

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 14th day of June, 2013.

BETWEEN

QUINTE HEALTH CARE CORPORATION

(Hereinafter referred to as "QHC")

ON THE FIRST PART;

- and -

JEFF HOHENKERK

(Hereinafter referred to as "Incumbent")

OF THE SECOND PART;

WHEREAS QHC desires to retain and secure for itself the experience, abilities, and services of Incumbent, as a Vice-President, upon the terms and conditions specified herein;

AND WHEREAS the incumbent wishes to provide services in said executive capacity to QHC.

NOW THEREFORE it is mutually agreed by and between the parties hereto as follows:

1. TERMS OF EMPLOYMENT

This agreement shall be for an indefinite period commencing August 12, 2013, subject to the Termination provisions set out hereafter.

2. DUTIES OF EMPLOYMENT

2.1 The Incumbent shall be responsible to the President & C.E.O. of QHC and shall perform all duties in a competent and professional fashion. A list of job duties and performance objectives will be developed jointly by the President & C.E.O. of QHC and the Incumbent, and said list, as it may be modified from time to time, shall form part of this Agreement. Additionally, the Incumbent shall perform such other duties and responsibilities consistent with the position of Vice President as may be required from time to time by the President & C.E.O. and shall further be responsible for taking such actions as the President & C.E.O. considers advisable or necessary to ensure compliance with QHC's mission, strategic

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plan, standards and objectives established by the Board of Directors, as well as LHIN, MOHLTC and Ministerial policies and directions, and the *Public Hospitals Act*, regulations under such Act, QHC's by-laws and such other legislation as may be applicable.

2.2 It is understood and acknowledged by the Incumbent that QHC pursued continuous innovation in its methods of management and this may necessitate periodic change, expansion or alteration of the position's duties and responsibilities.

3. COMPENSATION

(A) Salary

3.1 The Incumbent shall be paid an annual base compensation of \$175,422 which shall be paid in equal installments, biweekly, subject to such deductions required by law or as may be otherwise agreed to between the parties. The Incumbent acknowledges that this position is one of QHC's "designated executives" and thus falls under the "Executive Compensation Plan" established by the Board of Directors under the Excellent Care for All Act, and Strong Action for Ontario (Budget Measure) Act. Increases to this compensation are presently prohibited and this prohibition, as well as further or other restraint measures may be in place for an indefinite period. Should the restraint measures change in any fashion, QHC has the discretion to consider further or other compensation adjustments, as appropriate.

3.2 It is also understood that in addition, and, in accordance with the legislation, there will be a component of the Incumbent's compensation allocated as "pay for performance incentive", eligibility for which is linked directly to the achievement of Performance Improvement Targets, set out in the annual Quality Improvement Plan developed under the Excellent Care for all Act. The maximum performance pay envelope for the Incumbent as well as all other members of the Senior Leadership Team is fixed by the Board of Directors in accordance with the legislation.

3.3 The Incumbent shall have access to \$5,000.00 for leadership and other professional development opportunities during the first year of employment. Thereafter, the amount of this fund will be established by mutual agreement of the President & C.E.O., and the Incumbent.

(B) Benefits

3.4 The Incumbent shall have the right to participate in such group insurance plans or benefits as QHC may make available to its executives from time to time, subject to the terms and conditions provided for in those plans or benefits. QHC shall contribute toward the cost of premiums payable for such plans or benefits. The amount of QHC's contribution toward benefits and a list of the plans and benefits available as of the date of execution of this Agreement are as follows:

Plan	Employer Share	Employee Share
Hospitals of Ontario Pension Plan	As per plan requirements	As per plan requirements
Extended Health Care Plan	75%	25%
Dental Plan – basic	75%	
Dental Plan – crowns, caps and orthodontics	100%	
Life Insurance	100%	
Accidental Death and Dismemberment	100%	
Long Term Disability Benefits	75%	25%
Semi-private hospital coverage	100%	

3.5 It is understood that QHC's sole liability under subparagraph 3.4 of this Agreement is to pay the cost of premiums and that QHC does not assume the role of insurer.

3.6 Should the cost of the employee portion for coverage of the Incumbent under any plan or benefit increase during the term of this Agreement, this increase in the employee cost will be borne by Incumbent, unless otherwise agreed, on the same proportional

basis in effect immediately prior to the increase unless otherwise agreed to by the parties.

(C) Vacation

3.7 Incumbent shall be entitled to vacation leave in accordance with the Hospital's Vacation Policy. The Incumbent shall receive an entitlement of 5 weeks (twenty five days) vacation, pro-rated in the first year to accord with QHC's vacation/fiscal year of April 1 – March 31. Vacation time shall be taken in consultation with the President & C.E.O. Additionally, the Incumbent shall receive those paid holidays and statutory holidays as are available to all QHC executives. The Incumbent with the approval of the President and C.E.O. may carry over a maximum of 10 days to be used in subsequent years; it being understood that this carry forward may at no time exceed 10 days.

(D) Pension

3.8 Incumbent shall be eligible to participate in HOOPP (Hospital of Ontario Pension Plan), subject to the terms and conditions of the plan.

(E) Relocation Allowance

3.9 The Incumbent agrees to establish a residence in the Quinte Region within the first month of this Agreement, it being agreed that said residence may be in temporary rented accommodation. QHC will reimburse the incumbent, on provision of appropriate receipts, costs related to the relocation to a maximum of \$10,000. Should the Incumbent resign during Year 1, the relocation expenses shall be repaid to QHC.

