



EMPLOYMENT AGREEMENT

Effective the July 1st 2015

BETWEEN

THE OTTAWA HOSPITAL/L'HOPITAL D'OTTAWA
(the "Hospital")

– and –

DR. JACK KITTS
(the "Executive")

RECITALS

1. The Executive has served as the President and Chief Executive Officer of the Hospital since February 8, 2002 pursuant to an employment agreement made as of the same date (the "Initial Agreement").
2. The term of the Initial Agreement expired on June 30, 2005 and was renewed in an agreement effective July 1, 2005, the "Second Agreement". A Third Agreement was entered into that is scheduled to expire June 30, 2015. As the Hospital wishes to continue to employ the Executive as its President and Chief Executive Officer beyond 2015 and the Executive wishes to continue to carry on in those roles, a new agreement (the Fourth Agreement) has been prepared, on the terms and conditions set out herein.
3. The Agreement is in compliance with the Broader Public Sector Perquisites Directives.

1. Duties

- (a) The Hospital confirms the reappointment of the Executive to undertake the duties of, and exercise the powers as, President and Chief Executive Officer of the Hospital, and the Executive indicates his acceptance of this appointment.

- (b) The Executive shall perform those duties as set out in the position description developed by the Hospital's Board of Governors (the "**Board**") and attached as Schedule A, together with such other duties or amended duties ("new duties") as requested from time to time by the Board provided that new duties shall be commensurate with the Executive's role as President and Chief Executive Officer. The Executive shall also take the actions necessary to achieve the 5-year objectives and goals set out in Schedule C.

2. **Term**

- (a) The Executive's appointment under this Agreement shall be effective as of July 1, 2015 and shall continue until June 30, 2020, unless terminated earlier in accordance with the provisions of this Agreement.

3. **Compensation**

- (a) For the purposes of administering this Agreement, the compensation year of the Executive shall commence on April 1 of each year and end on March 31 of the next following year. Until increased from time to time pursuant to paragraph 3(c) below, the base salary of the Executive shall be \$517,700.00 (five hundred and seventeen thousand seven hundred dollars) per annum which amount the parties agree has been effective since 2008.
- (b) The parties acknowledge that the Executive shall be free to dedicate as much as one (1) day every second week to his medical practice, provided that his duties under this Agreement are not adversely affected.
- (c) The Executive's compensation shall be reviewed annually to ensure that it reflects the compensation policy of the Hospital. In considering the level of compensation, the Board shall have regard to the compensation levels for the equivalent incumbents at other major Ontario teaching hospitals (e.g. London Health Sciences Centre, St. Joseph's London, Mt. Sinai, St. Michael's, University Health Network, Sunnybrook and Hamilton Health Sciences Centre). Any increase in the base salary for any compensation year shall be effective as of April 1 of that compensation year. For greater certainty, the Hospital shall not be required to automatically increase the Executive's base salary in any year or to otherwise have the Executive's salary be competitive with that of the Presidents and Chief Executive Officers in the comparator group.
- (d) The Board, in consultation with the Executive, will set annual and long-term goals and objectives for the Executive. The Board and the Executive have agreed on the 5-year objectives and goals set out in Schedule C which are subject to annual review and adjustment and to the establishment of annual targets. The Board (or a committee of the Board) shall conduct a performance evaluation of the Executive in the 1st quarter of each compensation year, to determine the extent to which the Executive has been successful in achieving the goals and objectives set in the preceding compensation year. Upon completion of each



such evaluation, the Board will determine whether the Executive is eligible to receive an annual lump sum payment, of up to twenty-five percent (25%) of his base salary, as an incentive payment in consideration of the achievement of the goals and objectives. If the Board determines that the Executive is entitled to any such bonus, the amount so awarded shall be paid to the Executive within 30 days of such determination. 20% of that incentive payment shall be based on attainment of Corporate Quality Improvement Plan goals in compliance with the provisions of the Excellent Care for All Act.

4. **Benefits**

- (a) The Executive will receive a car allowance of \$12,000 (twelve thousand dollars) per annum, which shall be used by the Executive for automobile operating expenses (such as insurance, gasoline, regular maintenance, etc.).
- (b) The Executive will be entitled to the package of benefits which shall not be less in the aggregate than the package as set out in summary form in Schedule B.

