

EMPLOYMENT AGREEMENT

THIS AGREEMENT effective the first (1st) day of August, 2018

BETWEEN:

ST. JOSEPH'S HEALTH SYSTEM (the "System" or the "Employer")

- and -

DR. THOMAS E. STEWART (the "Employee")

WHEREAS the System wishes to employ the Employee in the capacity of President and Chief Executive Officer of the System and the Employee wishes to be employed by the System in that capacity and upon the terms set forth in this Agreement;

NOW THEREFORE IN CONSIDERATION of the respective promises and covenants contained herein, the parties agree as follows:

1. RESPONSIBILITIES

- 1.1 Effective August 1, 2018, the Employee shall render full-time services to the System in the position of President and Chief Executive Officer ("CEO") of the System and the terms and conditions set out in this Agreement. The Employee is directly accountable to the System's Board of Directors (the "Board") through the Chair of the Board.
- 1.2 The Employee shall perform, to the best of his ability and capability, the duties and responsibilities of the position as set out in the job description for the position attached as Schedule A (which may be amended from time to time by the Board of Directors in keeping with the role of the Employee as President and CEO of the System) and such duties and responsibilities as the Board may from time to time reasonably direct, in compliance with the *Public Hospitals Act*, other applicable laws, the System's by-laws and its policies, procedures, rules and regulations
- 1.3 The Employee shall devote the whole of his working time and attention to the business and affairs of the System and shall not, without the written consent of the Employer, engage either directly or indirectly in any other business or occupation of a permanent, temporary or part time nature. The Employee may participate on not-for-profit boards of directors that are relevant to his role as

CEO with the prior written consent of the Chair of the Board of Directors of the System. For clarity, the Employee may not participate on any for-profit corporate boards. It is further recognized that the Employee, in consultation with the Dean and Vice President, Faculty of Health Sciences of McMaster University, will develop a clinical opportunity appropriate to the role and function of the President and CEO.

- 1.4 The Employee acknowledges that he will acquire information about certain matters and things which are confidential. The Employee undertakes not to use or disclose any information relating to the private or confidential affairs of the System and any of its member organizations or foundations to any third party, either during his employment or after, except as may be necessary in the proper discharge of his duties, as required by law, or with the prior written consent of the System.
- 1.5 The Employee will strictly observe the right to privacy and confidentiality of any System patient and any employee. The Employee will comply with all relevant requirements, including but not limited to the *Public Hospitals Act* and the *Personal Health Information Protection Act*, and any other applicable legislation and regulations thereunder with respect to the confidentiality of medical records.

2. COMPENSATION AND BENEFITS

- 2.1 The System shall pay the Employee total annual compensation of up to \$650,000, consisting of:
 - (a) an annual salary of \$552,500, less deductions required by law ("Base Salary"). Any adjustment to the Base Salary shall, except in unusual circumstances, become effective April 1st of any year; and
 - (b) an eligible performance based adjustment of up to \$97,500, less deductions required by law, subject to an evaluation of his performance in meeting the approved goals of the System Strategic Plan.
- 2.2 Annual performance reviews will be conducted by the System utilizing a set of objectives and criteria for measurement to be agreed upon in writing by the System and the Employee and are thereby incorporated by reference into this Agreement.
- 2.3 The Employee shall, subject to meeting the insurability and other applicable requirements, be eligible to participate in the benefit plans and programs the Hospital has in place for full-time senior administrative personnel, including but not limited to HOOPP, dental, group life insurance and extended health benefits. The Employer reserves the right to alter or amend the benefit plans from time to time and participation in the plans is subject to the applicable terms and provisions of the plan as set out by the carrier and as amended from time to time.

- 2.4 The System will create a supplemental executive retirement plan ("SERP") and the Employee will participate in the SERP. Details of the SERP will be established in consultation with the Employee and in accordance with any legislative requirement or restrictions.
- 2.5 The Employee shall be entitled to six (6) weeks of paid vacation per calendar year during the period April 1 to March 31. Vacation shall be governed by System policy. At present, the policy permits an employee to accrue and bank no more than one week in excess of their vacation entitlement for that year. Any exception to this must be approved by the Chair of the Board of the System.
- 2.6 The System agrees to provide an automobile allowance in the amount of \$2,000 per month to the Employee. The Employee shall be responsible, in all other respects, for the costs of owning or leasing the automobile.
- 2.7 The Employee's compensation, benefits, and any other remuneration are subject to and may be amended pursuant to all current and future applicable legislation and directives, including but not limited to the *Excellent Care for all Act, 2010*, the *Broader Public Sector Accountability Act, 2010*, the *Broader Public Sector Executive Compensation Act, 2014* and any directives or compensation frameworks established or created pursuant to those statutes and regulations. The Employee expressly agrees that any changes to his compensation, benefits and any other remuneration as a result of legislation, regulation, directive or other governmental action does not constitute a constructive dismissal.

