

EMPLOYMENT AGREEMENT ('Agreement')

BETWEEN:

North Bay Regional Health Centre ('NBRHC' or the 'Hospital')

-And-

PAUL HEINRICH

WHEREAS NBRHC has extended an offer of continued employment to Paul Heinrich to continue to serve as the President & CEO of the Hospital commencing as of April 1, 2024;

AND WHEREAS Paul Heinrich has indicated to the Hospital that he wishes to accept continued appointment to this role upon the terms and conditions set forth in this Agreement;

THEREFORE IN CONSIDERATION of the commitments, obligations and consideration contained in this Agreement, the Hospital and Paul Heinrich enter into this employment agreement setting out the terms and condition of Paul Heinrich's employment as President & CEO of the Hospital as follows:

1. DUTIES, RESPONSIBILITIES AND ACCOUNTABILITY

- 1.1 Paul Heinrich agrees to serve as the President & CEO of NBRHC and agrees to do so at all times to the best of his ability in compliance with all applicable laws, this Agreement and all relevant By-laws, policies, procedures, rules and regulations, all as may be amended from time to time.
- 1.2 Paul Heinrich agrees to perform the duties and exercise such powers as set out in the attached Position Description (Schedule B).
- 1.3 Given the role of the President & CEO and the importance of the President & CEO living in the community in which NBRHC provides health services, Paul Heinrich agrees to live within a 100 kilometre radius of the City of North Bay while he is President & CEO.
- 1.4 It is expressly acknowledged and agreed that the duties and responsibilities of Paul Heinrich may be added to, altered or amended from time to time by the Board of NBRHC.

2. TERM

- 2.1 The term of this Agreement shall commence on **April 1, 2024** and end on **March 31, 2027**, subject to the provisions of Article 7 (Termination). For clarity, it is understood that the expiry of this Agreement shall not be considered to be a termination with or without cause for the purposes of Article 7.

- 2.2 Once this Agreement becomes effective on **April 1 2024**, it shall supersede all previous negotiations, representations, understandings and agreements, whether oral or written, between the parties with respect to Paul Heinrich's employment.
- 2.3 The terms and conditions of this Agreement shall continue in force notwithstanding that the position and/or duties performed by Paul Heinrich may change from time to time.
- 2.4 In the event Paul Heinrich's employment continues with NBRHC after the end of the term of this Agreement without the parties having entered into a new or revised agreement, then the provisions of this Agreement will continue in force except that the term of this contract will be converted to one of an indefinite term.

3. FULL TIME AND ATTENTION

- 3.1 Paul Heinrich agrees to devote his primary time and attention to the performance of his duties as President & CEO under this Agreement. He will seek prior consent from the Board before accepting any appointment as an officer, director, employee, consultant or casual teaching engagements with any other organization during the term of this Agreement.

It is understood that these outside ventures will not negatively impact the time needed to fulfill his primary role as President & CEO of the Hospital.

4. COMPENSATION AND BENEFITS

- 4.1 Paul Heinrich's compensation is set out in the attached Schedule A, which may be amended upon mutual agreement of the parties from time to time without affecting the applicability of the rest of this Agreement.
- 4.2 Paul Heinrich shall be entitled to participate in all benefits that are provided to Senior Management positions at NBRHC and on the same cost-sharing basis.
- 4.3 It is agreed and understood that the terms of this Agreement, including the terms relating to compensation in Schedule A and benefits, are subject to the provisions of the *Broader Public Sector Accountability Act*, the *Broader Public Sector Executive Compensation Act, 2014*, and *The Excellent Care for All Act, 2010*, their regulations, and any similar legislation and regulations (as any of these Acts or similar legislation and their regulations may be in force and applicable from time to time) and can be amended or adjusted in order for this Agreement to become or remain in compliance with this or similar legislation along with applicable regulations without the need for notice by NBRHC to Paul Heinrich and without giving rise to a breach of this Agreement, a claim for constructive dismissal or the foundation for any other potential legal action against NBRHC.
- 4.4 Nothing in this section is intended to restrict any rights or remedies NBRHC or Paul Heinrich may have at law to challenge or dispute any performance agreement, orders or statutory obligations or restrictions imposed on either of them pursuant to any of the above referenced legislation.

