Waypoint
CENTRE for MENTAL HEALTH CARE
CENTRE de SOINS de SANTÉ MENTALE
Advancing Understanding. Improving Lives.
Avancer la compréhension. Améliorer la vie.

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December 12, 2011

Carol Lambie
President and CEO

Dear Carol,

As you know, the hospital has established variable compensation under the *Excellent Care for All Act* effective April 1, 2011. The *Act* provides that, as a member of the senior team, a percentage of your compensation is tied to the results of the yearly Quality Improvement Plan.

The hospital has targeted 3% of compensation as at risk. Each senior team member participating in variable compensation is held accountable for each item identified in the Quality Improvement Plan and each target is equally weighted. The amount available and payable to you for each item is dependent on the level of achievement of the objective.

Payout will be calculated after the completion of the fiscal year 2011-12, based on an evaluation of the organization's performance for each objective.

Please contact me if you have any questions regarding this process.

Yours truly,

John McCullough
Chair, Board of Directors
Waypoint Centre for Mental Health Care

This Contract is made effective the 1st day of August, 2009.

BETWEEN:

MENTAL HEALTH CENTRE PENETANGUISHENE

(the "**Hospital**")

- and -

CAROL LAMBIE

("**Lambie**")

WHEREAS the Hospital wishes to employ Lambie and Lambie wishes to be employed by the Hospital on the terms and conditions hereinafter provided;

NOW THEREFORE in consideration of the mutual promises and covenants set out in this Contract and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Hospital and Lambie agree as follows:

Description of Services

1.1 Lambie shall be employed as the Hospital's President and Chief Executive Officer and shall provide the services as set forth in the Hospital's Administrative By-Law No. 2008-1 as may be amended from time to time. Lambie acknowledges and agrees that the Administrative By-Law No. 2008-1 and her duties may be unilaterally revised by the Hospital's Board of Directors in writing, from time to time provided that such revisions are consistent with the duties customarily performed by the President and Chief Executive Officer of a Catholic Health Care Facility and Mental Health Centre.

1.2 Lambie acknowledges and agrees that the Hospital is a Catholic Health Care Facility to be administered in a manner consistent with the mission statement philosophy set out in Administrative By-Law No. 2008-1.

1.3 Lambie shall be responsible for the due observance and enforcement of the *Public Hospitals Act*, the *Mental Health Act*, the *Criminal Code*, the Hospital's Administrative By-Law, policies, procedures, rules and regulations, all other applicable statutes and regulations, and directions from the Board of Directors. Lambie agrees that at all times she shall do so in accordance with the Hospital's philosophy statement.

1.4 Lambie is an *ex officio* member of the Board of Directors and reports to and is accountable to the Board of Directors.

4.2 If this Contract expires or Lambie elects to retire before attaining age 60 when she will qualify for an unreduced pension, the Hospital will structure the payout of her banked vacation detailed in Article 5.7 below to provide Lambie with a bridge to her unreduced pension date at age 60, in such fashion as will maximize her pension benefits under the Hospitals of Ontario Pension Plan, including but not limited to, a partially paid leave of absence during which time she will continue to be enrolled in the benefits detailed in Article 5.6 below (except HOODIP). In the event that the Hospitals of Ontario Pension Plan determines that the payout of the banked vacation does not constitute pensionable earnings, the Hospital is not responsible for any adverse effect such determination may have on Lambie's pension benefits or entitlements under the Hospitals of Ontario Pension Plan, or any other damages or loss to Lambie. In the event of Lambie's death, the Hospital will pay to Lambie's Estate any portion of the banked vacation which would otherwise have been payable to Lambie pursuant to this Article 4.2 until her unreduced retirement date.

4.3 The Hospital may sever Lambie's employment, at which time this Contract shall cease, anytime during the operation of the contract, without notice or pay-in-lieu of notice, for cause.

4.4 In the absence of cause for the termination of Lambie's employment in accordance with Article 4.3 above, the Hospital may sever Lambie's employment and this Contract shall cease, anytime during the operation of the Contract, by providing Lambie with the following compensation:

(a) Lambie's banked vacation detailed in Article 5.7 below will be converted to a paid vacation at her final rate of salary, during which time Lambie shall be considered to be an active employee and entitled to all the terms and conditions of employment associated with such employment status.

