



# BLUEWATER HEALTH

89 Norman Street Sarnia Ontario N7T 6S3

T 519 464-4400

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

***Hand Delivered***

April 18, 2018

Paula Reaume-Zimmer  
c/o Bluewater Health  
89 Norman Street  
Sarnia, ON N7T 6S3

Dear Paula:

As a result of legislative changes regarding executive compensation, the compensation provisions of your current Employment Agreement with Bluewater Health dated April 6, 2017 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:

### **3. Salary:**

- (a) Bluewater Health shall pay the Employee an annual salary of \$169,135.00, such amount being inclusive of vacation pay, overtime and holiday pay commencing on September 1, 2017. Bluewater Health shall review the Employee's salary annually.
- (b) The Employee's salary shall be payable on a bi-weekly basis, subject to statutory deductions, HOOPP deductions, and remittances required by law and any additional deductions authorized by the Employee for benefit contributions, charitable donations or other purposes.
- (c) The Employee shall be entitled to receive performance pay in an amount up to 2% of base salary as set out in Article 3(a), above, which is subject to 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 April 4, 2018. This payment was made on April 11, 2018. All

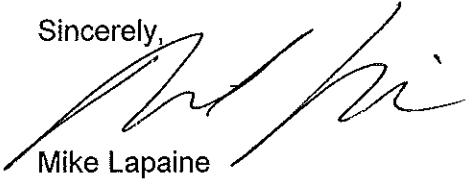
subsequent salary payments will be made in accordance with the standard payroll practices of the Hospital at the rate set out above.

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.

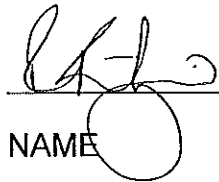
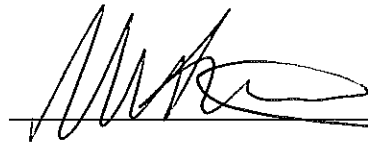
Sincerely,



Mike Lapaine

President & CEO

I, Paula Reaume-Zimmer, acknowledge and accept the above modification to my employment agreement dated April 6, 2017.

  
NAME  
WITNESS

**THIS AGREEMENT** made as of the 6th day of April, 2017.

B E T W E E N:

**BLUEWATER HEALTH**

- and -

**(PAULA REAUME-ZIMMER)**

(hereinafter the "Employee")

**WHEREAS** Bluewater Health is an independently owned and governed health care organization owning facilities and equipment which delivers hospital and health-related service to individuals in the County of Lambton, Ontario;

**AND WHEREAS** Bluewater Health shall strive to maintain and improve the quality of health care services in the County of Lambton through collaboration, joint planning, sharing of resources and developing links with other local and regional health care and social services agencies;

**AND WHEREAS** Bluewater Health and the Employee have agreed upon the essential terms and conditions governing the Employee's continued employment by Bluewater Health as Vice President, Mental Health and Addictions Program;

**NOW THEREFORE** in consideration of the mutual covenants contained herein and other good and valuable consideration, Bluewater Health and the Employee hereby agree as follows:

1. **Duties:**

Subject to the terms and conditions set forth herein, Bluewater Health shall employ the Employee in the position as Vice President, Mental Health and Addictions Program and the Employee shall undertake the duties and responsibilities of such office as assigned by the President/CEO of Bluewater Health.

2. **Term:**

This agreement shall take effect from June 1, 2017 and shall continue until terminated in accordance with the provisions of section 7.

3. **Salary:**

- (a) Bluewater Health shall pay the Employee an annual salary of \$161,085 such amount being inclusive of vacation pay, overtime and holiday pay.
- (b) The Employee's salary shall be payable on a bi-weekly basis, subject to the statutory deductions, HOOPP deductions, and remittances required by

law and any additional deductions authorized by the Employee for benefit contributions, charitable donations or other purposes.

- (c) The Employee shall be entitled to receive performance pay in an amount up to \$3,218.00 (which reflects 2%) which is subject to her 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.

4. **Benefits and Related Policies:**

(a) Reimbursement of Expenses:

It is understood and agreed that the Employee will incur expenses in connection with her duties under this Agreement. Bluewater Health shall reimburse the Employee for any reasonable expenses incurred in respect of Bluewater Health business, and meetings and special functions related to her employment provided that the Employee provides an itemized written account and receipts acceptable to Bluewater Health 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/CEO.

