



## BLUEWATER HEALTH

89 Norman Street Sarnia Ontario N7T 6S3

T 519 464-4400

[www.bluewaterhealth.ca](http://www.bluewaterhealth.ca)

***Hand Delivered***

April 12, 2018

Dr. Michel Haddad  
c/o Bluewater Health  
89 Norman Street  
Sarnia, ON N7T 6S3

Dear Dr. Haddad:

As a result of legislative changes regarding executive compensation, the compensation provisions of your current Employment Agreement with Bluewater Health dated December 2016 are no longer enforceable.

Please accept this letter as notice that the Hospital wishes to revise the compensation provisions to be compliant with existing legislation and that such increased compensation is the consideration flowing to you under this agreement. All of the terms of employment in the existing Employment Agreement will remain unchanged, with the exception of the following provisions which will replace the corresponding provisions in the existing Employment Agreement:

### **5. CONSIDERATION FOR THE SERVICES**

The Hospital shall pay the Chief of Professional Staff an annual salary of \$210,000.00 (less deductions required by law), effective September 1, 2017 which shall be payable in accordance with the Hospital's usual payroll practices. This salary is inclusive of vacation pay, overtime and holiday pay and shall be subject to annual review by the Hospital.

The Chief of Professional Staff shall be entitled to receive performance pay in an amount up to 2% of the base salary as set out in the above paragraph, which is subject to him achieving the annual performance improvement targets established by the annual quality improvement plan as required by the *Excellent Care for All Act*. This sum is also inclusive of vacation pay, overtime and holiday pay.

Given that the salary adjustment has been approved back to September of 2017, the Hospital will pay you a lump sum equaling the difference in the increased salary as compared to your earnings from September 1, 2017 to today. All subsequent salary payments will be made in accordance with the standard payroll practices of the Hospital at the rate set out above.

In order to accept this extension and the terms set out above, please sign and date below where indicated and return one (1) original to Colleen Cook, Human Resources. Please keep a copy for your records.

Should you have any questions or concerns, please feel free to contact me.

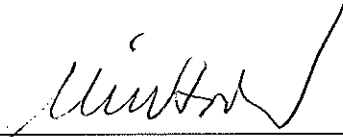
We thank you for your continued contributions to the Hospital.

Sincerely,

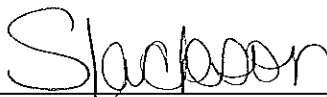
  
Wayne Pease

Chair, Bluewater Health Board of Directors

I, Michel Haddad, acknowledge and accept the above modification to my employment agreement dated December 2016.

  
\_\_\_\_\_

NAME

  
\_\_\_\_\_

WITNESS

CHIEF OF STAFF

THIS AGREEMENT made this \_\_\_\_\_ day of December, 2016 (the "Effective Date"),

BETWEEN

DR. MICHEL HADDAD  
(hereinafter the "COPS")

-and-

BLUEWATER HEALTH  
(hereinafter the "Hospital")

WHEREAS the Chief of Staff is a duly qualified physician registered to practice medicine in Ontario;

AND WHEREAS the Hospital serves the surrounding communities of Sarnia and Lambton County, Ontario, and requires the services of a physician to act as Chief of Staff;

FOR VALUE RECEIVED, the parties agree as follows:

**NATURE OF SERVICES**

1. **Definition of Services.** For the purposes of this Agreement, "Services" means those duties, services and responsibilities of the Hospital's Chief of Staff as set out from time to time in the Hospital By-Laws, Professional Staff Rules and Regulations, policies, the Public Hospitals Act (Ontario), this Agreement and the job description approved by the Board of Directors, August 6, 2008. The job description may be amended from time to time with mutual agreement of the Chief of Staff and the Board of Directors.
2. **Appointment.** Pursuant to the appointment process set out in the By-Laws of the Hospital, Michel Haddad is hereby appointed Chief of Staff for the Hospital, provided he maintains his privileges at the Hospital. The Chief of Staff hereby accepts such appointment and agrees to provide the Services in accordance with the Hospital By-Laws, Professional Staff Rules and Regulations, policies, the Public Hospitals Act (Ontario), the job description and this Agreement.

**TERM**

The Chief of Staff appointment initially became effective on May 20, 2016. This agreement reflects the new agreed upon time commitment of 3 days/week.