3. EXPENSES

- 3.1 It is understood and agreed that the Employee will incur expenses in connection with his duties under this Agreement. The System shall reimburse the Employee for any reasonable expense actually incurred by the Employee in the performance of his duties and responsibilities in accordance with the policies of the System. Expenses will be subject to review and approval in accordance with the provisions of the Broader Public Sector Expenses Directive and any other applicable laws or directives.
- 3.2 The System supports, encourages and expects on-going professional development of the President & CEO. As part of the System's commitment to investing in the ongoing development of the President and CEO, the System agrees to pay membership dues actually incurred by the Employee for membership necessary for or beneficial to the performance of his duties as President & CEO and maintenance of his certificate of registration from the College of Physicians and Surgeons of Ontario, including the Ontario Medical Association, the Canadian College of Healthcare Executives, Canadian Medical Protective Association, and the Royal College of Physicians and Surgeons, subject to the provisions of the Broader Public Sector Expenses Directive and any other applicable laws or directives.

4. TERMINATION

- 4.1 The Hospital shall be entitled to terminate this Agreement at any time without cause by providing the Executive with prior written notice or a payment in lieu of notice, or a combination thereof, of twenty-four (24) months (the "Continuation Period"), as well as any arrears of monies owing to the Employee up to the date of termination, subject to the Employee's obligation to mitigate described herein. Payments during the Continuation Period shall be calculated based on Base Salary, and shall be payable in equal bi-weekly installments until the earlier of (i) the expiry of the Continuation Period, or (ii) upon the Employee obtaining alternative employment. "Alternative employment" shall mean employment, including self-employment, of a permanent nature with annual earnings equivalent to at least 100% of the Employee's Base Salary under this Agreement as of the time of termination of the Employee's employment. The Employee agrees that payments during the Continuation Period are subject to the Employee's obligation to make reasonable attempts to mitigate damages by diligently searching for alternative employment during the Continuation Period (including attempts to obtain employment with earnings of 100% of the Employee's Base Salary under this Agreement in the event that the Employee obtains employment less than 100% of the Base Salary under this Agreement). The Employee shall immediately notify the Hospital in writing once alternative employment has been obtained at 100% of the Employee's Base Salary under this Agreement, and agrees to promptly respond to all Hospital inquiries regarding the search for alternative employment.

The Employee will also be provided with a continuation of certain employment related benefits for the duration of the Continuation Period or until the Employee finds alternative employment, if earlier. Those benefits to be continued include: HOOPP, SERP, dental, group life insurance and extended health benefits. However, both short and long term disability benefit coverage and vacation pay will be discontinued at the end of the minimum statutory notice period required by applicable employment standards legislation. To the extent provided, continued coverage pursuant to the aforementioned benefit plans will be conditional on the Employee satisfying the terms and conditions required by the individual insurance providers in accordance with issued policies.

The Employee acknowledges that the payments provided pursuant to this section supersede and replace any and all rights to reasonable notice of termination that the Employee might otherwise be entitled to under common law. The Employee agrees that the payments include all amounts owing for termination and/or severance pay under any contract, statute, common law or otherwise. Any severance pay required by applicable employment standards legislation will be provided to the Employee in a lump sum, less applicable deductions. In no event shall the Employee receive less than his minimum entitlements under applicable employment standards legislation. In the event that the applicable provincial employment standard legislation provides the Employee with greater entitlements upon termination of employment ("statutory entitlements") than provided for in

this Agreement, the System shall provide the Employee with those statutory entitlements that are greater pursuant to statute in substitution for those rights under this Agreement (for greater clarity, any rights or provisions made pursuant to this Agreement shall still be provided but the additional statutory amounts shall be included in the amounts provided under this Agreement).