(b) Upon the completion of the paid vacation:

FIPPA
s. 21(1)
&
s. 21(3)(d)

(i) Lambie will be paid a sum equivalent to the greater of twenty-four (24) months or one (1) month's pay for each year of service with the Hospital and [redacted] to a maximum of thirty (30) months (payable at the salary rate last paid in her position as President and Chief Executive Officer) plus the Hospital's contributions normally paid on behalf of Lambie to the Hospitals of Ontario Pension Plan (subject to required deductions), and such payment shall be made to Lambie in the form of salary continuance.

(ii) The Hospital and Lambie agree that the severance payments to be made to Lambie under Article 4.4(b)(i) above, in the form of salary continuance constitute pensionable earnings for the purpose of Lambie's pension with the Hospitals of Ontario Pension Plan, subject to the terms and conditions of the Hospitals of Ontario Pension Plan as amended from time to time. The Hospital shall

Professional Responsibilities

2.1 The Hospital shall pay the annual professional membership dues for such professional organizations in which Lambie becomes a member provided the organization reasonably relates to Lambie's duties to a maximum of Two Thousand Dollars ($2,000.00) for each year of the term of this contract.

2.2 The Hospital shall reimburse Lambie for expenses related to attendance at conferences and for expenses related to continuing education. All such expenses must be approved, in advance, by the Hospital's Chair of the Board of Directors.

2.3 Lambie undertakes and agrees to complete her Master of Business Administration (MBA) degree as expeditiously as possible with a target date of December 31, 2011. The Hospital agrees to contribute Ten Thousand Dollars ($10,000.00) upon completion of the MBA. The Hospital acknowledges and agrees that the performance of her duties as President and Chief Executive Officer may interfere with Lambie's ability to obtain her MBA within the time limits set out herein. Accordingly, the Hospital shall not unreasonably deny any extensions which may be necessary as a consequence of the demands on Lambie's time for the performance of her duties and responsibilities.

Representations and Warranties

3.1 Lambie warrants that she will and can carry out all contractual obligations pursuant to this Contract and employment in a diligent fashion, and with a high degree of professional competence. Lambie is accountable to the Hospital's Board of Directors ("the "Board") for all contractual and employment obligations. The performance of these obligations will be reviewed by the Board on an annual basis, in accordance with applicable by-laws and policies.

3.2 All representations, warranties, covenants and limitations of liability in this contract shall continue in force after the termination of this Contract.

3.3 Subject to Article 2.3, Lambie agrees to devote full-time attention to the performance of duties and responsibilities of her position.

Term of the Contract

4.1 Lambie shall be employed for a period of five (5) years commencing August 1, 2009 and automatically expiring on July 31, 2014, subject to the provisions of this Contract. Any modifications to this Contract must be confirmed, in writing, by both parties. Any extension to this Contract must be agreed, in writing, by both parties not later than six (6) months prior to the automatic expiry of this Contract.

deduct Lambie's required contributions from the severance payments under Article 4.4(b)(i) above and remit both Lambie's contributions and the Hospital's contributions made on Lambie's behalf to the Hospitals of Ontario Pension Plan. In the event that the Hospitals of Ontario Pension Plan determines that the severance payments under Article 4.4(b)(i) above do not constitute pensionable earnings, the Hospital is not responsible for any adverse effect such determination may have on Lambie's pension benefits or entitlements under the Hospitals of Ontario Pension Plan, or any other damages or loss to Lambie.

(iii) During the period for which Lambie receives payments under Article 4.4(a) and (b)(i) above, Lambie shall be considered to be in the active employ of the Hospital on an irrevocable paid leave of absence.

(c) In addition to the payments under Article 4.4(a) and (b)(i) above, the Hospital agrees to provide Lambie with the following:

(i) Continuation of enrolment of Lambie and family in those benefit plans (except HOODIP) in which Lambie was enrolled immediately prior to the date of termination, and continuation of Lambie's enrolment in HOODIP until the expiration of the period referred to in Article 4.4(a) above.

(ii) A positive employment reference letter.

(iii) Public recognition of the services provided by Lambie for the Hospital, if Lambie so requests.