4. Termination

4.1 QHC may terminate this Agreement, and the Incumbent's employment, by providing to the Incumbent either advance written notice, or pay in lieu thereof payable either as salary continuation or as a lump sum less deductions, as QHC may elect, in the following amounts: a) six (6) months or pay in lieu thereof if notice of termination is given before the first anniversary date of commencing service; b) ten (10) months or pay in lieu thereof during the second year of employment and (c) twelve (12) months or pay in lieu thereof during and after the third of year of employment. All payments shall be less deductions as required by law. If payment is made by salary continuance, said salary continuation shall cease effective such date as the Incumbent commences new employment in a fulltime capacity, at which point

the incumbent shall receive fifty percent (50%) of the remainder of the salary continuation, paid as a lump sum less deductions.

- 4.2 Where QHC elects salary continuation or lump sum, long term disability and life insurance benefits coverage will be maintained only for the minimum period required by the Employment Standards Act, 2000, or such other applicable legislation as may be in effect.
- 4.3 Should QHC exercise its option under paragraph 4.1, the payments made are deemed to be exhaustive of any payment or payments to which the Incumbent be entitled arising on termination, whether under this Agreement, under statute and at common law, and the Incumbent wholly releases QHC from any further or other claims, demands or complaints, however or whenever arising.
- 4.4 Notwithstanding paragraph 4.1, in the event just cause exists, the Hospital may terminate Incumbent's employment and this Agreement without notice or any payment under paragraph 4.1.
- 4.5 The Incumbent may terminate this Agreement by providing three (3) months' notice in writing of his intention to do so.
- 4.6 This Agreement shall terminate upon the death of Incumbent, and all amounts owing to Incumbent on account of earned salary, accrued vacation, or expenses shall be paid to Incumbent's estate.
- 4.7 Upon termination of this Agreement, the Incumbent shall forthwith deliver or cause to be delivered to QHC all books, documents, effects, or other property belonging to the Hospital or for which the Hospital is liable to others, which are in the possession, charge, control, or custody of Incumbent.

5. FIDUCIARY DUTY AND CONFIDENTIALITY

- 5.1 Incumbent agrees to act competently, loyally, and in a trustworthy manner and to be bound by and faithfully observe and abide by all the rules and regulations of QHC in force from time to time.
- 5.2 Incumbent recognizes that in the performance of his duties, he will acquire detailed and confidential information about QHC's operations as well as other confidential documents and information. Incumbent agrees that he will not in any way use, divulge, furnish or make accessible to any person, either during his employment or any time thereafter, any confidential information relating to the business of the Hospital acquired by Incumbent in the course of his

employment except with the consent of the Hospital or as required by law, or any information, howsoever acquired, subject to the provisions of the Personal Health Information Protection Act, 2004, or the Freedom of Information and Protection of Privacy Act.

6. CONFLICT OF INTEREST

6.1 While employed with the Hospital, Incumbent will devote his full time and attention to the business of the Hospital and will not be involved in any activity, or provide a service or services on behalf of another company or organization in return for remuneration without the written approval and consent of the President & C.E.O. Further, before undertaking any involvement in any organization which might interfere in his obligations to the Hospital, or which might potentially conflict with the interests of the Hospital, Incumbent will obtain the approval of the President & C.E.O.

7. BINDING EFFECT OF THE AGREEMENT

7.1 This Agreement shall ensure to the benefit of and be binding upon the Hospital, its successors, and assigns and include, without limitation, any person, partnership, or corporation which may acquire all or substantially all of the Hospital's assets and business or with or into which the Hospital may be consolidated or merged and this provision shall apply in the event of any subsequent merger, consolidation, or transfer.

7.2 This Agreement will be binding on Incumbent and his heirs, successors, assigns and legal representatives.

8. ENTIRE AGREEMENT

8.1 This Agreement supersedes and replaces any prior Agreement between the Hospital and Incumbent, and constitutes the entire Agreement between the parties. No warranty, term, condition, or representation, collateral or otherwise, governs or effects the relationship between the parties, other than those set out in this Agreement.

8.2 This Agreement may not be amended, modified, or supplemented in any respect except by written Agreement signed by both parties.

9. APPLICABLE LAW

9.1 This Agreement shall be governed in all respects by the laws of the Province of Ontario.

10. NOTICES

10.1 All notices under this Agreement shall be in writing and shall be delivered by hand or by registered certified mail to the home address of Incumbent and to the Head Office address of the Hospital or such other addresses as the parties may hereafter designate in writing for such purpose.

11. CAPTIONS AND TITLES

11.1 Captions and titles have been used in this Agreement only for convenience and in no way define, limit, expand, or describe the meaning of this Agreement or any part thereof.

12. SEVERABILITY

12.1 The provisions of this Agreement shall be severable and in the event any part or parts thereof are finally determined to be unenforceable, such determination shall not affect the enforceability of the remainder thereof.

13. LEGAL COUNSEL

13.1 Incumbent confirms that he has had the opportunity to obtain legal counsel prior to entering this Agreement and that he has read and understood the terms of this Agreement and that he has entered into this Agreement without pressure or influence, understanding this Agreement irrevocably affects his legal rights.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date first above written.

SIGNED, SEALED AND DELIVERED)
in the presence of)

Marcovici)
Witness - Signature)

Lisa Marcovici)
Witness - Print Name)

QUINTE HEALTH CARE

Mary Clare Egberts
Mary Clare Egberts
President & C.E.O.

Jeff Hohenkerk
Jeff Hohenkerk, Incumbent