- 4.2 The System may terminate this Agreement at any time for cause without payment of any compensation, save and except for any remuneration earned prior to the date of such termination. Cause, for the purposes of this Agreement, shall include but is not limited to the following:
- (a) any material breach of the provisions of this Agreement;
 - (b) gross neglect of duty;
 - (c) disregard or disobedience of any reasonable resolution of the Board;
 - (d) commission of any willful act of dishonesty or willful neglect in performance of duties; or
 - (e) conviction of the Employee of any indictable offence under the Criminal Code of Canada.

Failure by the System to rely on the provisions of this paragraph in any given instance or instances shall not constitute condonation or be deemed a waiver.

- 4.3 The Employee may terminate this Agreement upon providing one-hundred and eighty (180) days' advance written notice of resignation to the Chair of the Board of the System, or some lesser period of notice of resignation as mutually agreed by the Employee and the Chair of the Board.

5. EMPLOYER'S PROPERTY

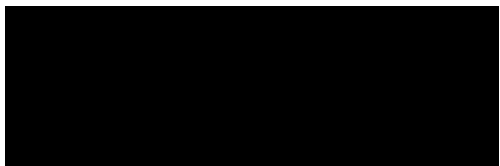
- 5.1 The Employee acknowledges that all items of any and every nature or kind created or used by the Employee pursuant to the Employee's employment under this Agreement, or furnished by the System to the Employee, and all equipment, credit cards, books, records, reports, files, drives, manuals, literature, confidential information or other materials shall remain and be considered the exclusive property of the System at all times and shall be surrendered to the System in good condition upon the request of the System, or in the absence of a request, on the cessation, termination or ending of the Employee's employment with the System.

6. GENERAL PROVISIONS

- 6.1 Except as provided above, the terms and conditions of this Agreement may be amended at any time by mutual written agreement of the parties.
- 6.2 Notice under this agreement may be delivered:
- (a) To the Board
 - (i) By personal delivery to the Chair, or
 - (ii) At a meeting of the Governance Committee.
 - (b) To the Employee,
 - (i) By personal delivery, or
 - (ii) By registered mail to his residence.
- 6.3 The provisions hereof shall be governed by and interpreted in accordance with the laws of the province of Ontario.
- 6.4 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.
- 6.5 This Agreement constitutes the whole and only agreement between the parties hereto and neither shall have any claim against the other with respect to any agreement or understanding, written or oral, made prior to the date hereof. This Agreement replaces and supersedes any prior agreement or contract between the Employee and the System and/or any of its member organizations or foundations relating to the Employee's employment.
- 6.6 The Employee may not assign, pledge or encumber the System's interest in this Agreement nor assign any of the rights or duties of the Employee under this Agreement without the express prior written consent of the System. The Agreement shall be binding upon and enure to the benefit of the successors and assigns of the System.
- 6.7 The Employee confirms that, prior to the execution of this Agreement, he had a full and complete opportunity to obtain independent legal advice. The Employee further acknowledges and agrees that he has had sufficient time to review and consider this Agreement, and that the Employee has read this Agreement and fully understands its terms and obligations. Further, the Employee confirms that he is entering this Agreement freely, voluntarily and without duress.

SIGNATURES ON NEXT PAGE

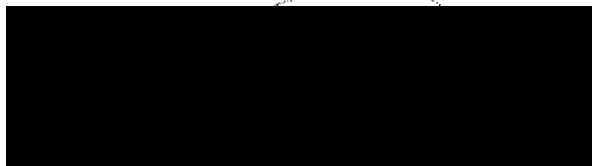
IN WITNESS WHEREOF the parties have executed this Agreement in counterparts, each of which when delivered, either in original or electronic form, shall be deemed to be an original and all of which together shall constitute one and the same agreement.



WITNESS

Print Name:

DIANE MARTIN



DR. THOMAS E. STEWART

Date:

Jan 30 / 2020

ST. JOSEPH'S HEALTH SYSTEM

By:



Dr. Anne Anderson, CSJ
Chair, Board of Directors
St. Joseph Health System

Date:

Jan. 30, 2020

SCHEDULE 'A'

President and Chief Executive Officer

President and Chief Executive Officer, St. Joseph's Health System (SJHS) that includes;

St. Joseph's Lifecare Centre (Brantford),
St. Mary's General Hospital (Kitchener),
St. Joseph's Health Centre (Guelph),
St. Joseph's Villa (Dundas),
St. Joseph's Home Care (Hamilton),
St. Joseph's Healthcare Hamilton (Hamilton),
International Outreach Program.