5. EXPENSES

- 5.1 It is understood that Paul Heinrich will incur expenses in connection with his duties and responsibilities under this Agreement. NBRHC will reimburse Paul Heinrich for any reasonable and substantiated expenses, provided such expenses were incurred in accordance with established policy and, where applicable, approved by the Board of NBRHC.
- 5.2 The Hospital will reimburse Paul Heinrich for any applicable membership fees for up to 3 professional organizations, such as Canadian College of Health Leaders and the Chartered Professional Accountants of Ontario, in which Paul Heinrich is required to be a member or for which membership is determined to be advantageous for the effective performance of his duties and responsibilities as President and Chief Executive Officer, with such reimbursement to be subject to approval by the Chair of the Board.
- 5.3 It is understood that as part of the effective performance of his role, Paul Heinrich will be absent from the Hospital from time to time to attend professional development meetings and conferences and to attend to such outside professional duties or obligations as have been mutually agreed with the Board of Directors of the Hospital. The Hospital agrees to reimburse Paul Heinrich for reasonable enrolment, materials and travel expenses in relation to such meetings and conferences, with such reimbursement being subject to prior approval by the Chair of the Board.
- 5.4 The kilometre rate allowance for work-related travel will be as per NBRHC policy.

6. PERFORMANCE REVIEW

- 6.1 Paul Heinrich will be evaluated every second year, with such evaluation including a review of the fulfilment of his duties and responsibilities as President & CEO and any other relevant matters. The review will normally be carried out between April 1 and May 30. In the final year of the contract, and in the event it is not renewed, this review would happen prior to March 31, 2027.
- 6.2 It is understood that the evaluation will be conducted in accordance with the provisions of NBRHC's CEO Performance Evaluation Policy, and as it may be amended from time to time.

7. TERMINATION

- 7.1 Paul Heinrich may terminate this Agreement voluntarily at any time by giving three (3) months' notice in writing to NBRHC. NBRHC may waive notice in whole or in part, in which case NBRHC will provide Paul Heinrich with his compensation and benefits for the period of notice that is waived by NBRHC.
- 7.2 NBRHC may terminate this Agreement at any time for cause without notice or payment of any compensation in lieu of notice, unless notice of termination (or pay in lieu of notice), severance pay, benefit continuation, or any other compensation is required under the *Employment Standards Act, 2000* ("ESA"). For the purposes of this Agreement, 'cause' means just cause at common law.

Failures by NBRHC to rely on conduct that may constitute just cause in any given instance or instances shall not constitute condonation or be deemed a waiver.

7.3 NBRHC may terminate this Agreement without cause at any time and in full satisfaction of any and all entitlements or claims Paul Heinrich may have in relation to the cessation of his employment by:

- (a) providing Paul Heinrich with twelve (12) months' prior notice or pay in lieu of notice or some combination thereof (the 'Notice Period'); and
- (b) continuing Paul Heinrich's employee benefits and pension benefits for the notice period required by the ESA ("ESA Notice Period") as well as Paul Heinrich's employee health and welfare benefits (with the exception of STD and LTD) and pension benefits, where such continuation is possible, until the expiration of the Notice Period. In the event that some benefits cannot be continued for any part of the Notice Period that is beyond the ESA Notice Period, NBRHC will pay to Paul Heinrich an amount equivalent to what NBRHC's cost of providing the benefits would have been were they able to be continued.

The Notice Period shall be determined as of and commence from the date of notification to Paul Heinrich of his termination and shall be based on his then current salary rate.

