in lieu thereof plus a further one (1) months' notice or pay in lieu thereof for each completed year of employment with the Hospital to a combined maximum of eighteen (18) months' notice or pay in lieu thereof.

(ii) In the event of a merger or amalgamation with another entity regulated by the *Public Hospitals Act*, and P. Gaskin applies for a position with the new entity but it is unsuccessful, P. Gaskin shall instead receive twenty-four (24) months' notice or pay in lieu thereof. In the event that P. Gaskin is appointed the President and CEO of the new entity, his employment will be deemed to be continuous and he shall therefore be ineligible for any compensation in accordance with this section or otherwise at law. Should P. Gaskin apply for and accept a position below the level of President and CEO with the new entity he shall instead receive a lump sum payment equivalent to six (6) months' regular salary. Where P. Gaskin elects not to apply for continued employment with the new entity, he will be compensated in accordance with paragraph 10(e)(i) above.

(iii) In the event of the termination of P. Gaskin's employment without cause by the Hospital under this Section 10(e), P. Gaskin shall have continued eligibility for the benefits set out in Section 8 for the minimum duration required under the *Employment Standards Act, 2000* and thereafter shall have access to such benefits, excluding disability and group life insurance benefits which cease after such minimum duration, for the remainder of the salary continuation period implemented by the Hospital.

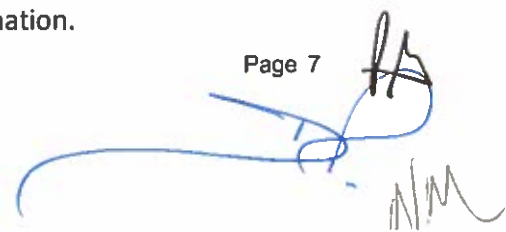
(iv) The Hospital may, in its sole discretion, elect whether to remit any payment in lieu of notice owing under this Section 10(e) by way of salary continuance or lump sum payment, or any combination thereof. The Hospital may also, at its sole discretion, require P. Gaskin to continue performing services during any part of the salary continuance period.

Fair and Reasonable

(v) P. Gaskin acknowledges that the notice period, or payment in lieu thereof, referred to under Section 10(e) is fair and reasonable, and is inclusive of all common law and statutory entitlements to notice and severance pay, including any entitlements under the *Employment Standards Act, 2000*, as amended. Upon provision of the notice period, or payment in lieu thereof referred to in Section 10(e), together with as the payment of any outstanding compensation and vacation pay, this Agreement shall be wholly terminated and P. Gaskin shall have no action, cause of action, complaint, demand or claim against the Hospital, its employees or any member of the Board of Directors, whether statutory or at common law.

(f) Termination Payments Subject to Deductions

All payments made pursuant to Section 10 of this Agreement are subject to such deductions and withholdings as are required by law, and may be the subject of set-off against any amounts owed by P. Gaskin to the Hospital at the time of termination.

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(g) Non-renewal of Agreement

Where the Chair advises P. Gaskin of the Hospital's intention not to renew this Agreement in accordance with Section 4(b), this Agreement will expire and the employment of P. Gaskin will cease. Upon the provisions of notice or non-renewal under this Agreement and the subsequent expiry of the Agreement, as well as payment of any outstanding accrued compensation and accrued but unused vacation pay, the employment relationship shall be wholly concluded and P. Gaskin shall have no action, cause of action, complaint, demand or claim against the Hospital, its employees, or any member of the Board of Directors, whether statutory or at common law, except as otherwise required by the *Employment Standards Act, 2000*.

(h) Agreement Deemed Frustrated

In any of the following circumstances, this Agreement shall be deemed frustrated at the discretion of the Hospital, and in such event the Hospital shall, notwithstanding any other provisions contained in this Agreement, have no obligation to make payments to P. Gaskin for notice or severance, other than amounts owing for notice or severance under the *Employment Standards Act, 2000*, together with benefit continuation as required under such statute, plus payment of an amount equal to two (2) months of the base salary payable hereunder at the level in effect at the time such disability occurs:

- (i) If P. Gaskin becomes eligible for Long Term Disability benefits under the Hospital's general disability policy;
- (ii) subject to the *Human Rights Code*, the Board of Directors of the Hospital determine that P. Gaskin has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfil his obligations as President and Chief Executive Officer of the Hospital either for any consecutive twelve (12) month period or for any period of sixteen (16) months (whether or not consecutive) in any consecutive twenty (24) month period; or
- (iii) a court of competent jurisdiction has declared P. Gaskin to be mentally incompetent or incapable of managing his affairs.

11. VACATION ENTITLEMENT

P. Gaskin shall be entitled to six (6) weeks of vacation during each calendar year. Vacation not taken in a calendar year may be carried forward into any subsequent year(s) to a maximum of nine (9) weeks of vacation.