(d) In the event of Lambie's death, the Hospital will pay to Lambie's Estate any portion of the salary continuance payable during the paid leave of absence pursuant to Article 4.4(b) above which remains outstanding and which would otherwise have been paid to Lambie during the period stipulated by Article 4.4(b)(i) above.

4.5 Lambie shall provide no less than four (4) months notice of her resignation, retirement or other departure from employment.

4.6 The notice of termination of this Contract by the Hospital pursuant to the terms of this Contract shall be given in writing by personal delivery or by ordinary prepaid mail addressed as follows:

To the CEO: Carol Lambie

S.21(1) FIPPA

Address: [redacted]

Remuneration, Vacation and Benefits

5.1 Lambie shall be paid an annual salary of Two Hundred and Seventy-Five Thousand Dollars ($275,000) inclusive of overtime, holiday and vacation pay, such salary to be subject to annual increase equivalent to the cost of living increase (Consumer Price Index Ontario – All Items (Time Base 2002=100)) calculated as at each anniversary date of this Contract, to a maximum of 3%.

5.2 The Hospital's Board of Directors, or a Committee thereof as may be appointed, shall perform an annual assessment and evaluation of Lambie's performance to determine whether Lambie has met the performance objectives as may be, from time to time, set by the Board of Directors in its sole discretion. This assessment and evaluation shall be conducted consistent with any applicable policy or procedure which may be established or amended from time to time.

5.3 The Hospital shall provide Lambie with seven (7) weeks paid vacation in each year of the Contract. Vacation days shall be taken as agreed by Lambie and the Chair of the Board of Directors. Vacation shall be taken in the Contract year in which it accrues and it is expressly agreed that Lambie may not carry over more than ten (10) vacation days into a subsequent Contract year. Any unused vacation not carried over to a subsequent Contract year shall be paid out to Lambie.

5.4 The Hospital shall provide Lambie with a car allowance of Eight Hundred Dollars ($800.00) per month, less applicable deductions.

5.5 The Hospital shall provide Lambie with a corporate portable computer and blackberry.

5.6 The Hospital and Lambie shall each pay their requisite share of the applicable premium cost necessary to enrol Lambie in the benefits described in the Benefits Summary for Full-Time Management & Excluded Employees (effective May 1, 2009) as may be amended from time to time.. Any waiting period for the eligibility of benefits will be waived. Participation in these benefits will be subject to the terms of the applicable benefit plan or policy in effect from time to time. The Hospital may change these benefits and benefit terms from time to time, in which case the Hospital will advise Lambie of the change(s). Lambie will be subject to the general conditions and limitations in any benefit plan or program and may be changed without notice. For insured benefits, the Hospital is only required to pay their portion of the premiums and have no further obligations. Termination of benefits will be in accordance with the Termination provisions of this Contract.

FIPPA s. 21(1) s. 21(3)(d)

5.7 The Hospital acknowledges that Lambie has banked vacation accumulated while [redacted] having a monetary value of $141,222.86. Immediately prior to Lambie's retirement or on the termination of this Contract, for any reason whatsoever, Lambie shall first take this banked vacation pay which shall be converted to vacation days and will be paid in accordance with Articles 4.2 and 4.4(a) above as the case may be. In the event of Lambie's death, the Hospital will pay to Lambie's Estate any portion of the banked vacation which would otherwise have been payable to Lambie pursuant to this Article 5.7, on retirement under Article 4.2, or on the termination of this Contract under Articles 4.3 or 4.4.

5.8 Lambie will continue her enrolment in Hospitals of Ontario Pension Plan (HOOPP). Lambie and the Hospital will each make their requisite contributions to HOOPP during the term of this Contract.

