

February 10, 2020

Mr. Paul Audet

Dear Paul,

TransForm Shared Service Organization (TransForm) is pleased to offer you a fixed term contract in the capacity of **Chief Executive Officer (CEO)**. The period of this term is from **April 1, 2021** (“start date”) to **March 31, 2024** (“end date”). To avoid any potential for confusion, all entitlements provided for in this offer of employment will be determined based on the start date. Service pre-dating the start date will not be recognized by TransForm, for any purpose.

You agree there has been no verbal agreement between the parties regarding your employment which conflicts with the terms and conditions of employment set out below.

1. Job Duties

During the term of this Agreement, you agree to faithfully perform the responsibilities that are consistent with a position of this nature and as communicated and instructed to you from time to time. In doing so, you shall apply best efforts to promote the interests of TransForm. You shall devote the whole of your working time and attention to the business affairs of TransForm and shall not, unless the Employee has the consent of the Board of Directors, engage either directly or indirectly in any other business or occupation of a permanent, temporary or part-time nature. You agree not to engage in any conduct that creates a conflict of interest, to remain loyal to TransForm, and to avoid conduct that damages the reputation of TransForm directly or by association.

2. Job Responsibilities

Executive Leadership - Report to the board all relevant information regarding shared service operations. Provide the board with the information necessary to exercise their governance responsibilities.

Strategic Planning - Participate in the implementation of the strategic plan including regular progress reports to the board, stakeholders and general public.

Accountability - In the context of the organization’s strategic and operating plans, report on progress against those objectives quarterly and annually.

Management and Operational Excellence - Develop and maintain an effective organization structure that reflects operational needs that is directed towards accomplishing organizational objectives.

Relationship Building - Develop and maintain effective relations with other stakeholders with an interest in TransForm. Maintain an appropriate presence amongst all stakeholder groups. Ensure stakeholders are well informed regarding TransForm’s goals and objectives. Participate in Ontario Health Teams initiatives.

Communication - Work with the senior management team to ensure the flow of accurate and timely communications to and from TransForm and its stakeholders.

Industry Leadership - Keep abreast of trends and developments in health service delivery and shared services initiatives. Maintain an up-to-date knowledge of Ontario health care services in order to identify, monitor and assess the needs for shared services.

3. Location of Work

Your base site has been established at 750 Richmond St., Chatham, Ontario. During the whole month of February, you are able to schedule vacation for 100% of the time and will delegate your CEO responsibilities to a member of your Senior Management Team. Where it is necessary for you to work during this vacation period, the worked time will be recorded as worked hours.

There is a requirement to travel within the SWO area to perform the duties of this position. All eligible expenses incurred in the course of business will be reimbursed as per FN-01-010 Guidelines to Expense Reimbursement-Personal Business Expense policy, upon board approval.

4. Compensation

Payroll is processed biweekly as prescribed on the payroll calendar and processed electronically through electronic funds transfer (EFT) and deposited on the scheduled Thursdays. Your pay will be subject to all statutory and authorized employee deductions.

In consideration for the performance of duties, you will receive an annual salary of **\$220,000**. Any future increase in the Employee's salary beyond this period will be at the sole discretion of the Board of Directors and will be based on, among other things, the Employee's performance as assessed by the Board of Directors in conjunction with the Employer's financial resources and the dictates (if any) of applicable legislation. Within 90 days of signing this agreement, you will undertake the hiring of a consultant to assist with benchmarking your salary and those of the Senior Management Team.

As per the requirements of Public Sector Salary Disclosure Act, 1996 (PSSDA), TransForm will disclose your salary, taxable benefits, and per diems and/or retainers, to the Ministry of Finance for public release on an annual basis if the total exceeds the cap of \$100,000. Any expenses incurred and submitted for reimbursement in the course of doing business will also be disclosed.

5. Benefits

Subject to eligibility and the terms of the plans, you have the option to participate in TransForm's benefit plans, which may be made generally available by TransForm to its employees, subject to the right of TransForm to amend or cancel such plans from time to time. Your benefits will commence according to the eligibility of each plan. This benefit package currently includes defined pension, healthcare including dental, group life and disability insurance. Eligibility waiting periods are as per our policies. You have agreed to a payment equal to 13% of your annual base salary in lieu of benefits. As such, you will not be enrolled in the pension plan nor in any healthcare plans.

