



THE HOSPITAL FOR SICK CHILDREN

555 University Avenue Toronto, Ontario Canada M5G 1X8 Phone (416) 813-1500

EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 5th day of June 2014.

BETWEEN:

The Hospital for Sick Children (the "Employer")

- and -

Karen Kinnear (the "Executive")

WHEREAS the Employer wishes to employ and the Executive wishes to be employed on the terms and conditions set out in this Agreement;

NOW THEREFORE, in consideration of the mutual terms and conditions contained in this Agreement, the parties agree to the following:

1. Position

The Employer will employ the Executive, and the Executive will serve the Employer in the office set forth in Schedule "A", with effect from the date contained in Schedule "A". The Executive shall be responsible for providing the assigned duties as set forth in the attached job description. The Employer may amend the Executive's assignment, duties, and responsibilities as its sole discretion, commensurate with your position, without causing termination of this Agreement.

2. Term

The Executive is appointed for the term set forth in Schedule "A", which may be terminated by either party pursuant to the terms of this Agreement.

3. Duties of Employment

The Executive will work closely with the Senior Management Team in executing overall Employer strategy as well as providing leadership to her portfolio. The Executive shall be responsible for providing the assigned duties as set forth in the attached job description, and to undertake such other duties as may, from time to time, be assigned to or vested in the Executive by the Employer. The Executive agrees, during the term of this Agreement, to devote the Executive's full working time, attention and abilities to the business and affairs of the Employer and to serve the Employer faithfully and use her best efforts to promote the interests of the Employer. The Executive shall be free to engage in volunteer, community service or charitable work and personal investment activities, provided that these activities do not conflict with the interests of the Employer and provided that the Executive's participation in such activities do not impair the performance of the duties and responsibilities hereunder. Should the Executive wish to undertake other employment or receive remuneration from any other source, the Executive shall seek the prior approval of the Employer and such approval shall be at the sole discretion of the Employer, but it shall not be unreasonably withheld.

4. Total Compensation Package

The Executive Compensation Program provides the Executive with a competitive total compensation package that is made up of four elements; Base Salary, Executive Incentive Program (EIP), and Benefits and Pension Programs. All aspects of the compensation plan are subject to, and must be provided in compliance with, any applicable legislation.

a) Base Salary

The Executive shall be paid a Base Salary as outlined in Schedule "A", attached, less statutory deductions, payable in installments in accordance with the Employer's normal payroll practices. Given the position, the Executive shall not be eligible for any premium or overtime payments beyond the base salary.

A performance review will be conducted annually, at which time the Executive's base salary will be reviewed if permitted by legislation.

b) Executive Incentive Program (EPIP)

The Executive shall be entitled to participate in the Employer's Executive Performance Incentive Plan as approved by the Board of Trustees. The Executive Performance Incentive Plan allows the Executive the ability to earn an incentive payment related to her actual and active performance in the executive role, dependent upon overall organizational performance. Further details of the Executive Performance Incentive Plan may be found in the attached Executive Programs Overview.

The Employer reserves the right to amend or eliminate the Executive Performance Incentive Plan at any time, in its sole discretion, with reasonable notice or warning.

c) Benefits

The Executive shall be eligible to participate in the Executive Benefits Plan. Please find enclosed a brochure which provides the details of the Employers health and dental benefits programs which are provided on a cost-sharing basis. Included in this brochure is information on the Employers LTD, STD, and life insurance plans.

d) Pension

The Executive shall be eligible to participate in the Hospital for Sick Children Employee Pension Plan. Please find enclosed a brochure which provides the details of the pension plan.

5. Vacation

The Executive shall be entitled to vacation with pay annually in accordance with the Executive Vacation Policy, and in accordance with the attached Schedule "A". In the Executive's first year of employment, vacation will be prorated for that year based on the date of hire.

The Executive will also be eligible to receive two (2) paid Float days per year in accordance with the Executive Float Day Policy.

6. Statutory Holidays

The Employer recognizes nine (9) statutory holidays and the Civic Holiday in August for which the Executive will be compensated in accordance with the Employer's Statutory Holiday Policy.