The President and CEO of SJHS will also serve as the CEO of Niagara Health System and may serve as CEO of other entities that join the System.

REPORTING RELATIONSHIP SJHS Board of Directors

POSITION SUMMARY

As the senior officer of SJHS, the incumbent is responsible for all strategic and operational management, and ensuring positions, processes and outcomes are aligned with the Mission, Vision and Values of SJHS. Central to the role is the evolution of the culture of SJHS to be the leader in Catholic Health Care in Canada. In leading the Senior Team the incumbent is responsible for succession planning and team development throughout SJHS.

KEY RESPONSIBILITIES

Mission Integration

1. Build culture consistent with values and the foundational principles of Catholic Health Care, including excellence in spiritual care and programs/services focused on the poor and marginalized;
2. Develop an orientation and continuing education program to address the requirements for management and staff development including an appreciation and understanding of SJHS mission and values and key principles of effective faith based stewardship in the context of Catholic Health Care;
3. Ensure compliance with the Catholic Health Alliance of Canada (CHAC) Health Ethics Guide throughout the organization;

4. Develop an effective branding and marketing strategy emphasizing leadership in value-based care across the health care continuum of programs and services in the tradition of the Sisters of St. Joseph of Hamilton;
5. Ensure that programs, services, activities, and methods of operation are in keeping with SJHS mission, vision and values;
6. Be seen as a visible and passionate advocate for SJHS, the value added contributions of Catholic Health Care and the legacy of the Sisters of St. Joseph of Hamilton to both internal and external stakeholders.

Strategic

1. Set and effectively implement vision and strategy consistent with the mission and values of SJHS and the legacy of the Sisters of St. Joseph of Hamilton;
2. Develop an implementation strategy, work plan, and evaluation framework for management-related recommendations for the on-going development and management of the SJHS strategic planning process. Work with the Board and Governance Committee to develop an implementation strategy for governance-related recommendations: for the Corporate Renewal process;
3. Establish an academic culture, with focus on education and research throughout the health care continuum-home care, long term care, complex care, acute care, mental health and community-based programs;
4. Work with the St. Joseph's Health System Foundations/CEO Group to ensure that the strategic vision of Foundations is aligned with SJHS;
5. Ensure that all programs and services including home care, long term care, complex care, rehabilitation, acute care, mental health, community-based programs and international outreach are integrated into a comprehensive strategic planning process with measurable indicators of success;
6. Establish a comprehensive succession planning program for executive and management positions in SJHS;
7. Initiate, maintain, and coordinate short, medium and long range strategic planning at all levels in the organization.

Stewardship

1. Maintain excellent relations and a shared vision with key partners both locally and internationally including federal, provincial and municipal levels of government, the Ontario Ministry of Health and Long Term Care, Local Health Integration Networks, health care organizations, universities and community colleges.

2. Recommend appropriate SJHS governance policies and procedures to ensure that all fiduciary responsibilities are met;
3. Ensure that all member organizations comply with SJHS bylaws, policies and procedures;
4. Provide the Boards of Directors and member Boards of Trustees with timely, accurate and adequate information for the formulation of policies, setting of goals and objectives and consideration of financial proposals;
5. Act as Secretary of the SJHS Board of Directors and the standing and ad hoc committees of the Board ;
6. Ensure that the decisions of the Board of Directors are carried out by the member organizations;
7. Keep the Chair of the Board of Directors and Chairs of member Boards abreast of relevant developments affecting SJHS;
8. Act as a liaison, resource to member Foundations;
9. Ensure an effective transition of sound management structures, systems and procedures are established and maintained for effective decision making and communications and, thereby, maximizing patient/resident/client welfare and the efficient and effective utilization of physical, financial and human resources;
10. Ensure that decisions, policies and practices formulated by SJHS personnel conform to federal, provincial, municipal government regulations comply with all regulatory agencies, and to Board policies and Board approved procedures;
11. Select, evaluate, counsel and develop staff who directly report to position;
12. Ensure that adequate physical, financial and human resources are available to Departments in SJHS;
13. Direct the production of the annual operating plans and budgets, capital equipment budgets, and, where applicable, advises the Board of Directors in a timely and adequate fashion if the rate of actual expenditures in either or both budgets is in excess of that budgeted, along with the reasons for over-expenditure. Furthermore, advises the Boards of Directors as to the steps that will be taken to remedy these over-expenditures;
14. Together with the Board Chair acts as the official representative and chief spokesperson for SJHS;
15. Ensure that high quality of care and patient safety is practiced in SJHS;

