



EMPLOYMENT CONTRACT

THIS AGREEMENT DATED THE 29TH OF NOVEMBER, 2018.

BETWEEN:

HAMILTON HEALTH SCIENCES CORPORATION
a corporation incorporated under the laws of
the Province of Ontario

("Employer")

- and -

DR. MICHAEL STACEY



("Employee")

WHEREAS the Employee will commence employment with the Employer as Executive Vice President, Academic and Chief Medical Executive, effective October 25, 2018;

AND WHEREAS the Employee holds a position as Professor in the Department of Surgery at McMaster University and engages in medical research activities;

AND WHEREAS the Employee will continue to be engaged in medical research following his appointment under this Agreement;

AND WHEREAS The Employer wishes to employ the Employee and the Employee wishes to be employed by the Employer;

IN CONSIDERATION of the mutual promises herein contained (the adequacy of which is hereby acknowledged by each of the Employee and the Employer), the parties agree as follows:

1. **EMPLOYMENT**

1.01 The Employee shall serve the Employer as its Executive Vice President, Academic and Chief Medical Executive, or in such other equivalent capacity as may be agreed upon by the Employer and the Employee.

- 1.02 It is agreed that the Employee shall be employed on a fixed term basis. The Employee's employment will commence on Thursday, October 25, 2018, and shall expire on Wednesday, October 18, 2023.
- 1.03 The Employee shall have the powers and duties incidental to such position. In the performance of such duties he shall be subject to the exclusive direction and control of the President and Chief Executive Officer, or as otherwise assigned.
- 1.04 During the term of this Employment Contract the Employee:
- (i) shall hold a certificate of registration authorizing independent practice from the College of Physicians and Surgeons of Ontario (CPSO) without any terms, conditions or limitations; and,
 - (ii) shall maintain membership in the Canadian Medical Protection Association or hold other professional practice liability coverage appropriate to the scope and nature of the role and specific responsibilities.

2. **COMPENSATION, VACATION, EXPENSES**

- 2.01 The position is being held on a 1.0 full-time equivalent or the equivalent of five days per week. The Employer shall pay to the Employee a base salary at the rate of \$366,188.00 (three hundred and sixty six thousand one hundred and eighty-eight dollars) per annum, payable bi-weekly, before statutory deductions, and inclusive of statutory holidays and vacation pay. Salary reviews are undertaken on or about October of each year after completion of a performance review. The Employee's first opportunity for such a review will be October 2019, and may be subject to legislated restraints.

In addition to the agreed fixed amount of compensation as described in this subparagraph 2.01 above, the Employee will be eligible to participate in the "Executive Vice-President Variable Compensation Policy" which provides an annual variable compensation incentive payment of up to a maximum of fifteen percent (15%) of the base annual salary. For any incomplete year of service, the Employee shall be eligible to participate on a pro-rata basis for each complete month worked. The assessment and allocation of any such at-risk pay are subject to the terms of the program. Please refer to Schedule "A" for further details.

- 2.02 The Employee shall, during his employment, be entitled to participate in such Health and Welfare benefit plans and the vacation program of the Employer as are generally made available by the Employer to all of its executive employees. The current health and welfare benefits as provided to the Employer's Management Executives are as follows:
- (a) Should the Employee require Extended Health Care and Dental benefits, these will be available and effective on the first day of the month following the Employee's first day of employment. The three (3) month waiting period normally required for the Extended Health Care and Dental benefits has been

waived by the Employer. Eligibility to the Health Services Spending Account (HSSA) coincides with enrollment in the Extended Health Care benefit.

- (b) Participation in each plan or program shall be subject to its general conditions as they may be from time to time. The policies between the Employer and its insured benefits provider(s) do not form part of this contract.
- (c) The Employer may unilaterally alter, amend or delete any plan or program at any time provided that the coverage available to the Employee is at all times at least consistent with that available to other executive employees of the Employer.
- (d) During each twelve (12) month calendar year under this Agreement the Employee shall be entitled to five (5) weeks paid vacation per annum, which shall be accumulated on a pro-rata basis for each full month of employment.