### CONSIDERATION OF THE SERVICES

3. **COPS stipend.** Effective January 1, 2017, an administrative fee in recognition of the services provided by the COPS to the Hospital shall be paid to the COPS in the amount of \$204,000. The parties acknowledge and agree that 2% of this administrative fee is designated as performance pay in compliance with the Excellent Care for All Act (ECFAA), the indicators of which are reviewed by the Board of Directors in June each year. *The actual amount paid to the COPS will be pro-rated based upon actual days worked per year.*

The parties acknowledge and agree that the relationship of the COPS to the Hospital is that of an independent contractor. The COPS is not and will not be deemed to be an employee of the Hospital. Nothing in this Agreement will be construed so as to imply, constitute or create a partnership, employment, joint venture or agency relationship between the Hospital and the COPS. Furthermore, nothing in this Agreement or arising from the terms of this Agreement will be construed to confer on either the Hospital or the COPS any right, authority or power to act for, or to assume, create or undertake any obligation or responsibility on behalf of the other of them, except as necessary to fulfill the functions of this role as outlined in Article 1.

Without limiting the generality of the preceding section,

- (a) the parties acknowledge and agree that the COPS will receive no benefits of any nature from the Hospital, including, but not limited to vacation time, vacation pay, statutory holidays, sick days, medical, dental or health benefits or other insurance benefits and that all payments by the Hospital to the COPS will be without statutory deductions, including those in respect of federal and provincial income tax, Canada Pension Plan, any taxes under federal and provincial legislation (i.e. GST, HST), Employment Insurance, Workplace Safety and Insurance Board Premiums, the Ontario's Employment Health Tax, and the Hospitals of Ontario Pension Plan; and
- (b) the COPS acknowledges and agrees that he is solely and exclusively responsible for collecting, paying and remitting all local, provincial and federal taxes (including the Goods and Services Tax/Harmonized Sales Tax) and related payment (such as Canada Pension Plan contributions).

### EXPENSES AND MEMBERSHIP FEES

4. It is understood and agreed that the Chief of Staff will incur expenses in connection with his duties under this Agreement. The Hospital shall reimburse the Chief of Staff for any reasonable expenses incurred in respect of Bluewater Health business, and meetings and special functions related to his employment provided that the Chief of Staff provides an itemized written account and receipts acceptable to the Hospital within thirty (30) days after they have been incurred. Monthly accounts shall be approved in writing in accordance with a process established by the President/Chief Executive Officer.



5. The Chief of Staff acknowledges and agrees that the Hospital shall not be required to pay on his behalf any membership fees, conference costs and/or other fees in medical or other associations except as expressly agreed by the Hospital. The Hospital shall reimburse the Chief of Staff's membership fees in the Canadian College of Health Services Executives. The Chief of Staff shall furnish to the Hospital statements and receipts as and when required by the Hospital.

## PERFORMANCE REVIEWS

6. The Board of Bluewater Health, in conjunction with the Chief of Staff, shall annually set performance goals and objectives for the Chief of Staff. For the first year of this Agreement, the performance goals and objectives shall be agreed to and approved by the Board as soon as it is feasible after the effective date of this Agreement. The Board shall conduct an annual performance review of the Chief of Staff's performance as measured against the approved goals and objectives approved for the year.

## TERMINATION OF EMPLOYMENT

7. NOTICE of TERMINATION by THE CHIEF of STAFF:

The Chief of Staff may, at any time by giving at least one hundred and twenty (120) days notice in writing to the Hospital, terminate this Agreement.

8. NOTICE of TERMINATION by THE HOSPITAL:

Bluewater Health may terminate this Agreement at any time, by giving at least one hundred and twenty (120) days notice in writing to the Corporation. Notwithstanding any other provision in this Agreement, the Hospital shall be entitled to immediately terminate this Agreement upon the occurrence of an "Event of Default". For the purposes of this Agreement, "Event of Default" shall include, without limitation:

- (a) a continuing failure of the Chief of Staff to observe and perform his obligations under this Agreement, provided the Hospital has given the Chief of Staff written notice of such continuing failure and the Chief of Staff has not rectified, or taken significant steps to commence rectifying, the situation in a manner satisfactory to the Hospital within 30 days of receiving such written notice; or
- (b) the suspension or revocation of the Chief of Staff's privileges at the Hospital.