8. VACATION ENTITLEMENT

8.1 Paul Heinrich will receive a vacation entitlement of seven (7) weeks per year. Scheduling of vacation will be made with due regard to high demand periods or other periods of time requiring the presence of Paul Heinrich at the Hospital and is ultimately subject to the approval of the Chair of the Board. At least ten (10) days of the total amount should be taken in at least five (5) day blocks, to ensure that the CEO has the opportunity to be truly absent from the hospital. It is understood by NBRHC and Paul Heinrich that his vacation entitlement is for his well-being and it is the expectation of NBRHC that Paul Heinrich will use his entire vacation entitlement in each vacation year. Subject to the ability to carry over two weeks of vacation in accordance with Section 8.2, below, if there are work-related reasons such that Paul Heinrich cannot use all of his vacation entitlement in a given vacation year, approval from the Board Chair must be obtained for there to be any payout of Paul Heinrich's unused vacation entitlement in a given vacation year.

8.2 If Paul Heinrich is unable for work-related reasons to take all of his vacation entitlement in a given vacation year, Paul Heinrich may carry-over a maximum of two weeks of vacation from one year to be used in the next vacation year. If Paul Heinrich is not able to use the carried-over vacation in the next vacation year, then NBRHC shall pay out the unused carried-over vacation at the end of that next vacation year so that there is no ongoing accumulation of carried-over vacation from year to year.

9. LIABILITY INSURANCE

- 9.1 NBRHC shall insure Paul Heinrich under its respective general liability insurance policies for directors and officers for all acts done by him in good faith as President & CEO throughout the term of this Agreement.
- 9.2 Where civil or other proceedings are brought against Paul Heinrich or he otherwise becomes a party to such proceedings before any court, tribunal or board, and Paul Heinrich has exercised his powers in accordance with his duties and authority set out in this Agreement, NBRHC shall assume the defence of such proceedings (including the costs thereof) and shall pay any and all damages, penalties, interests and costs awarded, including punitive or aggravated damages, provided that Paul Heinrich cooperates fully with NBRHC or its designate(s) in the investigation, preparation and presentation in such proceedings.
- 9.3 Paul Heinrich shall not be indemnified under this Article for damages, penalties or legal costs arising from:
- (i) neglect or fault of Paul Heinrich in his personal capacity as a private citizen; or
 - (ii) conduct, acts or omissions that constitute just cause for termination at common law.

Further, for greater clarity, the defense and indemnification provisions in this Article are not applicable to any legal proceeding between Paul Heinrich and NBRHC or any legal proceeding brought by Paul Heinrich to challenge any legislation or any direction, order, restriction, or statutory obligation imposed pursuant to any legislation.

10. CONFIDENTIALITY

- 10.1 It is recognized that in the performance of his duties, Paul Heinrich will acquire detailed and confidential knowledge of the Hospital's operations as well as other confidential information related to NBRHC and its staff, employees and patients. Paul Heinrich agrees and undertakes to not in any way use, disclose, divulge, furnish or make accessible to any person or entity, either during his employment or any time thereafter, any confidential knowledge, information or document obtained in the course of his employment with the Hospital, except as may be necessary in the proper discharge of his duties, as required by law, or with the prior written consent of the Hospital.

11. EMPLOYER'S PROPERTY

- 11.1 Paul Heinrich acknowledges that all items of any and every nature or kind created or used by him pursuant to his employment under this Agreement, or furnished by NBRHC to him, and all equipment, credit cards, books, records, reports, files, diskettes, manuals, literature, confidential information or other materials, including any items held in an electronic form, shall remain and be considered the exclusive property of NBRHC at all times and shall be surrendered to NBRHC

upon request, or in the absence of a request, on the cessation, termination or ending of Paul Heinrich's employment.

12. PARAGRAPH HEADINGS

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

13. AMENDMENT

13.1 Except where provided to the contrary in this Agreement, the terms and conditions of this Agreement may be amended at any time by mutual written agreement of the Parties.

14. ENTIRE AGREEMENT

14.1 This Agreement contains the entire agreement of employment between the parties hereto.

15. INVALIDITY OF A PROVISION


15.1 The invalidity of any particular provision of this Agreement shall not affect the validity of any other provision.

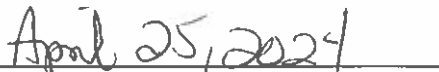
16. INDEPENDENT LEGAL ADVICE


16.1 Paul Heinrich acknowledges that he has had the opportunity to seek independent legal advice in respect of the terms and conditions set out in this Agreement and that he is entering into this Agreement voluntarily.