2.03 The Employer requires executives to have a vehicle as a condition of employment for convenient, efficient travel to all sites and for the execution of his duties. A vehicle allowance of nine hundred and sixty dollars (\$960.00) per month is provided via payroll on the second pay of each month. This fully taxable benefit is deemed to cover all business related vehicle expenses. No other form of vehicle reimbursement is provided by the Employer. In addition to maintaining a valid Ontario Driver's License, the Employee must maintain insurance coverage in a form satisfactory to the Employer (including a recommended minimum of \$1,000,000 in liability as outlined by the Employer Travel and Expense Reimbursement Policy).

2.04 The Employee shall be entitled to reimbursement of reasonable authorized business expenses, as per the Employer policy, incurred by the Employee in the course of his employment with the Employer.

2.05 The Employee shall be eligible for reimbursement of pre-approved travel and education expenses in keeping with Employer policy.

3. **DUTIES OF EMPLOYEE**

3.01 The Employee, while employed by the Employer, shall have the power and authority to manage and direct in concert with other members of the Management team. The Employee shall obey and carry out all lawful direction given by the Employer and shall adhere to the by-laws and constituting documents of the Employer as may be in place from time to time.

3.02 At all times, the Employee will adhere to the Employer's by-laws, rules and constituting documents, including without limitation, the Employer's *Values Based Code of Conduct, Prevention and Management of Violence and Harassment in the Workplace*, and customary Ontario hospital and professional standards and practices, and other applicable laws and regulations.

3.03 Unless prevented by ill health or sufficient cause, the Employee shall, during the term of employment, devote the whole of his time (37.5 hours per week) and attention to the business of the Employer as the Executive Vice President,

Academic and Chief Medical Executive, and shall not, without prior consent of the Employer, engage in any other business or employment that compromises the abilities to fulfill the role and hours of work expectations.

3.04 Paid Time to Support Teaching, Research or Clinical Work

Further to subparagraph 3.03 above, it is understood that, at the option of the Employee, his teaching, research and clinical work shall continue on a basis not to exceed one (1) working day during every two (2) week period, without loss of pay.

(a) To ensure continuity in the Employee's research studies, the Employer shall make available an amount not to exceed \$25,000 (twenty-five thousand dollars) per fiscal year. These funds are to reimburse eligible expenses that directly support the Employee's research activities in accordance with Employer policy.

For any incomplete fiscal year of service, the Employee will be eligible for reimbursement on a pro-rata basis.

3.05 The Employee shall faithfully, effectively and satisfactorily perform all of the duties and acts that are usual or necessary in meeting the responsibilities of the role of Executive Vice President, Academic and Chief Medical Executive. The Employee shall perform their duties and functions impartially, responsibly, diligently, efficiently with integrity and in a manner that bears public scrutiny. The Employee will arrange their private interests in a manner that prevents a conflict of interest or its perception in accordance with the Employer's *Conflict of Interest Code of Conduct*.

4. CONFIDENTIAL INFORMATION

4.01 The Employee acknowledges that, as a consequence of his employment by the Employer and for the more effective performance of his duties:

(a) The Employee will be provided with access to confidential information and knowledge relating to the business of the Employer and the affairs of customers and prospective customers of the Employer; and,

(b) The Employee will be advanced and promoted by the Employer to customers, prospective customers, partners and the community as a person of special competence in the field of hospital administration, medicine and quality as per the duties and responsibilities discussed with the Employee for the Executive Vice President, Academic and Chief Medical Executive role.

The information and knowledge referred to in 4.05 below collectively comprises an important and valuable asset of the Employer and the parties hereto agree and acknowledge that any removal, disclosure or other unauthorized use of any such information or knowledge by the Employee will cause damage to the Employer.

