

**PRESIDENT & CHIEF EXECUTIVE OFFICER**

THIS AGREEMENT made as of the 13<sup>th</sup> day of February, 2020  
(the "Commencement Date").

BETWEEN:

**RIVERSIDE HEALTH CARE FACILITIES INC.**

a corporation incorporated under the laws of the  
Province of Ontario and having its principal place  
of business in Ontario

(hereinafter referred to as "Riverside")

and

**HENRY GAUTHIER**

(hereinafter referred to as "CEO")

WHEREAS the CEO's employment commenced on or about December 8, 1997;

AND WHEREAS the CEO has been employed in the position of Interim Chief Executive Officer since on or about January 8, 2020;

WHEREAS Riverside desires to obtain the benefit of the services of the CEO in the role of President and Chief Executive Officer, and the CEO desires to render such services on the terms and conditions set forth in this Agreement, effective as of the Commencement Date.

IN CONSIDERATION of the appointment of the CEO, the CEO's performance of the obligations contained in this Agreement, Riverside's payment of remuneration to the CEO, and for other good and valuable consideration set forth herein, the Parties agree as follows:

**1. Employment**

- 1.1 Riverside will employ the CEO as its President and Chief Executive Officer. The CEO agrees that he will at all times faithfully, industriously, and to the best of his skill, ability, experience and talents, and to the highest professional standards, perform all of the duties required of his position.
- 1.2 In carrying out these duties and responsibilities, the CEO shall comply with all Riverside and other applicable policies, procedures, rules and regulations, which are in effect from time to time.
- 1.3 The CEO will provide his full time and attention to his job duties and responsibilities and exclusively represent and act in the best interest of

Riverside at all times. Any exceptions to this, such as involvement on Boards, shall be approved by the Riverside Board in advance.

It is understood and agreed to by the CEO that Riverside may make alterations to his assignments, duties and responsibilities without causing the termination of this Agreement, provided that such alterations maintain the assignments, duties and responsibilities that are reasonably commensurate with those of a President and Chief Executive Officer.

- 1.4 The CEO warrants that in carrying out the duties and responsibilities set out in this Agreement, he will not intentionally infringe, contravene, breach, interfere with or harm any rights of any person or entity, including (but not limited to) any intellectual, property, moral, confidentiality, contractual or common law rights except that no breach of this clause may be found in circumstances involving the CEO's compliance with the directions of the Board of Directors (the "Board").
- 1.5 Additional terms and conditions of employment of the CEO shall be governed by the policies and procedures of Riverside, as may be in effect from time to time, however this Agreement shall govern in the event of any inconsistency between this Agreement and any such policies and procedures.

## **2. Remuneration**

- 2.1 Subject to the paragraphs in this section 2, as full compensation for all services provided for herein, Riverside shall pay to the CEO a base salary of \$194,513 per annum, retroactive to January 8, 2020. In the event an increase in the CEO's base salary is permitted by law in the future, Riverside may increase the CEO's salary in accordance with the grid established in Riverside's compensation framework, dated March 30, 2018.
- 2.2 All of the remuneration will be subject to statutory deductions as Riverside is from time to time required to make pursuant to law.
- 2.3 The CEO's compensation is subject to the *Excellent Care for All Act, 2010*, as amended ("ECFAA"), and the *Broader Public Sector Executive Compensation Act, 2014*, S.O. 2014, c. 13, Sched. 1, as amended (the "BPSECA"). In accordance with the ECFAA, a percentage of the CEO's base salary (3% for 2020/2021) will be held back and subject to achieving targets as set out in Riverside's annual Quality Improvement Plan.
- 2.4 The percentage and targets are determined and published annually by the QIP Committee in consultation with the CEO and approved by the Board. Adjustments to the CEO's base salary set out at paragraph 2.1 are at Riverside's sole discretion and the BPSECA and any other applicable restraint legislation.

2.5 An additional 3% of the CEO's salary will be held back and will be subject to the CEO's achievement of goals related to the Performance Appraisal process. The factors upon which the Performance Appraisal goals will be based will be negotiated and mutually agreed upon on an annual basis, within 60 days of each anniversary of the CEO's Commencement Date in the President and Chief Executive Officer position, and will be subject to Board approval.

### **3. Expenses**

3.1 Subject to Riverside policies and BPSECA and executive compensation restraints, the CEO shall be entitled to reimbursement for reasonable expenses incurred by him on Riverside's behalf and in the course of his employment. All expenses must be incurred in accordance with Riverside's policies. The CEO will present on a monthly basis an itemized account of such expenses, together with such vouchers and other receipts as Riverside may request or the Canada Revenue Agency may require.