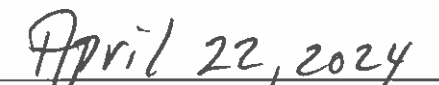
IN WITNESS WHEREOF the Parties have executed this Agreement:

NORTH BAY REGIONAL HEALTH CENTRE:

Per: 
James A. Graham
Chair, Board of Directors


Date

Per: 
Paul Heinrich


Date

SCHEDULE A - COMPENSATION

1. The Hospital shall pay Paul Heinrich a gross annual base salary of \$341,770, which is inclusive of any time off for vacation and paid holidays and subject to necessary deductions.
2. The *Excellent Care for All Act, 2010* (the 'Act'), requires that a portion of Paul Heinrich's compensation be linked to performance.

To that end, in addition to the annual base salary payable, Paul Heinrich is also eligible to earn one (1%) performance-based pay.

The performance-based pay will be determined based on the Hospital's Quality Improvement Plan Standards for the relevant fiscal year, and using the same indicators and process as the rest of the Senior Leadership Team (the 'QIP Performance Based Pay').

For clarity, any performance-based pay is in addition to Paul Heinrich's annual base salary.

3. The Hospital will pay to Paul Heinrich in the form of lump sum payment (less applicable deductions), the performance-based pay which the Board determines he is entitled for the prior fiscal year within 31 days after the payment, if any, is approved by the Board.

In the event that Paul Heinrich leaves the active employ of the NBRHC part way through a fiscal year, payment for QIP performance-based pay elements will be made at the same rate and within the same time frame as the QIP based performance payments are determined and made to the vice presidents of NBRHC, but the amount of the payment will be *multiplied* by the proportion of the fiscal year that Paul Heinrich was actively employed.

4. Each year, the Hospital will increase its envelope by an amount not exceeding the government approved maximum and provide appropriate increases to the pay rate. However, it is recognized that such increases are not permitted under the *Broader Public Sector Executive Compensation Act* and that no such increases can occur unless and until permitted under this or other similar legislation and applicable regulations.
5. If, during the life of this Agreement, the legislative/regulatory compensation restrictions on executive positions like the President and CEO position are changed in any way, the Hospital will review whether any reasonable increases and improvements to Paul Heinrich's salary, benefits, and other compensation are permissible, and consider the length of service and longevity of wage freeze legislation.
6. It is understood that this Schedule A may be amended from time to time without affecting the applicability or enforceability of the terms of this Employment Agreement. However, it is recognized that any amendments that are an increase in compensation are not permitted under the *Broader Public Sector Executive Compensation Act* and that no such increases can occur unless and until permitted under this or other similar legislation and applicable regulations.

7. The Hospital's ADM-BO-005 CEO Performance Evaluation Policy will guide the parties in determining Paul Heinrich's compensation, subject to the legislation and regulations referred to above and in section 4.3 of this Agreement. Where the terms of this Employment Agreement, including this Schedule A, conflict with a policy provisions, the terms of this Agreement will govern.
8. Retirement Benefit: The Hospital will pay Paul Heinrich a retirement benefit of \$85,000 should any of the following events occur:
 - a) Paul Heinrich's employment is terminated by the Hospital, pursuant to clause 7;
 - b) Paul Heinrich dies during the term of this Agreement, in which case the payment will be made to his estate; or
 - c) The completion of Paul Heinrich's employment.

SCHEDULE B - POSITION DESCRIPTION

PRESIDENT & CHIEF EXECUTIVE OFFICER

Position Objective

Reporting to the Board of Directors, the President & CEO (CEO) of North Bay Regional Health Centre (NBRHC) has responsibility for the overall leadership and operations of the organization with duties circumscribed by the Centre's By-Laws and applicable provincial legislation.