7. Termination Provisions

1. This Agreement and the Executive's employment may be terminated by the Employer without notice at any time for just cause at law, without providing any notice of termination, or pay in lieu thereof, or any other payments or benefit continuation, save and except any wages and vacation pay that may be owing up to the Executive's last day of active employment.

2. In the event the Executive's employment is terminated without just cause within the first twelve (12) months of employment, the Executive will be provided with notice or pay in lieu of notice of six (6) months base salary. The Executive shall not be entitled to participate in the Executive Performance Incentive Plan through this notice period but shall be entitled to receive a pro-rated payment, if eligible in accordance with the terms of the Executive Performance Incentive Plan, for service up to the Executive's last day of active employment. If the Executive's employment is terminated without just cause after one (1) year of service, the Executive will be provided with notice or pay in lieu of notice of twelve (12) months plus one (1) month for every completed year of service, up to a maximum of eighteen (18) months base salary plus a payment in lieu of the Executive's entitlement under the Executive Performance Incentive Plan through this notice period. The payment in lieu of the Executive's entitlement under the Executive Performance Incentive Plan shall be determined as follows: (i) where the Executive's employment is terminated without just cause after the first twelve (12) months of employment but prior to the completion of the first thirty-six (36) months of employment, the payment shall be based on the payment received by the Executive in the year immediately preceding the termination; and (ii) where the Executive's employment is terminated without just cause after the first thirty-six (36) months of employment, the payment shall be based on the average payment received by the Executive in the three years immediately preceding the termination.

At its sole discretion, the Employer may provide notice to the Executive by way of working notice, a lump sum payment or through salary continuance in accordance with the Employer's regular payroll practices, or any combination thereof.

The Employer will continue the Executive's benefits, and pension plan contributions, as amended from time to time, and as and if permitted by the respective carriers and in accordance with the applicable plans and policies, only for the minimum notice period prescribed by the Ontario *Employment Standards Act, 2000* as amended from time to time.

The Executive acknowledges and agrees that the payments set out in this paragraph are inclusive of and in full and complete satisfaction of any and all statutory, common law or other claims the Executive may have in connection with the termination of her employment from the Employer without cause, including but not limited to any claims with respect to wages, incentive awards, benefits, pension, termination pay, and/or severance pay, and that upon receipt of same the Executive will have no cause of action against the Employer and/or its trustees, officers, employees, agents, heirs, assigns and/or affiliates in connection with the cessation of the Executive's employment. In exchange for the payments set out in this paragraph, the Executive agrees to execute a Final Release and Indemnity in favour of the Employer, its trustees, officers, employees, agents, heirs, assigns and affiliates. The Executive acknowledges that the payments set out in this paragraph represent a greater right and benefit to the Executive than those the Executive would otherwise receive under the *Employment Standards Act, 2000*.

The notice periods referred to in this provision shall remain in effect during the Executive's employment with the Employer and shall not be amended or changed in the event of any change to the terms and conditions of her employment.

Except to the extent required by the *Employment Standards Act, 2000*, no credit for past employment service with any employer whatsoever (including but not limited to the Employer) will be considered in the calculation of the Executive's entitlements on termination of employment.

3. The Executive may resign her employment with the Employer at any time upon providing her manager and Human Resources at least four (4) weeks' advance notice in writing. The Employer may waive all or part of such notice in its sole discretion, in which case the Executive will nevertheless still be compensated for the full notice period at her regular rate of pay.

8. Confidentiality And Non-Disclosure

The Executive acknowledges that all material and information made available to the Executive by the Employer in the performance of her duties, is of a confidential nature and the Executive agrees that any such information or materials will not be disclosed to any person other those who need to be aware of the information, or as the Employer may otherwise direct, in accordance with the Employer's Privacy and Confidentiality of Information Policy.