- 4.02 The Employee agrees that at all times during the period of the Employee's employment and at all times following termination of the Employee's employment (where voluntary or involuntary):
- (a) The Employee shall hold in confidence and keep confidential all Confidential Information;
 - (b) The Employee shall not directly or indirectly use any Confidential Information except in the course of performing duties as an Employee of the Employer with the knowledge and consent of the Employer in the Employer's interests; and
 - (c) The Employee shall not directly or indirectly disclose any Confidential Information to any person or entity, except in the course of performing duties as an Employee of the Employer with the knowledge and consent of the Employer in the Employer's interests.
- 4.03 The Employee covenants and agrees that, save and except in the pursuit of the business and affairs of the Employer:
- (a) He will not, either during the term of his employment with the Employer or at any time thereafter, remove originals or copies of any reports, records, memoranda or data of any kind or description concerning the business and affairs of the Employer, or any customer or prospective customer of the Employer, even where such reports or memoranda have been furnished to the Employee during the term of his employment, nor shall the Employee make copies as notes thereof of any kind or description for his own personal use or the use of others; and,
 - (b) upon the termination of his employment with the Employer (whether voluntary or involuntary), the Employee shall, prior to his departure from the Employer, turn over to the Employer all such documents and data referred to in paragraph (a) above, which may be in his possession, either digitally or in print.
- 4.04 Nothing in this Agreement shall prevent the Employee following termination of employment by the Employer from making use of or disclosing,
- (a) any Confidential Information which is or becomes a matter of Public Knowledge;
 - (b) any Confidential Information of which the Employee had specific knowledge prior to employment by the Employer; or
 - (c) any Confidential Information of which the Employee obtains specific knowledge following termination of employment by the Employer from a third party, unless the third party obtained such Confidential Information directly or indirectly from an individual in violation of any duty of confidence owed to the Employer.

It is understood that the Employee shall bear the onus of establishing that the circumstances referred to in subparagraphs 4.04(a), 4.04(b) or 4.04(c) exist.

4.05 For purposes of clarity, confidential information refers to:

- (a) "Business Opportunities" means potential business ventures of all kinds, including acquisitions, sales, business arrangements and other transactions and opportunities for new markets, products and services which have been disclosed to, investigated, studied or considered by the Employer or any others on behalf of the Employer;
- (b) "Confidential Information" means information known or used by the Employer in connection with its business including but not limited to any formula, design, prototype, compilation of information, data, program, code, method, technique or process, information relating to any product, device, equipment or machine, Customer/Patient Information, Financial Information, Marketing Information, Intellectual Property, Business Opportunities, or Research and Development, but does not include any of the foregoing which was known to the Employee prior to employment by the Employer or which is or becomes a matter of public knowledge;
- (c) "Customer/Patient Information" means information pertaining to the Employer's customers/patients or prospective customers/patients, customer/patient base and markets, including customer/patient names and addresses and the names of employees of customers/patients with whom the Employer is in contact in its business, customer/patient requirements and the Employer's contracts with its customers/patients, including details as to pricing and supply. For the purposes of this contract "customer" and "patient" can be used interchangeably;
- (d) "Financial Information" means information pertaining to the Employer's costs, services, income, debt, financial position, leveraging strategies, financial arrangements with Regulators, salaries and wages, fee schedules, alternate funding models;
- (e) "Intellectual Property" means any and all inventions, designs, ideas, works, creations, developments, programs, codes, drawings, sketches, compilations of information, analyses, experiments, data, formula, methods, processes, techniques, moulds, prototypes, products, samples, equipment, tools, machines, and includes any modifications or improvements thereto;
- (f) "Marketing Information" means information including but not limited to the Company's marketing, fundraising and public relations programs, plans, strategies and proposed future products, services, advertising and promotions
- (g) "Public Knowledge" means information that is generally known in the trade or business in which the Employer is engaged, or is otherwise easily accessible through lawful, non-confidential sources; and

- (h) "Research and Development" means information pertaining to any research, development, investigation, study, analysis, experiment or test carried on or proposed to be carried on by the Employer.

5. **TERMINATION**

- 5.01 In the event of the resignation of employment by the Employee, it is agreed that the Employer shall be entitled to no less than eight (8) weeks' written notice thereof from the Employee, and it is recognized that the Employer may waive all or part of the notice period.
- 5.02 In the event of termination of the employment of the Employee by the Employer for any reason other than for cause, it is agreed that the Employee shall be entitled to written notice of termination as provided for in this paragraph, provided that the Employer may pay to the Employee an amount equal to the Employee's salary (deemed to include base salary plus the monetary value of employer paid pension contributions, eligible insured benefits and automobile allowance) for the notice period minus statutory deductions in lieu of notice or pay in lieu of such notice:
- i. A payment which is a minimum of one (1) years' salary (as described in 5.02 above) plus four (4) weeks of salary for each complete year worked as Executive Vice President, Academic and Chief Medical Executive to a combined maximum of one hundred and four (104) weeks;
 - ii. Continuation of any enrolled insured healthcare benefits for a maximum of eight (8) weeks for the Employee and his eligible enrolled dependents on the cost sharing arrangement as was in effect during active employment, the monetary value of which is to be deducted from the amount in Section 5.02 i. above;
 - iii. Continuation of employer contributions to the Healthcare of Ontario Pension Plan for a maximum of eight (8) weeks, the monetary value of which is to be deducted from the amount in Section 5.02 i. above.
- 5.03 The Employee agrees that the payment provisions of this Section 5 provides for greater entitlements than those prescribed by the *Employment Standards Act* of Ontario and that the payments will satisfy any and all entitlements required by the Act including any respecting notice or pay in lieu of notice of termination.
- 5.04 This Agreement may be terminated by the Employer, in its discretion, without any notice or pay in lieu of notice, for cause, which includes but is not limited to the following:
- (a) Any material breach by the Employee in the performance of this Agreement, the laws of Canada or the Employer's by-laws, policies, procedures and code of conduct;
 - (b) Any act(s) of willful or purposeful misconduct;
 - (c) Death of the Employee;