(b) Benefit Plans:

The Employee shall be entitled to participate in any and all of Bluewater Health's group insurance plans, retirement or pension plans and any other benefit programs which may be in effect for members of the Executive from time to time, more particularly described in the Benefits Booklet annexed. Long-term Disability Insurance coverage shall be based on seventy-five percent (75%) of the Employee's monthly salary, subject to the restrictions or conditions established by the insurer. Life Insurance shall be provided for the Employee in an amount equal to three times her annual salary as well as an Executive Health Care Spending Account. Details are outlined in the Executive Benefits Booklet.

(c) Benefit Plans – Early Retirement:

In the event that the employee retires prior to age sixty-five (65), the Employee may continue to participate in the Extended Health, Out-of-Country Travel, Semi-Private, Dental Care and Health Care Spending Account as provided to active members of the Executive. It is understood that such coverages shall be maintained provided the Employee pays her share of any premiums associated with these benefits. Participation in these benefits shall cease once the Employee reaches age sixty-five (65).

(d) Vacation:

The Employee shall be entitled to five (5) weeks vacation in each calendar year, of which not more than three (3) weeks may be taken

Employee shall be allowed to carry forward any unused vacation into the next calendar year but not further.

Upon completing ten (10) years of service, the Employee shall be entitled to six (6) weeks vacation and upon completion of twenty (20) years of service; the Employee shall be entitled to seven (7) weeks vacation.

(e) Professional Dues and Memberships:

Bluewater Health shall reimburse the Employee for annual dues or membership fees in the following organizations: (specifications to be mutually determined between Employee and Employer)

---

---

5. **Authority:**

- (a) The Employee shall have the full power and authority and the responsibility to manage and direct the operational business and affairs of Bluewater Health as appropriate to her areas of responsibility (except only the matters and duties as by law or by the Hospitals Agreement must be transacted or performed by the Board of the Hospitals), subject always to: the general or specific instructions and directions of the President/CEO; the Hospitals Agreement; the Hospitals' By-Laws; and the Public Hospitals Act (Ontario). The full power and authority under this Agreement includes the right to enter into contracts, in the name of, and on behalf of, Bluewater Health, however the President/CEO reserves the right to authorize any and all contracts, engagements or commitments.
- (b) The Employee shall conform to all lawful instructions and directions given to her by the President/CEO, and obey and carry out the By-Laws of the Hospital.

6. **Service:**

- (a) The Employee, throughout the term of her appointment, shall devote her full time and attention to the business and affairs of Bluewater Health and shall not, without prior consent in writing from the President/CEO, undertake any other business or occupation which might affect or impede the performance of her duties and responsibilities hereunder.
- (b) The Employee shall well and faithfully serve, and use her best efforts to promote the interests of, Bluewater Health.
- (c) The Employee agrees that all professional secrets and confidential information with respect to Bluewater Health and their affiliated organizations, their practices, patients and affairs which the Employee may acquire during the term of her employment with respect to the business of Bluewater Health, including any and all information relating to

any agreement entered into or proposed to be entered into from time to time by Bluewater Health in connection with the operation of the employment of the Employee and at all times thereafter be held by the Employee in a fiduciary capacity and solely for the benefit of Bluewater Health. The Employee further agrees that she will not, either during the continuance of her employment or at any time thereafter, use for her own purpose any such secrets or confidential information or disclose, divulge or otherwise communicate, whether orally, in writing or otherwise, to any person or persons any such trade secrets or confidential information.

**7. Termination of Employment:**

- (a) This Agreement may be terminated in the following manner in the specified circumstances:
- (i) by the Employee, at any time for any reason on the giving of ninety (90) days' written notice to Bluewater Health, which notice may be waived by Bluewater Health, in whole or in part. The Employee's entitlement to remuneration and benefits pursuant to this Agreement shall cease on the effective date of notice given by the Employee, notwithstanding such waiver of notice by Bluewater Health;
  - (ii) by Bluewater Health, without notice or pay in lieu of notice, for just cause;
  - (iii) by Bluewater Health at any time for any reason on giving the Employee prior written notice or payment of salary in lieu of notice, as noted below:
    - following a period of continuous employment greater than six months and not exceeding two years, twelve (12) months' notice or payment of salary in lieu of notice; and
    - one (1) additional month for each additional year of service, after two (2) years of continuous employment, to a maximum period of eighteen (18) months' notice or payment of salary in lieu of notice;
    - the entitlement to performance pay (as per 3b) will end effective the date of termination. Pro-rated payment of any performance pay earned up to the date of termination will be made in accordance with Bluewater Health annual practice
  - (iv) Where the Ministry of Health Long-Term Care, Local Health Integrated Network or any other government body or alliance imposes or directs to occur, any regionalization/regionalism initiatives or other major changes which may cause material

change to the incumbent's role, the incumbent shall be entitled to the applicable severance as noted above.