Hospital's Property

6.1 Lambie acknowledges that all items of any and every nature or kind created or used by Lambie pursuant to Lambie's engagement under this Contract, or furnished by the Hospital to Lambie, and all equipment, automobiles, credit cards, books, records, reports, files, manuals, literature, confidential information or other materials shall remain and be considered the exclusive property of the Hospital at all times and shall be surrendered to the Hospital, in good condition, promptly on the date she ceases for any reason to be an employee of the Hospital irrespective of the time, manner or cause of the release from employment. Without limiting the generality of the foregoing, Lambie further covenants and agrees with the Hospital that all documents, including, without limitation, instructions, drawings, notes, memoranda, drawings, blueprints, manuals, letters, notes, notebooks, reports, sketches, formula, records, files, computer programs, data, inventions, patents and other property relating to the Hospital made or conceived by her during the term hereof or which may come into her possession during hereof in her capacity as an employee hereunder are the sole and exclusive property of the Hospital and will not without the prior written consent of the Hospital, be removed from the offices of the Hospital (except to the extent necessary in carrying out Lambie's duties hereunder) and shall, in any event, be returned to the Hospital upon Lambie ceasing for any reason to be an employee of the Hospital.

Conflict of Interest

7.1 It is understood and agreed that a conflict of interest or the perception of one does not necessarily involve monetary gain, but may arise in a variety of ways. Lambie shall be responsible for recognizing and avoiding all circumstances that may give rise to actual or perceived conflict of interest situations.

7.2 Lambie shall not, during the term of the Contract, under any circumstances, either directly or indirectly, engage in any other occupation, business or entity, or have any interest in same, without the advance written consent of the Hospital's Board of Directors. The Hospital acknowledges that Lambie is currently the Chair of the Board of Directors of the North Simcoe Muskoka Palliative Care Network and will be permitted to continue on its Board of Directors.

Confidentiality

8.1 Lambie acknowledges that in the performance of this Contract confidential information relating to the Hospital, its patients and the services it provides may be disclosed or become known to Lambie. Lambie agrees that no such confidential information shall be divulged in any form, nor used directly or indirectly for Lambie's own purposes or for the purposes of any person, corporation, firm, association or thing other than the Hospital, without the Hospital's prior consent. Lambie acknowledges this obligation shall continue in force after the termination of this Contract.

8.2 Lambie acknowledges the information as referred to in article 6.1 could be used to the detriment of the Hospital. Accordingly, Lambie undertakes not to disclose same to any third party either during the term of this Contract, except as may be necessary in the proper discharge of her responsibilities under the Contract, or at any time after the term of her employment, except with the written permission of the Hospital's Board of Directors.

Independent Legal Advice

9.1 Lambie acknowledges and agrees that the opportunity to seek independent legal advice was offered by the Hospital prior to executing this Contract. The Hospital agreed to reimburse Lambie for up to Two Thousand Five Hundred Dollars ($2,500.00) in legal fees incurred in connection with the finalization of this Contract.

Assignment of the Contract

10.1 Neither party may assign this Contract without the express written consent of the other party.

Severability

11.1 The Hospital and Lambie agree that if any of the provisions or a part of a provision of this Contract are deemed illegal or unenforceable, such provisions shall be considered separate and severable from this Contract, and the remaining provisions or part of a provision of the Contract shall continue in force, and be binding upon the parties as though such provision or part of a provision had never been included.

Legal Authority

12.1 The Hospital represents and warrants that:

(a) it has the authority to enter into this Contract;

(b) all necessary steps have been taken by the Hospital to properly authorize the execution and performance of the terms of this Contract; and

(c) when this Contract has been executed by the parties signing below, this Contract shall be a legal, valid and binding Contract, enforceable against the Hospital in accordance with the terms.

Entire Contract

13.1 This Contract constitutes the entire agreement between the parties. There are no other agreements, understandings, representations or warranties, either collateral, oral or otherwise.

FIPPA s.21(1) s21(3)(d)

13.2 Without limiting the generality of article 13.1 above, this Contract supersedes and replaces any previous agreements between Lambie and the Hospital or Lambie and [redacted] and any such previous agreements are null and void and of no effect.

13.3 Any disputes as to the validity, interpretation, performance of this Contract shall be determined in accordance with the laws and by the Courts of the Province of Ontario.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed:

THE BOARD OF DIRECTORS OF THE
MENTAL HEALTH CENTRE
PENETANGUISHENE

Per: _____

I have read, understand and accept the terms and conditions of this Contract dated this 5th day of August, 2009.

SIGNED, SEALED & DELIVERED in
the presence of:

)
)
)
)

[redacted] _____ _____
Witness **Carol Lambie**

S.21(1) FIPPA

[redacted] _____
Name of Witness