9. Ownership

The Executive agrees that, with the exception of scholarly works produced with trivial use of Employer resources, all intellectual property created while working for the Employer, either on her own or with others, through work, study or research and development activities, will be the property of The Hospital for Sick Children. The Executive agrees to transfer to the Employer all of her rights, title and interest in the intellectual property to the Employer. The Executive also waives any moral rights in favour of the Employer, or persons acting under or with the authority or permission of the Employer.

The Executive agrees to sign and give the Employer any agreements, assurances, undertakings, acknowledgements or other documents the Employer may reasonably require relating to the intellectual property.

The Executive may not accept any contract to patent, license or develop intellectual property from any party other than the Employer without first obtaining the written consent of the Employer's Research and Development Limited Partnership.

10. Non-Solicitation

The Executive agrees that for a period of one year from the date of the cessation of Executive's employment for any reason, the Executive shall not solicit or entice, or attempt to solicit or

entice, any of the employees or executives of the Employer or the Hospital for Sick Children Foundation to enter into the employment of, or service with, any other employer.

11. Reasonableness of Restrictions

The Executive acknowledges and agrees that the breach of any provision of this Agreement will cause irreparable damage to the Employer, and that upon any such breach, the Employer shall be entitled to equitable relief from a court of competent jurisdiction, including injunctive relief and specific performance, without the necessity of proving actual damages, and shall be further entitled to an accounting of all earnings, profits or other benefits acquired by the Executive as a result of such breach, and to any other remedy now or hereafter provided at law for such breach.

12. Policies And Procedures

The Executive is required to be familiar with and abide by the Employer Code of Conduct and all current policies at all times during the Executive's employment. Failure to do so could lead to disciplinary action. All current policies and procedures are available on the Employer's internal website, under "Policies and Procedures".

13. Arbitration

The parties agree that any controversy, dispute or claim arising out of or relating to this agreement or the performance, enforcement, breach, termination or validity of it, including the determination of the scope of the agreement to arbitrate, but excluding claims for injunctive or other equitable relief, shall be determined by arbitration. In the event the dispute is referred to arbitration, the parties will mutually agree on an arbitrator who shall be appointed as a sole arbitrator. The parties further agree that the arbitrator shall have the powers and jurisdiction of an arbitrator pursuant to the *Arbitration Act, 1991*, S.O. 1991, c. 17, except that the arbitrator shall not be empowered to award injunctive or other equitable relief. The costs of the arbitrator shall be shared equally between the parties. The parties agree that the arbitration shall be held in Toronto, Ontario, that the laws of the Province of Ontario apply, and that the arbitrator has the jurisdiction to mediate any issues upon mutual consent. The parties agree that an arbitration award shall be final and binding on the parties and there is no right to appeal to the court.

14. General

This Agreement contains the entire Agreement between the parties hereto relating to the subject matter hereof and supersedes all previous Agreements between the parties, whether written or oral, with respect to the subject matter hereof.

This Agreement shall be construed and governed by the laws of the Province of Ontario.

In the event that any provision in this Agreement or part thereof shall be deemed void or invalid by a Court of competent jurisdiction, the remaining provisions or parts thereof shall be and remain in full force and effect.

All payments described in this Agreement and Schedule "A" are subject to applicable withholdings and deductions required by law.

I accept the terms of this offer and approve the public disclosure of this Agreement.

SIGNED, SEALED AND DELIVERED
in the presence of:

WITNESS

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)
)
)
) _____
) [Karen Kinnear]
)
)
) _____
) Date
)
) THE HOSPITAL FOR SICK CHILDREN
)

per: c/s

SCHEDULE "A"

Effective date June 1, 2014

Karen Kinnear

- a) Position** – You shall be employed in the position of Vice President, Clinical. You are responsible for the duties set out in the attached job profile.
- b) Term** – You have been appointed for an indefinite term, pursuant to the terms of your employment agreement.
- c) Base Salary** – Your Base Salary shall be C\$198,000 gross, paid bi-weekly.
- d) Vacation** – You are entitled to six (6) weeks' vacation per year, accrued based on regular hours worked throughout the year, and in accordance with our Executive Vacation Policy.