- (b) In the event that Bluewater Health elects to provide the Employee with payment of salary in lieu of notice, it shall maintain all of the Employee's existing benefits, except Short-Term Disability and Long-Term Disability coverage, until the expiry of the salary continuation period or the date when the Employee obtains alternate full-time employment, whichever shall first occur. Life Insurance and Accidental Death & Dismemberment Insurance may continue for a period of up to one (1) year following the date of termination.
- (c) In the event of termination of this Agreement without cause, Bluewater Health shall provide the Employee with out-placement counseling at its expense, to a maximum cost of \$7,500.00, and shall reimburse the Employee for reasonable expenses incidental to her job search efforts, including travel expenses, printing, postage, long distance telephone and computer expenses, to a maximum cost of \$5,000.00.
- (d) The Employee acknowledges that the notice or payment in lieu of notice prescribed herein is inclusive of any entitlements to notice of termination or severance pay under the *Employment Standards Act* or equivalent legislation.
- (e) The parties agree that the giving of notice or the payment of salary in lieu of notice shall not prevent Bluewater Health from alleging cause for termination of the employment of the Employee.

8. **Indemnity:**

Bluewater Health shall indemnify the Employee and her heirs and representatives for all damages, costs or expenses arising from any claim, suit or proceeding in respect of acts or omissions by the Employee in her capacity as officer or employee of Bluewater Health, including the performance of any statutory duty, provided the Employee acted at all material times honestly and in good faith with a view to the best interests of Bluewater Health.

9. **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 by prepaid registered mail as follows:

- (a) by the President/CEO to: (employee name & address)
- (b) by (employee) to: President/CEO, Bluewater Health, 89 Norman Street, Sarnia, Ontario N7T 6S3,

or at such other address as the party to whom such notice is given may have designated by notice so given to the other party. Any such notice or communication given by

personal service in accordance with the provision of this paragraph shall be deemed to have been received by or given to the addressee on the date of delivery. 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 hereto shall be considered to be a business day.

10. **Severability:**

The invalidity of any provision of this Agreement or any covenant set forth in this Agreement or enforceability of such provision or covenant against any party shall not affect the validity of any other provision or covenant set forth in this Agreement or the enforceability of any portion of this Agreement against any other party.

11. **Waiver:**

The parties reserve the right from time to time and on more than one occasion to waive any of the obligations imposed hereunder. No waiver by the parties of any breach of any of the covenants or conditions of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any obligation.

12. **Entire Agreement:**

This contract constitutes and expresses the entire agreement between the parties with reference to the employment and appointment of the Employee, and any and all previous agreements, written or oral, express or implied, between the parties or on their behalf, relating to the employment and appointment of the Employee, are terminated.

13. **Modification of Agreement:**

Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void.

14. **Headings:**

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

15. **Governing Law:**

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario.

16. **Assignment:**


- (a) This Agreement is personal to the Employee and may not be assigned by her.

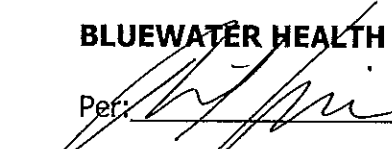
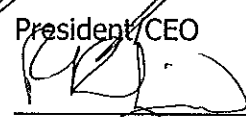


- (b) Upon notice to the Employee, this Agreement is assignable by the President/CEO of Bluewater Health.
- (c) Except as aforesaid, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, including, in the case of the Employee, her heirs, executors and administrators.

**IN WITNESS WHEREOF** this Agreement has been executed by the parties to it, the day, month and year first written above.

SIGNED, SEALED AND DELIVERED  
in the presence of

  
\_\_\_\_\_  
WITNESS

) **BLUEWATER HEALTH**  
 )  
 ) Per:  April 6, 2017  
 ) \_\_\_\_\_ Date  
 ) President/CEO  
 )   
 ) \_\_\_\_\_ April 6, 2017  
 ) Paula Reaume-Zimmer Date

