

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made this 28th day of September, 2023

BETWEEN:

HEALTH SCIENCES NORTH RESEARCH INSTITUTE

a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the "Institute")

- and -

DAVID McNEIL

(hereinafter called the "Executive")

[each a "Party", collectively the "Parties"]

WHEREAS the Executive will be employed as the President and Chief Executive Officer of Health Sciences North (the "Hospital");

AND WHEREAS the Hospital has consented to the Executive also serving part time as the Chief Executive Officer of the Institute, and the Executive has accepted such a part time role, to be in addition to the Executive's full time employment with the Hospital;

NOW THEREFORE, in consideration of the terms and conditions set out below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The Executive will be employed by the Institute in the position of Chief Executive Officer and shall perform all the functions of that position under the direction and supervision of the Board of Directors of the Institute (the "Board"). Further:
 - (a) The Executive agrees to act in accordance with the Institute's Amended and Restated By-Law No. 1 – and in particular, Section 11.2 as set out in attached Schedule A – as may be amended by the Board from time to time, and the policies, procedures, rules, and regulations of the Institute, and including responsibility for certain related and associated organizations.
 - (b) In general, Executive agrees to supervise, promote and direct the operations of the Institute so as to further its objectives as set out in its purpose, commitments, and values statements and policies. The Executive shall regularly report to the Board on the affairs of the Institute and shall perform other duties as from time to time may be conferred upon or assigned to the Executive by the Board.
 - (c) Without restricting the description of duties and responsibilities set out above, the Executive may delegate any of the above duties to other members of the Institute staff, save where specifically prohibited by law, or instruction of the Board.

2. This Agreement and the Executive's employment shall be for a term of five (5) years commencing on **October 16, 2023**, and ending on **October 15, 2028**, unless earlier terminated by either Party in accordance with the provisions below (the "Term").
3. The Parties may enter into a renewal or extension of this Agreement upon mutual agreement. If either Party wishes to do so, they should notify the other at least six (6) months prior to the end of the Term. If no renewal is agreed, the employment shall terminate at the end of the Term without further notice or payment of any kind other than such minimum entitlements as may be required pursuant to the *Employment Standards Act, 2000* (ESA).
- 4.1 The Executive shall receive an **annual base salary of \$80,206** from the Institute, less any applicable statutory and other deductions, payable in accordance with the Institute's payroll practices and other statutory obligations. Unless prohibited by applicable legislation, the Executive's base salary shall be subject to annual review and increase in accordance with performance outcomes and any relevant Executive Compensation Framework approved by the Board.
- 4.2 The Executive shall also be eligible to receive **performance-based pensionable compensation of up to 15% of the Executive's base salary** from the Institute, less any applicable statutory and other deductions, payable in accordance with the Institute's payroll practices and other statutory obligations. The Executive's ability to earn this performance-based compensation is linked to the Executive's achievement of a defined number of mutually agreeable performance goals approved by the Board.
5. The Executive shall be entitled to 30 vacation days per calendar year without loss of salary, prorated to the Executive's start date. Unused days will not be carried forward to the following year and are forfeited without any additional payment or accrual value, except to the extent required in order to comply with the minimum vacation requirements under the ESA. Absences of greater than three (3) consecutive weeks must be approved by the Board in advance. The Executive will inform the Board Chair if away on vacation or for any other reason for five (5) or more business days. It is understood and agreed that vacation days will be taken at the same time as those taken from the Hospital.
6. The Executive shall be permitted time off to attend professional development opportunities from time to time, to be agreed in consultation with the Board Chair.
7. The Executive shall not participate in the Institute's group benefit plans as provided to all managers, with the exception of Group Life Insurance, Short and Long-Term Disability, and the Healthcare of Ontario Pension Plan (HOOPP), in accordance with the terms of the applicable plans. Benefit coverage and premium cost sharing will be in accordance with Institute policy for the management group. The remittance of HOOPP contributions will be coordinated between the Hospital and the Institute. The Institute reserves the right to amend its group benefit plans from time to time, including ending, adding, or changing the level of benefit coverage. The Executive will participate in the Hospital's Health and Dental Benefit Coverage.
8. The Executive will be reimbursed for reasonable expenses incurred in the performance of duties in accordance with the Institute's policies.
9. This Agreement and the employment of the Executive may be terminated at any time in the following manner:

- (a) By the Executive, by providing a minimum of four (4) months' advance notice in writing. An earlier departure may be mutually agreed by the Parties. The Institute may unilaterally determine that it does not require the Executive to work for the entire resignation notice period, in which case the Executive shall cease working and the Institute will provide the Executive with the Executive's compensation for the balance of the resignation notice period.
- (b) By the Institute at any time without cause by providing the Executive with advance working notice of termination, pay in lieu of notice of termination, or a combination of working notice and pay in lieu of notice for the lesser of:
 - (i) 12 months, if the employment of the Executive is terminated within the first year of the Agreement, plus one month per completed year of service thereafter, to a maximum of 18 months; or
 - (ii) the remainder of the Term (which in all cases shall be no less than the notice period required by the ESA ("ESA Notice Period")).

If the Institute decides to provide pay in lieu of notice of termination or a combination of working notice and pay in lieu of notice ("Salary Continuance Period"), the Institute will continue the Executive's benefits for the duration of the ESA Notice Period.

In addition, the Institute may at its sole option provide continuation of the Executive's benefits, with the exception of Short and Long-Term Disability coverage, beyond the ESA Notice Period for the balance of the Salary Continuance Period.

If the Executive obtains new employment that commences during the Salary Continuance Period, the Executive shall immediately notify the Institute of such employment and the date that it commences. The Salary Continuance Period shall cease on the date that the Executive commences the new employment and the Institute shall have no further obligation to continue the Executive's salary or benefits or provide any other compensation to the Executive, except to the extent required under the ESA.

The Executive agrees that the notice of termination provisions in this Article 9 are in full satisfaction of all notice of termination and severance obligations, including benefit continuation, and that the Executive shall have no further entitlements at common law. For greater clarity, in no case shall the Executive receive less than the Executive's entitlements under the ESA.

- (c) By the Institute at any time, without advance notice or payment in lieu of notice, for just cause at common law. If, notwithstanding the existence of just cause at common law for the termination of the Executive's employment, the Executive is entitled to notice of termination and/or severance pay under the ESA, then the Institute shall provide the Executive with all of the Executive's entitlements under the ESA, including, but not limited to, notice of termination pay, benefit continuation for the ESA Notice Period, and severance pay, if any.
- (d) Should the above provisions be less than the Executive's entitlements under the

ESA, the Executive shall receive the Executive's entitlements under such legislation instead of the above, in full satisfaction of all notice and severance obligations.

10. Should the Executive's employment with the Hospital end at any time for any reason, the Executive's employment with the Institute shall also terminate in accordance with Article 9.
11. The Executive shall not engage in any activity or undertake other responsibilities or positions that conflict, potentially conflict, or create the appearance of a conflict with the Executive's duties and responsibilities hereunder, nor shall the Executive undertake employment with any other employer apart from the Hospital without written permission of the Board.
12. In the event that a conflict of interest or perceived conflict of interest arises as a result of the Executive's role with the Institute, or where a conflict of interest arises as between the Hospital and the Institute, the Executive shall promptly disclose such conflict to the Board Chair.
13. The Institute agrees that it shall defend, hold harmless and indemnify the Executive during the Term and following the termination of employment from any and all demands, claims, suits, actions and legal proceedings brought against the Executive in the Executive's capacity as agent and employee of the Institute, including payment of judgment or damage and legal costs, charges and expenses of a civil or administrative action or proceeding, to the extent permitted by law, where:
 - (a) The subject incident arose while the Executive was acting in the scope of the Executive's employment and in good faith; or
 - (b) An administrative proceeding seeks a monetary penalty against the Executive, and the Executive reasonably and in good faith believed that the action to which the penalty relates was lawful.

The Executive acknowledges that the Institute is not liable to indemnify the Executive for any actions undertaken or omissions made by the Executive outside of the Executive's duties as Executive, or in any circumstances where the law prohibits the indemnification of an executive, officer or director.