TransForm self-insured benefits will be provided and paid for at the same level as permanent full-time employees and in accordance with its normal practice and policies for the following; Disability Benefits, Jury Duty and Bereavement Leaves.

TransForm will pay professional membership fees consistent with its normal practice and policy. The cost of education and training associated with keeping designations in good standing will also be reimbursed with prior written approval.

6. Vacation

Your vacation entitlement is **7 weeks** per year and will be pro-rated for the remaining 2020 period. The prescribed vacation period is January 1 to December 31 of each year. The Employee shall take vacation at a time or times mutually agreeable to you and TransForm. The carry-over of unused vacation shall be governed by TransForm policy and you must obtain prior written approval for any carry-over of vacation.

7. Personal Leave Days

You will be entitled to **5 days** per year which shall be taken between January 1 and December 31 of each year. You shall take personal leave at a time or times mutually agreeable to you and TransForm. Prior written approval by the board chair is required for any carry-over of leave days.

8. Statutory Holidays TransForm offers 12 Statutory Holidays per calendar year, as scheduled on the payroll calendar. Holiday pay will be paid at 7.5 hours per day at your regular pay. If you are required to work any scheduled holiday, you will be paid at your regular wage for all hours worked on the public holiday and receive another substitute holiday for which you will be paid public holiday pay.

9. Change of Terms of Employment

The parties recognize that there may be future changes to an employee’s position, compensation, title and other matters throughout the duration of an employment relationship.

You agree that the terms and conditions of this agreement, including but not limited to the Confidentiality, the Non-Solicitation and the Termination provisions, as set out below, remain binding and effective after any changes to your position, title, compensation or other employment terms, regardless of how significant the changes are.

10. Policies

As an employee of TransForm, you shall be subject to all organizational policies and procedures, and any revisions thereto, copies of which are available for your review.

TransForm offers accommodation to its employees with disabilities who require accommodation in accordance with our policies. Our Accessibility for Ontarians with Disabilities Act (AODA) policies can be found at <https://www.TransFormsso.ca/accessibility#.V8bnDf7ruM8>. Additional formats of these policies can be provided upon request.

The Organization has the right to amend, alter, change or revoke any policies, including any benefit plans that provide benefit coverage to the employee, on notice as determined by TransForm, in its discretion. You agree that changes to employment policies or plans will not constitute constructive dismissal or breach of this Agreement.

11. Non-Solicitation

You agree as a term of your employment that you shall not during your employment and for a period of 12 months following the termination of your employment for any reason, directly or indirectly solicit any business from any customers of TransForm, with whom you had material contact within the 12 months prior to the termination of your employment or material knowledge of as a result of your employment with TransForm, unless that business is entirely unrelated in matter and substance to the type of business performed for those customers by TransForm. The term "customer" shall also include any prospective customers with whom you solely or as a team provided written materials or made presentation to in order to obtain their work.

You agree that during your employment and for a period of 12 months after the termination of your employment for any reason, you will not, either directly or indirectly, solicit, induce or attempt to solicit or induce any employee or consultant of TransForm to terminate their employment with or otherwise end their relationship with TransForm.

12. Confidentiality

You acknowledge that you will acquire information about certain matters which are confidential to TransForm and to its clients. This confidential information may include, but is not limited to information on clients, patients, employees, contractors, students and others or business/financial information in a variety of forms (e.g., written, electronic, oral, overheard or observed). All confidential information remains the property of TransForm. You acknowledge that such information could be used to the detriment of TransForm and therefore you shall not disclose such information in any manner, directly or indirectly, to any person without the prior written consent of TransForm.

You acknowledge that as an employee, you are bound to follow and respect TransForm's privacy rules and that you may obtain clarification of those rules from TransForm's Privacy Officer. TransForm is subject to the *Personal Health Information Protection Act, 2004*. Therefore, with regard to personal health information ("PHI") about patients/clients of TransForm, you specifically agree to the following:

- (a) You will not collect, use or disclose PHI except as may be permitted or required by your employment relationship with TransForm and in accordance with the legislation. You will keep any PHI you have access to in strict confidence. You will only access PHI on a need-to-know basis – that is, as required to perform your employment duties. You will not remove any recorded PHI from TransForm's premises, without management approval. You will use appropriate safeguards to prevent unauthorized use or disclosure of PHI.
- (b) You will immediately report to TransForm's Privacy Officer any suspected loss or theft or unauthorized use or disclosure of PHI of which you become aware. You understand that this commitment to privacy and the protection of PHI continues indefinitely and extends beyond the term of your employment with TransForm.