### **4. Vacation**

4.1 The CEO shall be entitled to six (6) weeks' paid vacation.

4.2 In keeping with Riverside's policy the CEO is expected to use his vacation each year. Unused vacation is not to be carried over to the next year except when approved by the Board. The carried-over vacation is to be used and will not be paid out, unless the CEO's employment is terminated by either party before its utilization.

### **5. Benefits**

5.1 The CEO will be entitled to participate in any benefit insurance and/or pension plan which may be available to Riverside employees and which may be amended by the Board from time to time.

5.2 The Board is committed to ongoing professional and executive development of the CEO and will reimburse the CEO for approved expenses for attendance at, but not limited to, seminars and conferences, so long as such reimbursement is permitted by the BPSECA and any other applicable executive compensation restraint legislation.

5.3 The Board supports participation in appropriate external activities in the community or professional organizations as approved by the Board from time to time and the organization will reimburse the CEO for all approved expenses associated with such participation, so long as such reimbursement is permitted by the BPSECA and any other applicable executive compensation restraint legislation.

5.4 The CEO will be reimbursed for the CEO's professional fees in up to two (2) health care professional associations and the CEO's annual CPA dues as

approved by the Board and as permitted by the BPSECA and any other applicable executive compensation restraint legislation.

## **6. Termination of Agreement**

6.1 The Parties agree that the CEO's employment under this Agreement may be terminated at any time as follows:

- (a) by the CEO, for any reason, on giving at least one hundred and eighty (180) days' written notice to Riverside. In the event the CEO should provide such written notice, Riverside may waive such notice and the CEO shall be paid his regular base salary up to the date of termination. The CEO shall have no further entitlement except for any minimum entitlements required by Ontario's *Employment Standards Act, 2000*, as amended from time to time (the "ESA"), and the CEO agrees that any such waiver of notice shall not constitute the termination of his employment by Riverside.
- (b) by Riverside, in its absolute discretion, without any notice or pay in lieu of notice (except as minimally required by the ESA), for just cause. For the purposes of this Agreement, just cause includes the following:
  - (i) any material breach of the provisions of this Agreement which is not corrected within fourteen (14) days of receipt by the CEO of notice of said breach;
  - (ii) any conduct of the CEO which in the reasonable opinion of Riverside tends to bring himself or Riverside into disrepute;
  - (iii) conviction of the CEO of an indictable criminal offence for which no pardon has been or is granted; or
  - (iv) any other ground for just cause at law.
- (c) by Riverside, without cause, in its absolute discretion and for any reason whatsoever, upon providing the CEO with accrued wages and vacation pay and the following:
  - (i) One month's notice or pay in lieu of notice (or a combination thereof) for each completed year of service with Riverside, to a maximum of eighteen (18) months (the "Notice Period"). The CEO shall make reasonable efforts to obtain alternative substantially similar employment (i.e. employment with a base salary of at least 75% of the CEO's base salary at the time of termination), following the termination of his employment with Riverside. Should the CEO obtain alternative substantially similar employment or become self-employed during the Notice Period, the Notice Period shall cease, effective the date the CEO

commences alternative substantially similar employment or self-employment, and the CEO shall receive a payment equal to fifty percent (50%) of the unpaid balance of the payments the CEO would have received through the remainder of the Notice Period. The CEO acknowledges that the CEO is not entitled to the salary amounts held back pursuant to sections 2.3 and 2.5 above during the Notice Period and that pay in lieu of notice shall not include such amounts except to the extent minimally required by the ESA.

- (ii) Continuation of all benefits and vacation pay accrual for the minimum applicable notice period required by the ESA. To the extent allowed by the relevant insurers, the CEO will receive continuation of all benefits (except any disability or life/ADD insurance benefits, which will cease immediately following the end of the applicable minimum notice period required by the ESA) for the Notice Period or until the CEO becomes self-employed or obtains alternative substantially similar employment as defined above, whichever is earlier.

- 6.2 The CEO shall never receive less than his minimum entitlements under the ESA on the termination of his employment. In the event any working notice is provided in accordance with 6.1(c)(i), the CEO shall receive his minimum entitlement to severance pay (if applicable) as required by the ESA. To the extent that any part of this section 6 provides the CEO with less than his entitlements under the ESA, the ESA shall govern and the relevant part or parts of this section 6 shall be deemed to be amended to comply with the ESA.
- 6.3 The amounts set out at 6.1(c) above represent the full extent of the CEO's contractual and common law entitlements on the termination of his employment without cause.
- 6.4 In the event of any termination of the CEO's employment and/or this Agreement, howsoever caused, the CEO shall take steps immediately to replace any disability or insurance benefit provided to the CEO by Riverside.
- 6.5 In the event of termination of the CEO's employment and/or this Agreement, howsoever caused, the CEO shall tender his resignation of all director and/or officer positions pertaining to or related to Riverside.
- 6.6 The CEO acknowledges that all items of any and every nature or kind created, developed or used by the CEO in the course of his employment under this Agreement, or furnished by Riverside to the CEO, and all computer equipment, cell phones, credit cards, books, records, research, inventions, reports, files, manuals, literature, confidential information or other materials and duplicates thereof, shall remain and be considered the exclusive property of Riverside at all times and shall be returned to Riverside, in good condition,

promptly at the request of Riverside, or in the absence of a request, on the termination of the CEO's employment with Riverside. The only exception to this will be items, property and information which the CEO had prior to his employment with Riverside.