14. In the course of the Executive's employment with the Institute, the Executive shall acquire and have access to sensitive and confidential information belonging to the Institute, the Hospital, and patients, including personal health information, research plans, research results, inventions, technologies, operations and other confidential materials and information. The Executive agrees that the Executive shall not (either during the period of employment or any time thereafter) use such information for any purpose other than on behalf of the Institute or the Hospital in furtherance of the Executive's duties, and shall not disclose any such information to any person other than for the purposes of the Institute, Hospital, or as ordered under the authority of any statute.
15. In the course of the Executive's employment with the Institute, the Executive may create or contribute to work product, including all information, materials, inventions, ideas, treatments, formulae, works, drawings, designs, specifications, plans, documentation, reports, research, material, algorithms, solutions, requirements, architecture, techniques, know-how, methods, methodologies, tools, processes, templates, test cases and plans,

test scripts, tapes, discs, code, notes, memoranda, data, prototypes, improvements, enhancements, innovations, modifications, corrections, updates, upgrades, derivatives, revisions, translations, abridgements, condensations, expansions, transformations or adaptations to or regarding any of the foregoing, and other original works of authorship, whether in tangible or intangible form (the "Work Product"). The Executive agrees that all such Work Product is exclusively owned by the Institute, and hereby irrevocably assigns all right, title and interest in and to the Work Product to the Institute, and irrevocably waives all moral rights thereto. The Executive agrees to provide to the Institute all assistance reasonably required to protect or register its intellectual property in the Work Product, including, without limitation, assistance in the preparation of any applications for registration or other protection, execution and delivery of any and all assignments, instruments and documents required to evidence the Institute's ownership of such Work Product throughout the world, and cooperation with the Institute in obtaining, defending and enforcing its rights therein. If the Institute requires such assistance following the termination of the employment relationship, the Institute shall pay the Executive reasonable per diem compensation for such assistance.

16. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. In the event that any term is found to be contrary to law, that term will be amended to conform to the law or deleted and the other terms of the Agreement shall remain binding on the Parties.
17. This Agreement represents the complete agreement between the Parties and any other agreement, written or oral, explicit or implicit is hereby revoked and of no further force or effect. Further, any modifications to this Agreement must be in writing and signed by the Parties hereto.
18. The Executive acknowledges that the Executive has read and understands this Agreement and acknowledges that the Executive has had the opportunity to obtain independent legal advice with respect to this Agreement.

DATED AT Sudbury, Ontario, this 28th day of September, 2023.

SIGNED, SEALED AND DELIVERED

in the presence of

Witness

David McNeil

Health Sciences North Research Institute

Per: Stéphan Plante, Board Chair

SCHEDULE A

HSNRI Amended and Restated By-Law No. 1, Section 11.2

11. CHIEF EXECUTIVE OFFICER

11.2 Duties of the Chief Executive Officer

The Chief Executive Officer shall,

11.2.1 be accountable to the Board;

11.2.2 be responsible to the Board for the organization and management of the Corporation in accordance with policies established by the Board and subject to direction of the Board;

11.2.3 ensure appropriate systems and structures are in place for the effective management and control of the Corporation and its resources including the employment, development, control, direction and discharge of all employees of the Corporation consistent with the strategic plan set by the Board;

11.2.4 annually prepare and present to the Board the Chief Executive Officer goal package, and regularly update the Board on the progress in meeting such goals;

11.2.5 ensure structures and systems for the development, review and recommendation of new programs, program expansion or changes;

11.2.6 ensure effective human resources strategic planning and identify resource implications;

11.2.7 establish an organizational structure to ensure accountability for fulfilling the mission, objectives and strategic plan of the Corporation;

11.2.8 communicate with related agencies to promote coordination and/or planning of research initiatives;

11.2.9 represent the Corporation externally to the community, government, media and other organizations and agencies;

11.2.10 be responsible for the payment by the Corporation of all salaries and amounts due from and owing by the Corporation which fall within the purview and scope of the approved annual budget or otherwise as may be established from time to time by Ordinary Resolution of the Board;

11.2.11 be responsible to the Board for taking such action as considered necessary to ensure compliance with the Act, the regulations thereunder, the by-laws of the Corporation and all other statutory and regulatory requirements;

11.2.12 be entitled to notice of, to attend and to speak at any meeting of the Board, of any Committee, or of the Members, except for meetings at which the Chief Executive Officer's compensation or performance are discussed;

- 11.2.13 establish and maintain a succession plan satisfactory to the Board;
- 11.2.14 be the Secretary of the Board; and
- 11.2.15 perform such other duties as may be directed from time to time by the Board.