16. Provide ongoing liaison between SJHS member organizations, and the Public Juridic Person of the Diocese of Hamilton.
17. Stay abreast of developments in the health care field through professional affiliations, continuing education, and involvement with relevant health care associations;
18. Carry out all other duties and responsibilities of the position, as dictated by legislation, regulations and/or deemed appropriate by the Boards of Directors.

QUALIFICATIONS AND EXPERIENCE

- At a minimum, a Master's Degree in Business Administration / Health Care Administration or a related discipline is required. Equivalent combinations of education and experience will be considered;
- An affinity for and commitment to the culture and ethos of Catholic healthcare;
- A progressive track record preferably established in integrated health leadership, ideally encompassing a robust and comprehensive spectrum of health services, replete with a dossier of demonstrated achievements, accompanied by an impeccable reputation;
- 10 years plus of relevant progressive experience ideally acquired in a senior level in an integrated health system;
- Experienced in change management, with a track record of innovation and creativity in a challenging and complex environment;
- A demonstrated affinity for and understanding of academic health care delivery systems;
- Operating accountability for a very complex, multi-million dollar service delivery organization;
- Experience working with Boards and senior government officials;
- A positive working relationship with and intimate understanding of the Ministry of Health & Long-Term Care, and/or other equivalent provincial bodies;
- Fiscally responsible and operationally astute, with the ability to quickly improve cost effectiveness and service coordination;
- Demonstrated experience with, and affinity for, fundraising and working effectively with foundations or equivalent;

- Organizational capacity-building experience, acquired in organizations with sophisticated componentry against a backdrop of publicly-responsive and accountable governance; and
- Outstanding government relations skills, accompanied by proven ability to champion one's organization effectively with all stakeholders.

COMPETENCIES AND ATTRIBUTES

- Principled, versatile and assured leadership, that inspires and motivates all within the organization and instills confidence in the public at large;
- Presence, reinforced by intellectual agility, empathy, emotional intelligence and self-awareness;
- Leadership qualities, of such consistency and resilience, to inspire and motivate staff;
- Strong collaborative instincts and predisposition to integrated health care leadership;
- Critical thinking skills to prioritize and enable decision-making;
- A leader with good networks of contacts among service providers; very well versed in both community and government relations;
- Recognition of and appreciation for the innate talent embedded within the organization, and a commitment to leverage that talent to its full potential in support of the organization's aspirations;
- Relentless focus on a high quality patient experience, informing operational decision-making;
- Finesse in establishing and sustaining relationships within and outside the organization;
- Financial acumen and a performance metrics orientation;
- Superlative influencing, negotiation and facilitation skills;
- An ability to foster stability yet encourage innovation and continuous improvement in a dynamic and fluid environment;
- Consummate communications skills, with an innate ability to respectfully and thoughtfully gather information from others;
- Excellent interpersonal skills in negotiation, conflict resolution, and consensus building; an individual who is accessible to all levels of the organization, understands

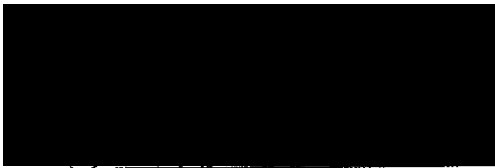
and operates with a participative/consultative style strongly tempered with a sense of urgency and bias for action; and

A coaching/mentoring orientation, with an innate ability to get the best out of people.

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SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF the parties have executed this Agreement in counterparts, each of which when delivered, either in original or electronic form, shall be deemed to be an original and all of which together shall constitute one and the same agreement.



WITNESS

Print Name:

DIANE MARTIN



DR. THOMAS E. STEWART

Date:

JUN 30 / 2020

ST. JOSEPH'S HEALTH SYSTEM

By:



Dr. Anne Anderson, CSJ
Chair, Board of Directors
St. Joseph Health System

Date:

2020-03-11