5. **Expenses**

- (a) The Executive shall be reimbursed for all authorized travelling and other out-of-pocket expenses actually and properly incurred by him in connection with his duties hereunder other than for fuel or mileage costs incurred by him in the use of his personal automobile and which are intended to be covered by the payments made pursuant to paragraph 4(a) above. "Authorized" expenses include expenses that are either (i) incurred and approved in accordance with established Hospital policy or (ii) approved in advance by the Chair of the Board. For all such expenses the Executive shall furnish to the Hospital statements and receipts as and when required by the Hospital.
- (b) The Executive shall also be reimbursed the cost of such professional memberships as are agreed to by the Chair of the Board. He shall be reimbursed for all expenses incurred by him in connection with pre-approved conferences, subject to the approval of the Chair of the Board.

6. **Authority**

The Executive shall have, subject to the general or specific instructions and directions of the Board and the bylaws and the policies of the Hospital, the *Public Hospitals Act* (Ontario) and other applicable laws and government policy and directions, full power and authority to manage and direct the operational business and affairs of the Hospital, including power and authority to enter into contracts, engagements or commitments relating to the Hospital's 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 employees and agents of the Hospital.



7. Service

- (a) The Executive, throughout the term of his appointment, shall (subject to the exception described in paragraph 3(b) above or any other exception specifically approved by the Board) devote his full-time and attention to the business of the Hospital, and shall not, without the prior consent in writing of the Chair of the Board, undertake any other business or become a director, officer, agent, or employee of any other corporation, firm or individual.
- (b) The Executive shall well and faithfully serve the Hospital and use his best efforts to promote the interests thereof.

8. Confidentiality

- (a) All confidential information of the Hospital, whether it is developed by the Executive 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. "**Confidential information**" includes, without limitation, information and facts relating to the operation and affairs of the Hospital or any of its related or associated entities, including without limitation the Ottawa Hospital Foundation, the Heart Institute and the OHRI or acquired in the course of carrying out its operations.
- (b) The Executive shall not disclose confidential information to any person or use any confidential information (other than as necessary in carrying out the Executive's duties on behalf of the Hospital) at any time during or subsequent to his period of employment without first obtaining the consent of the Chair of the Board, and the Executive shall take all reasonable precautions to prevent inadvertent disclosure of any such confidential information.
- (c) Within five (5) days after the termination of the Executive's employment with the Hospital for any reason, or of receipt by the Executive of the Hospital's written request, the Executive shall promptly deliver to the Hospital all property belonging to the Hospital, including without limitation all confidential information of the Hospital (in whatever form) that is in the Executive's possession or under the Executive's control.
- (d) Nothing in this Section precludes the Executive from disclosing or using confidential information of the Hospital at any time if:
 - (i) such confidential information is available to the public or in the public domain at the time of such disclosure or use, without breach of this Agreement;
 - (ii) disclosure of such confidential information is required to be made by any 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; or

- (iii) such confidential information becomes available to the Executive on a non-confidential basis from a source other than the Hospital without breach of this Agreement.

9. Vacation

The Executive shall be entitled to six (6) weeks vacation during each compensation year. All such vacation time shall be taken at times convenient to and mutually agreed upon by the Chair of the Board and the Executive. Any vacation earned in a year must be used in that year or will be lost without any right to payment in lieu thereof, or unless there is approval in writing from the Chair of the Board to carry over into the next compensation year.

10. Termination

The parties understand and agree that this Agreement may be terminated in the following manner in the specified circumstances:

- (a) By the Executive, at any time, for any reason, on the giving of sixty (60) days' notice. The Hospital may waive this notice.
- (b) By the Hospital, in its absolute discretion, for just cause. For purposes of defining "just cause" in this Agreement, "**just cause**" includes, without limitation:
 - (i) any material breach of the provisions of this Agreement;
 - (ii) any material conduct which brings the Hospital into disrepute within the community it serves; and
 - (iii) conviction of the Executive of a criminal offence punishable by indictment.
- (c) By the Hospital in its absolute discretion and for any reason without just cause, on paying to the Executive termination pay, in a lump sum, in an amount equal to twelve (12) months of his base salary as of the date of termination plus an additional amount equal to one (1) month's salary for each year of completed service with the Hospital to an overall maximum payment of eighteen (18) months' salary. At the sole discretion of the Hospital, termination pay may be paid to the Executive in monthly installments corresponding to the number of months of entitlement. For greater certainty, if the Executive finds employment within the notice period, the Hospital shall not be entitled to set off against the payments owing to the Hospital under this paragraph 10 (c) any amounts received by the Executive from such employment, save and except where the new employment is with another hospital or other publicly funded institution, in which case, all payments under this clause shall cease as of the date that the Executive commences such employment. Under no



circumstances, however, shall the Executive receive an amount of termination pay which is less than his entitlements under the Employment Standards Act including termination pay, severance pay and continuation of benefit coverages as prescribed in the Act