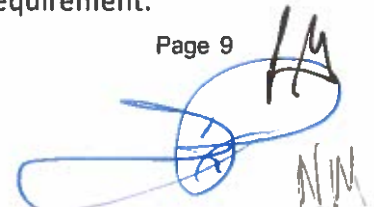
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12. LIABILITY INSURANCE

The Hospital shall insure P. Gaskin under its general liability policy both during and after the term of his employment, for all acts done by him in good faith and in the execution of his office as CEO throughout the term of his employment, including where the CEO is specifically named in a lawsuit launched by a patient, employee, member of the Medical Staff, or any other party.

13. OWNERSHIP OF INFORMATION AND NON DISCLOSURE

- (a) "Confidential Information" includes, without limitation, information and facts relating to the operation and affairs of the Hospital acquired by P. Gaskin in the course of his employment, including information and facts relating to present and contemplated services, future plans, processes, procedures, suppliers, capital projects, financial information of all kinds, government relations strategies, patients or their health records, any product, device, equipment or machine, or employees. For greater clarity, Confidential Information shall not include:
- (i) information and facts that are available to the public or in the public domain at the time of such disclosure or use, without breach of this Agreement; or
 - (ii) information and facts that become available to P. Gaskin on a non-confidential basis from a source other than the Hospital.
- (b) All Confidential Information of the Hospital, whether it is developed by P. Gaskin 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.
- (c) P. Gaskin shall not disclose Confidential Information to any person or use Confidential Information (other than necessary in carrying out his duties on behalf of the Hospital) at any time during or subsequent to his period of employment without first obtaining the written consent of the Chair, and P. Gaskin shall take all reasonable precautions to prevent inadvertent disclosure of any such Confidential Information.
- (d) Within five (5) days after the termination of P. Gaskin's employment by the Hospital, for any reason, P. Gaskin shall promptly deliver to the Hospital all property belonging to the Hospital, including without limitation all Confidential Information (in whatever form) that is in his possession or under his control.
- (e) Nothing in this Section precludes P. Gaskin from disclosing Confidential Information at any time if disclosure of such Confidential Information is required by law, regulation, governmental body, or authority or by court order, provided that before disclosure is made, notice of the requirement is provided to the Hospital, and to the extent possible in the circumstances, the Hospital is afforded an opportunity to dispute the requirement.



14. ENTIRE AGREEMENT

This Agreement expresses the entire agreement of the parties and cannot be amended unless there is written approval of both parties. Upon execution of this Agreement by the parties, this Agreement shall replace all previous agreements and shall govern the relationship of the parties.

15. SECTION HEADINGS

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

16. BINDING EFFECT AND NON-ASSIGNMENT

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors, but shall not be capable of assignment by either party without the previous written consent of the other party thereto.

17. NOTICE PROVISIONS

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 addresses or such other address as either party may from time to time designate to the other by notice given in accordance with this Section:

Notices to the Hospital:

Cambridge Memorial Hospital
700 Coronation Blvd. Cambridge, ON, N1R 3G2

Attention: Chair, Board of Directors

Notices to CEO:



Attention: Patrick Gaskin, Chief Executive Officer

18. 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.

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19. WAIVER

No waiver by either 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.

20. DISPUTES

Should a dispute arise between the Hospital and P. Gaskin as to the rights and obligations of the parties under this Agreement, the dispute shall be referred to arbitration pursuant to the *Arbitrations Act, 1991*. The prevailing party to the arbitration shall be entitled to receive reimbursement for their lawyer's fees and expenses on a full indemnity basis.

21. 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. All statutory references are to those enactments of the legislature in the Province of Ontario.

22. CURRENCY and DEDUCTIONS

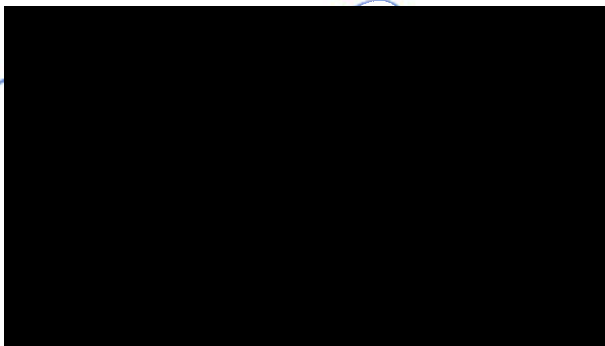
All dollar amounts referenced in this Agreement, unless otherwise indicated, are expressed in Canadian Dollars. All payments pursuant to this Agreement are less deductions required or authorized by law.

23. INDEPENDENT LEGAL ADVICE

P. Gaskin confirms that, prior to the execution of this Agreement, he has had the 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 the parties hereto have executed this Agreement.

CAMBRIDGE MEMORIAL HOSPITAL



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I have read, understand and accept the terms and conditions of this Agreement,



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