You understand that if you violate this confidentiality agreement, you may be subject to adverse action up to and including termination of your employment and that you are subject to other penalties.

You acknowledge that compliance with the covenants contained herein upon termination of your employment with TransForm, for any reason, shall not impair your ability to earn a livelihood and provides reasonable protection of the legitimate interests of TransForm. You further acknowledge that the time and restrictions contained herein are reasonable and not unduly burdensome.

13. Termination of Employment

13.1 Resignation

You may resign at any time provided you give TransForm **4 months** (120 days) advance notice, in writing (the "Resignation Notice Period"). Upon receipt of a notice of resignation, TransForm may, in its sole discretion, waive or abridge this notice period. Should TransForm waive or abridge this notice period then you will be paid for the entire resignation notice period as if you had worked during the waived or abridged period.

13.2 Termination With or Without Cause

Your employment with TransForm can be terminated as follows:

- I. Your employment will automatically terminate upon your death. In such case, all unpaid salary, bonus (if any) and vacation pay will be paid to your estate. Your benefits shall cease as of your death. No other payments or entitlements of any kind will be due and owing to you or your estate.
- II. TransForm may, in its absolute discretion, at any time and without any notice or pay in lieu thereof, terminate your employment for cause. For the purposes of this agreement, cause includes but is not limited to the following:
 - a) Any material breach by you of the provisions of this agreement;
 - b) Any serious misconduct by you which in the opinion of TransForm brings the reputation of TransForm into disrepute; or
 - c) You are convicted for a serious criminal offence punishable by indictment, where such cause for termination is not prohibited by law;
 - d) And any act by you that would constitute cause for termination at common law.
- III. If TransForm decides at any time to terminate your employment, without cause, it is agreed that TransForm may terminate your employment upon providing you with:
 - a) Any unpaid base salary and vacation pay up to and including the date of your termination;
 - b) Notice of termination or pay in lieu of such notice based upon your current year's base salary and not including any bonus or other incentive/ancillary compensation, **equal to 12 months or the balance of the remaining contract, whichever is the lessor, (the "Notice Period")**. TransForm, in its discretion, may choose to provide pay in lieu of notice as a lump sum or salary continuance and such payment(s) shall be in a non-pensionable income format; and
 - c) Your entitlement to any benefits and pension shall be provided for the statutory notice period as set out in applicable employment standards legislation. All benefits and pension will be discontinued at the end of the applicable statutory notice period.

- d) You agree that the above payments and entitlements are the maximum entitlements you are entitled to upon your termination without cause and the payments and entitlements fully satisfies any and all claims, causes of action, complaints that you may have against TransForm and its respective officers, directors, employees, servants, agents and assigns, jointly and severally, regarding your statutory entitlements, including termination notice, pay in lieu thereof, severance pay or damages for wrongful dismissal.
- e) At all times, you will receive your entitlements under applicable employment standards legislation.

Upon termination, however caused, you shall surrender to TransForm all keys, manuals, documents, correspondence, monies, supplies, employee lists and all other material and records or any other TransForm property of any kind that may be in your possession at such time or under your control.

This termination provision shall remain in full force and effect un-amended, notwithstanding any other alterations to the terms and conditions of your employment, unless agreed to by TransForm in writing.

14. General

This Agreement constitutes the entire agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral.

This Agreement shall be construed, interpreted and enforced in accordance with the laws of the Province of Ontario.

No amendment or waiver of any provisions of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise provided.

15. Renewal

Twelve months prior to the expiry date of this contract, both parties must express their intent, in writing, to participate in another three year term contract or not to renew said contract.

You have been provided with sufficient time to review the Agreement and have been advised to obtain independent legal advice.

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, such enforceability or invalidity shall not affect the enforceability or validity of the remaining provisions of this Agreement and such provisions shall be severable from the remainder of this Agreement.

If the foregoing terms of employment are acceptable to you, please indicate your acceptance by signing a copy of this letter in the space provided below on or before **March 31, 2020** after which date, this offer shall be considered void