## **7. Confidential Information and Non-Solicitation**

- 7.1 During and following the termination of this agreement, the CEO shall not divulge any information of a character confidential to Riverside, except as required by law, or in the context of an administrative or judicial proceeding. "Information of a confidential character" includes, but is not limited to, information that is not generally available to the public but does not include any information which is provided to the CEO on a non-confidential basis from a source other than Riverside, its directors, officers, employees or patients, or has been independently acquired or developed by the CEO without violating any of his obligations under this Agreement.
- 7.2 The CEO agrees that for a period of one (1) year from the date of the termination of his employment, howsoever caused, the CEO will not solicit, hire, or attempt to hire, take away or cause to be taken away, from Riverside any employee of Riverside.

## **8. Severability**

- 8.1 If any term or provisions of this Agreement is determined to be invalid or unenforceable by any Court, such determination shall not invalidate the rest of this Agreement which shall remain in full force and effect as if the invalid term or provision had not been made part of this Agreement.

## **9. Cancellation of Other Agreements**

- 9.1 This Agreement (which includes any future Riverside policies and procedures) constitutes the entire agreement between the parties with respect to the employment of the CEO and any and all previous agreements, written or oral, express or implied, between the parties are terminated and cancelled and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claims and demands whatsoever under or in respect of any other agreement. Any modification to this Agreement must be in writing and signed by the parties to it, or it shall have no effect and shall be void.

## **10. Independent Legal Advice**

- 10.1 The CEO acknowledges that he understands this Agreement, and acknowledges that he has had the opportunity to obtain independent legal advice with respect to it.

**11. Laws**

11.1 This Agreement shall be governed by the laws of the Province of Ontario.

IN WITNESS WHEREOF, Riverside has executed this Agreement by its duly authorized officer and the CEO has hereunto affixed his hand and seal as at the date first above written.

SIGNED, SEALED AND DELIVERED

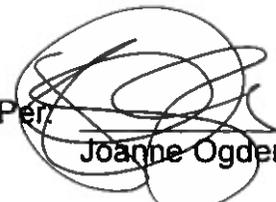
in the presence of

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Henry Gauthier

February 13, 2020  
\_\_\_\_\_  
Date

**Riverside Health Care Facilities Inc.**

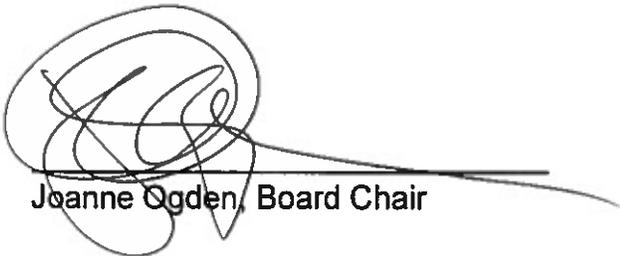
  
Per \_\_\_\_\_  
Joanne Ogden, Board Chair

I have the authority to bind the corporation.

**TERMS AND CONDITIONS OF EMPLOYMENT**  
**Executive Group**  
**Full-time**

1. Statutory Holidays: Eleven (11) days per year + four (4) floating days
2. Vacation:
  - (a) 4 weeks after 1 year of service
  - (b) 5 weeks after 5 years of service
  - (c) 6 weeks after 10 years of service
  - (d) 7 weeks after 25 years of service
3. Sick leave: H.O.O.D.I.P. Short-term Plan. 100% Employer paid.
4. H.O.O.D.I.P. (Long Term Disability): 100% Employer paid.
5. Group Life Insurance: Basic of \$5,000.00 or coverage two times annual salary. 100% Employer paid.
6. Accidental Death and Dismemberment: Coverage equal to that of Group Life coverage. 100% Employer paid.
7. Voluntary Life Insurance: Elective coverage available 1X, 2X or 3X salary. 100% Employee paid.
8. Healthcare of Ontario Pension Plan (H.O.O.P.P)
9. Extended Health Benefits — 100% Employer paid.
10. Must be capable of performing the essential duties of the job on a regular basis.
11. Compliance with all applicable policies, procedures and regulations (including future amendments).

NOTE: Enrolment in benefit plans, etc. are in accordance with policies and the terms of each respective plan. Benefit plans, as set out above, are subject to change in the discretion of Riverside.

  
Joanne Ogden, Board Chair