- (d) Where the Hospital terminates the employment of the Executive under paragraph (c) above, the Hospital shall also pay to the executive any vacation entitlement accrued up to the date of termination and shall arrange for continuation of the Executive's long term disability insurance and health insurance coverage for the period of time corresponding to the number of months of termination pay calculated under paragraph (c) or until such time as the Executive commences alternative employment. In the event that the long term disability or health insurance coverages are not available during such period, the Hospital shall pay to the Executive an amount equal to the cost paid by the Hospital for such coverage determined as of the date of the termination.
- (e) In the event of termination without just cause, the Hospital shall provide the Executive with the services of a mutually acceptable outplacement counselling firm on a full service executive-level unlimited time basis subject to the Executive submitting substantiating invoices up to a maximum cost of \$15,000.
- (f) The Executive acknowledges that the payments contemplated herein are reasonable and that they are paid in full and final satisfaction of all claims, whether at common law or under the *Employment Standards Act*, which the Executive may have for wrongful dismissal, severance pay, termination pay or other damages arising from the termination of employment. The Executive waives any claim to any other payment or benefits from the Hospital.
- (g) 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.

11. Assignment of Rights

The rights which accrue to the Hospital under this Agreement shall enure to the benefit to its successors or assigns. The rights of the Executive under this Agreement will not be assignable or transferable in any manner.

12. Notices

Any notice required or permitted to be given to the Executive shall be sufficiently given if delivered to the Executive personally or mailed by registered mail to his address last known to the Hospital. Any notice required or permitted to be given to the Hospital shall be sufficiently given if delivered mailed by registered mail to the Hospital to the attention of the Board Chair.

13. **Severability**

In the event that any provision or part of this Agreement shall be deemed void or invalid by a court of competent jurisdiction, the remaining provisions or parts shall be and remain in full force and effect.

14. **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.

15. **Entire Agreement**

This Agreement constitutes the entire agreement between the parties with respect to the employment of the Executive from and after July 1, 2009 and as restated effective August 1, 2011 and any and all provisions in any prior written agreements (including, without limitation, the Initial Agreement) shall be of no force or effect in respect thereof.

16. **Modification**

Any modification or waiver of any term of this Agreement must be in writing and signed by the parties.

17. **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 covenants and agreements contained in it.

18. **Time**

Time shall be of the essence in this Agreement.

19. **Governing Law**

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

20. **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. The Hospital will reimburse the Executive for reasonable legal fees incurred by the Executive in




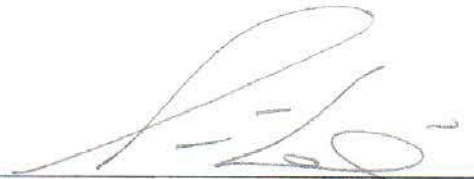
connection with the preparation of this Agreement upon provision of one or more legal accounts in respect thereof.

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the 4 day of February 2015.

SIGNED, SEALED & DELIVERED
In the presence of:

THE OTTAWA
HOSPITAL/L'HOPITAL D'OTTAWA


Per: Mr James G. McCracken
Chair of the Board


Witness


DR. JACK KITTS



Schedule A
Position Description
THE OTTAWA HOSPITAL

President and Chief Executive Officer ("CEO")

Scope:


The CEO provides leadership and directs the overall operation of the Hospital consistent with its mission, values, and strategy as well as its goals and objectives. The CEO plans, organizes, applies, directs, controls and evaluates all resources invested in the Hospital and uses all resources to generate measurable results to benefit the community, the Hospital, the medical staff, and, ultimately, the patient.

Responsibilities:

- Provide strategic leadership and clear goals for the Hospital.
- Create a healthy, caring and vibrant organizational culture with a focus on building consensus, providing supportive management, and ensuring work/life balance.
- Lead the Senior Team in organizational oversight, growth and financial stability.
- Develop, monitor, and measure all programs for consistency with mission, partners, and budget and fundraising goals.
- Work with the Board and staff to secure corporate, foundation, and individual support for the Hospital's development plan.
- Assume full financial responsibility. With the CFO, oversee budget and ensure effective financial management and reporting systems.
- Responsible for the development of systems to ensure quality patient care.
- Facilitate communication across departments and with the Board.
- Work closely with the Board to develop and promote the Hospital and adhere to all required organizational policies and protocols.
- Develop a human resources strategy that positions the Hospital as an employer of choice.