9. CONSEQUENCES of TERMINATION

If this Agreement is terminated for any reason (excluding termination pursuant to Section "b" above) all medical privileges of the Hospital granted to the Chief of Staff shall be continued, subject to the process of renewal, modification, withdrawal or termination of privileges as provided under the Public Hospitals Act (Ontario) and the Hospital's By-Laws.



## CONFIDENTIALITY

### 10. CONFIDENTIALITY

- (a) **Hospital Information.** The Chief of Staff shall not, either during the term of his engagement or at any time thereafter, disclose to any person, firm or corporation any information concerning the business or affairs of the Hospital which the Chief of Staff may have acquired in the course of, or incidental to, his relationship with the Hospital.
- (b) **Chief of Staff Information.** The Hospital shall not, either during the term of this Agreement or at any time thereafter, disclose to any person, firm or corporation any confidential information concerning the Chief of Staff which the Hospital may have acquired in the course of, or incidental to, its relationship with the Chief of Staff.
- (c) **Exceptions to Confidential Information.** Notwithstanding the foregoing, neither party (the "Recipient") shall have any obligation with respect to any information concerning the business or affairs of the other party that:
  - i) is documented as already being in the Recipient's possession without burden of confidentiality;
  - ii) is or becomes publicly available or public knowledge through no fault of the Recipient;
  - iii) is disclosed pursuant to the lawful requirement of a court or government agency of competent jurisdiction without condition of confidentiality, provided that the Recipient notifies the other party in advance; or
  - iv) is furnished to the Recipient by a third party without restriction on disclosure.

## INDEMNIFICATION

- 11. **Indemnity by Hospital.** The Hospital covenants and agrees to indemnify and hold the Chief of Staff harmless with respect to any cause or causes of action, claims, demands or liabilities whatsoever incurred by the Chief of Staff arising out of or by reason of any negligent act or omission or willful misconduct of any one or more of the Hospital's employees, agents, representatives or other health care professionals in the performance of their duties for the Hospital, on the condition that the Chief of Staff gives prompt written notice of any claim that might give rise to such liability and co-operates in the defence of such claim, including the provision of material documentation in compliance with applicable legislation. The Hospital agrees to maintain and pay for adequate public liability insurance covering all employees of the Hospital including the Chief of Staff.



## GENERAL

12. **Notices.** Any notices which may be given pursuant to or concerning this Agreement shall be in writing and may be given by personal service or courier, by prepaid registered mail or by fax as follows:

*If to the Chief of Staff to:*  
Dr. Michel Haddad

---

*If to the Hospital to:*  
Bluewater Health attn. Chief Executive Officer  
89 Norman St.  
Sarnia, ON N7T 6S3  
Fax: (519) 464 – 4479

Or to such other address notified by one party to the other in accordance with the provisions of this Section. Any such notice or communication given to personal service, courier or fax in accordance with the provisions of this Section shall be deemed to have been received by or given to the addressee on the date of delivery or transmission. Any such notice or communication mailed as aforesaid shall be deemed to have been received by and given to the addressee on the third business day following the date of mailing, provided that for such purposes no day during which there shall be a strike or other occurrence which shall interfere with normal mail service to either of the parties shall be considered to be a business day.

13. **No Restriction.** This Agreement is not intended to nor does it limit, restrict or in any way affect the rights and obligations of either party under the provisions of the *Public Hospitals Act* (Ontario) or the By-Laws and Professional Staff Rules and Regulations of the Hospital to ensure the provision of quality health care to the community served by the Hospital.
14. **Assignment.** The Agreement shall not be assignable by either part without the prior written consent of the other.
15. **Governing Law.** The provisions hereof shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
16. **Independent Legal Advice.** The Chief of Staff acknowledges that:
- i) he has read and understood this Agreement; and
  - ii) he has been given the opportunity to obtain the independent legal advice in connection with this Agreement and the provisions hereof, and has freely chosen not to obtain such advice.



iii) or in the alternative:

iv) has obtained independent legal advice in connection with this Agreement and the provisions hereof.

IN WITNESS WHEREOF the parties have executed this Agreement.

SIGNED, SEALED AND DELIVERED

In the presence of:

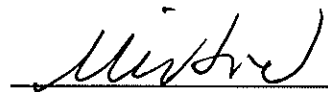
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)

BLUEWATER HEALTH



Wayne Pease

Chair, Bluewater Health Board of Directors



Dr. Michel Haddad