- (d) The commission by the Employee of an act of theft, embezzlement or similar crimes against the Employer (or any subsidiary thereof) or the theft, falsifying records, or intentional destruction, improper use or abuse of the Employer's property;
- (e) Gross negligence or incompetence by the Employee in performing the Employee's duties hereunder which, in either case, is of such magnitude and/or frequency as to materially impair the goodwill of the Employer or to render the services performed by the Employee of little benefit to the Employer; and
- (f) Any act or omission by the Employee that would disqualify the Employee from entitlement to termination or severance pay under applicable employment or labour standards legislation.

In such a case, the Employer shall have no further obligation to the Employee except for payment of all amounts due and owing up to the date of termination. Failure by the Employer to rely on the provision of this paragraph in any given instance or instances, shall not constitute a precedent or be deemed a waiver.

6. **WAIVER OF BREACH**

The waiver by a party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by such party.

7. **SEVERABILITY**

The illegality or unenforceability of any term or terms of this Agreement shall not affect the legality or enforceability of any other term or terms. Should any term of this Agreement be held to be illegal or unenforceable, then this Agreement shall be interpreted and construed as though such illegal or unenforceable term was omitted.

8. **CHOICE OF LAW**

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

9. **NOTICE**

9.01 Any notice or communication required or permitted under this Agreement may be given by registered mail postage prepaid and addressed as follows:

TO EMPLOYEE: Dr. Michael Stacey



**TO EMPLOYER: Hamilton Health Sciences – King West
Attention: Rob MacIsaac
President and Chief Executive Officer
P.O. Box 2000
Hamilton, ON L8N 3Z5**

9.02 Any notice or communication mailed in accordance with Clause 9.01 shall be deemed to have been given on the seventh day after it is mailed in any post office in Canada. Any such notice or communication may also be given by delivering same to Employee or by delivering same to a responsible person in the office of the Employer at the above address. Any notice so delivered shall be deemed to have been given on the day of such delivery. Either party may change its address for service by notice in writing to the other.

10. **GENERAL**

10.01 The division of this Agreement into sections, subsections, clauses, sub-clauses and paragraphs and the provision of headings for all or any thereof is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

10.02 This Agreement shall supersede any and all other employment agreements between the parties, whether written or oral, and/or any contract previously entered into between the parties shall be null and void upon the execution of this employment contract.

11. **COMPLETE AGREEMENT**


11.01 All terms, covenants and conditions respecting the Employee's employment with the Employer, in any position or capacity which the Employee may occupy from time to time, are embodied herein. This Agreement may not be modified or amended except by an instrument in writing executed by the parties hereto or by their successors or permitted assigns.

12. **INDEPENDENT LEGAL ADVICE**

12.01 The Employee acknowledges that he has had full opportunity to review and consider the contents of this agreement and to obtain, if the Employee has considered it desirable, adequate and independent legal advice with respect to this Agreement, prior to its execution by the Employee. Furthermore, the Employee acknowledges and represents that he does execute this Agreement voluntarily with full knowledge of its terms and conditions.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

DATED this 29TH day of NOVEMBER, 2018


Dr. Michael Stacey

29 NOV 2018
Date


Witness

NOV 29 2018
Date

HAMILTON HEALTH SCIENCES


Rob MacIsaac
President & Chief Executive Officer
Hamilton Health Sciences

Dec 10, 2018
Date