Relationships: Develop and maintain positive relationships with each of the groups below with a view to continually advancing the interests of the Hospital.

- Collaborative relationship with the Deans of Medicine and Health Science.



- Subsidiary and affiliated organizations (the Foundation, the Heart Institute, the OHRI).
- Proactive relationship with Senior MOH Officials.
- Regional hospital CEOs.
- LHIN
- Effective relationship with local members of the legislature to ensure the Hospital's perspective impact is heard and understood.
- Cooperative relationship with municipal leaders and officials so that the critical role of the Hospital is taken into account.
- Academic Health Science Centre CEOs provincially and nationally.
- Local business and community leaders.

Priorities:

- The Board will establish priority objectives on an annual basis.



Schedule B

Benefit Package Summary

Short Term Disability Plan: Executive is eligible for a short term disability plan, funded by the Hospital, which provides for 85 days' coverage at 100% of Executive's salary.

Long Term Disability Plan (LTD): You are entitled to coverage up to a maximum benefit of \$20,000 per month, as follows:

- Less than 20 years of service = 66.67% of monthly earnings;
- Between 20 and 30 years of service = 70% of monthly earnings;
- More than 30 years of service = 75% of monthly earnings.

The cost of premiums is covered by the Hospital.

Life Insurance: SunLife provides a basic Life Insurance benefit for you of 2.5 times your annual basic earnings to a maximum of \$1,200,000; an individual Policy (LI-J265,974-0) in the amount of \$1,000,000 has been purchased in your name, for a total coverage of \$2,200,000. The cost of these premiums is paid by the Hospital.

Accidental Death & Dismemberment: You are provided with coverage for four (4) times your annual earnings for a total coverage of \$2,070,800.

Hospitals of Ontario Pension Plan: Premiums both employer contribution and employee contribution will continue to be paid by the Hospital unless the Board of Governors, at any time, decides to terminate this practice for all TOH executives.

Supplementary Executive Retirement Plan: The Hospital provides a supplementary pension to the Executive in accordance with the terms of the Supplementary Executive Retirement Plan.

Dental and Extended Health Care Plan: The cost of premiums is covered by the Hospital. In addition to your group benefits plan, you have access to a Health Care Spending Accounts (HCSA). The Hospital will allocate an annual credit of \$4,000 into your account, and you can then claim against these credits to pay for a wide variety of health and dental expenses. Canada Revenue Agency guidelines allow you to carry forward unused credits one benefit year and use them to pay for the following year's expenses. If any credits carried forward remain unused at the end of the second benefit year, they will be lost. Expenses must be claimed in the year they are incurred. For more information on the types of expenses that are eligible, visit the Canada Revenue Agency website. Go to www.cra-arc.gc.ca. The plans are administered by the Hospital's benefit plan administrator.

Schedule C
CEO 5 year objectives and goals

A handwritten signature or set of initials, possibly 'J.B. Kitts', written in black ink. The signature is stylized and somewhat abstract, consisting of several overlapping lines that form a triangular shape with a cross through it.

5 year Goal #1: By June 30, 2018, TOH will achieve high performer status in Quality & Safety for Academic Hospitals in North America

Metric: Top 10% performer methodology to be approved by Board

5 Year Goal #2: Play a greater leadership role in assisting the LHIN to achieve better performance through collaboration and integration

Metric: The LHIN will improve its performance on agreed upon indicators

5 Year Goal #3: Develop and implement a strategy to build TOH's reputation and brand locally, regionally, provincially and nationally for providing compassionate, world-class care.

Metric: The Ottawa Hospital brand will be acknowledged and respected.

5 Year Goal #4: Develop and implement a plan to position TOH for a new civic campus no later than 2025.

Metric: New civic campus project - land is secured, all planning approvals obtained, strategy in place to secure construction funds

5 Year Goal #5: Clearly documented succession plan where senior talent has been developed to assume executive leadership roles in all aspects of the hospital's principal activities and operations, including but not limited to, the most senior positions.

Metric: The Board is informed of the succession plan and is confident that major gaps don't exist or are being filled. The executive team is energized.

5 Year Goal #6: Support the Chief of Staff in developing and implementing a strategy relative to TOH role in creating healthier populations.

Metric: TOH will be recognized as a leader in improving the health of the communities it serves

5 Year Goal #7: Continue with personal professional development

Metric: The Ottawa Hospital will be recognized as a leader in health and healthcare across Canada