The President & CEO must attend to both the internal and external dimensions of the role (described below) by discharging these key responsibilities:

Key Responsibilities

- Provide leadership that is visionary, inspiring and engaging; that is collaborative, consensus building and motivating; that attracts, supports and develops top talent; that promotes integrated service delivery and inter-professional practice; and that fosters a culture of quality, safety, team work, accountability and transparency;
- Establish a positive, accountable and collegial working relationship with the Board of Directors, characterized by decisive leadership and open communication, to develop short and long-term strategies for the organization that fulfill NBRHC's vision and mandate;
- Guide the implementation of these strategic priorities and ensure that the resources of the organization (organizational, human, information, financial) are aligned with NBRHC's Mission, Vision, Values and strategic directions. Very specifically, ensure structures and systems are in place for the development, review, and recommendation of new programs, program expansion, program changes or divestment;
- Develop and manage effective, collaborative relationships with NBRHC's numerous stakeholders, both internal and external, to meet clinical and operational objectives, influence system change and share knowledge in order to enhance patient care and service delivery;
- Establish a strong presence in the community and region, further enhancing the organization's profile and positive image as well as working to improve the region's health status;
- Lend strong support to the Foundation through active participation in capital campaigns, annual giving, bequests, major gift, and special event programming.

The Internal Hospital Environment dimensions include to:

- Provide clear and decisive leadership, congruent with the intended direction established by the Board, sustaining and enhancing the Hospital's excellence;
- Ensure that exemplary patient-centered care, inclusive of the family (as applicable), is the over-arching objective against which resources are applied;

- Establish a positive, accountable and collegial working relationship with the Board, characterized by candor and transparency. Working within clearly defined roles, the Board and CEO will develop mutually acceptable processes for direction setting, decision-making and issues management;
- Ensure that the organizational structure and resources (organizational, human, information, financial) are aligned with NBRHC's Mission, Vision, Values and strategic goals;
- Champion, in a fiscally prudent manner, the ongoing renewal of facilities and implementation of new technologies conducive to the provision of exemplary patient-centered care;
- Ensure that NBRHC's efficient and effective operations are optimized with a soundly conceived organizational structure populated by highly capable and accountable leaders;
- Ensure that Quality, Safety and Risk Management issues as they affect patients, staff, volunteers and visitors are priorities of the organization, informing resource allocation decisions;
- Develop, recommend, foster and model the values, culture and philosophy of NBRHC, ensuring that the organization continues to embrace creativity and innovation contributing to staff, volunteer and physician development and engagement;
- Continue to build solid relationships with physicians and ensure physician and programmatic alignment with the Centre's overall Strategic Plan and revisions thereto; and
- Establish a visible and approachable presence within the Hospital, fostering strong relationships with all levels of management and front line staff.

The External Environment dimensions include to:

- Foster a mutually satisfactory, collaborative, productive, and respectful relationship with the Northeast Local Health Integration Network (LHIN), Ontario Health (North), Ontario Health Teams, and the Ministry of Health and Ministry of Long-Term Care, with a view to continuing to position NBRHC as a trusted and leading provider agency in the LHIN and/or Ontario Health (North) region, operating with a sound rationale for funding support on the basis of providing needed high quality, high efficiency clinical services that are responsive to the needs of the diverse communities served by NBRHC;
- Actively partner with the Northern Ontario School of Medicine, and other post-secondary health science academic organizations, to develop a NBRHC Academic profile consistent with NBRHC's Strategic Plan and available resources;
- Champion partnerships and joint ventures with the broader public and private sectors in pursuit of innovative enterprise-wide solutions serving to both leverage available resources and enhance service quality and efficiency;
- Represent NBRHC to the community, government, media, and other related organizations, agencies and associations utilizing effective communications and public relations techniques;

- Maintain strong and open relationships with our district politicians, including the MPP, MP, Mayors and Councils.
- Collaborate actively with the other health care organizations in the Northeast LHIN ensuring that the aggregate clinical profile is strong, rationalized to underscore the respective areas of clinical focus upheld by each provider organization, and to ensure the diverse communities served have access to care on a timely, accessible basis; and
- Champion systems integration and linkages with the community agencies and other health care partners (locally and provincially), with a view to improving the health status of the diverse populations touched by the work of NBRHC.