

THIS AGREEMENT made as of the 1st day of December 2009

BETWEEN

Centre for Addiction and Mental Health
(hereinafter referred to as "CAMH")

-and-

Catherine Zahn
(hereinafter referred to as the "CEO")

WHEREAS:

The Centre for Addiction and Mental Health wishes to appoint Catherine Zahn, as President & Chief Executive Officer of CAMH and Catherine Zahn has agreed to accept such appointment;

THIS AGREEMENT witnesses that the parties have agreed that the terms and conditions of the relationship shall be as set out below.

1. Duties

(1) CAMH shall employ Catherine Zahn and Catherine Zahn shall serve CAMH as its President & Chief Executive Officer (the "CEO"). In connection with this position, the CEO shall be under the direct supervision of the Chair of the Board of Trustees (the "Chair"). The CEO shall undertake the duties and exercise the powers as may be requested by the Chair, and the CEO accepts the office, on the terms and conditions set forth in this Agreement.

(2) Subject always to the overall supervision and direction of the Chair, the CEO is responsible for the strategic leadership and direction, and day-to-day management, in keeping with CAMH's mission, vision, and values. The CEO must also adhere to the policies and regulations of CAMH as established by the Board of Trustees of CAMH (the "Board") from time to time. The CEO will use her best efforts to meet the goals and objectives of CAMH as set, from time to time, by the Chair on behalf of the Board and in accordance with the responsibilities of the position which shall include ensuring the Board is supported in all aspects of governance, finance, nominating, strategic planning, and the leadership of all aspects of a comprehensive strategic plan executed by the staff.

(3) The CEO will at all times adhere to the standards of conduct as set out in the CAMH Code of Conduct.

2. Term and Service

This appointment shall commence on the 1st of December, 2009.

3. Compensation

The base salary of the CEO for her services shall be at the rate of \$540,000 annually for the first year of this appointment and at an amount not less than the prior year's base salary each year thereafter.

An annual review will be undertaken by the Executive Committee of the CAMH Board, assessing the level of the CEO's achievement of the overall objectives of her position as established by the Chair of CAMH. The CEO will be eligible for a performance bonus of up to 25% of her base salary each fiscal year, pro-rated for partial years. The amount of the annual bonus, if any, will be determined at the sole discretion of the Chair. Annual increases to the base salary will be subject to negotiation between the Chair and the CEO after taking into account the overall success of the CEO and CAMH, and the prevailing market for comparable executive positions.

4. Benefits

(1) CAMH will reimburse the CEO for any reasonable business expenses incurred in accordance with the policy of CAMH and/or approved by the Chair of CAMH.

(2) The CEO shall participate in all Senior Management Group benefit plans CAMH provides, as amended from time to time, (unless the CEO is allowed under the terms of the plans and elects to opt out of the plans), except that Dr. Zahn's LTD benefit will be 75% of base salary, subject to an annual CPI adjustment (maximum 6%).

(3) The CEO shall be entitled to paid vacation on a basis of six (6) weeks annually, to be taken at a time or times convenient to the CEO and CAMH. Entitlement to carry over unused vacation will be in accordance with CAMH policy as amended from time to time.

(4) CAMH agrees to provide for the CEO a car allowance of \$8,400 per year, in addition to her base salary.

5. Pension

The CEO will participate in the Hospitals of Ontario Pension Plan (HOOPP).

In addition to Employer contributions, employee contributions to HOOPP will be paid on behalf of the CEO by CAMH.

The bonus contemplated by paragraph 3 is currently considered by HOOPP to be included in pensionable earnings and CAMH will endeavour to ensure that it remains eligible for inclusion in the pensionable earnings base.

6. Retiring Allowance

Upon termination of this Agreement or any successor thereto other than for just cause, CAMH will pay the CEO a retiring allowance equal to 10% of the CEO's base salary for the period starting December 1, 2009 to the last day of active employment at CAMH. The CEO will be entitled to a further amount, in addition to the 10% to be paid at retirement. This amount will be dependent on the total years of service, and will be calculated as an amount equal to CAMH's banker's one-year guaranteed investment certificates rate applied to the total accumulated retiring allowance as at the end of each fiscal year, for each year of service. CAMH is not required to fund any portion of the retiring allowance in advance.

It is understood and agreed that it is the intention of the parties, in the event that the CEO retires while in receipt of long-term disability benefits ("LTDB"), that her entitlement to HOOPP benefits following her retirement shall be calculated as if she had received during such portion of the remaining period of her employment that she was in receipt of LTDB, payment at a level equivalent to 100% of her base salary (plus bonus) at the time she qualified for the LTDB (the "Unreduced Base Salary") rather than such lesser rate as she received under the LTDB Plan. CAMH shall therefore cause to be paid to the CEO in each year she is entitled to HOOPP benefits an adjusting payment representing the shortfall, if any, between her actual HOOPP pension benefit payment during that year and the amount the payment would have been had it been calculated using the Unreduced Base Salary.

7. Other Allowances

CAMH will provide reasonable allowances for professional association memberships (including the Ontario Medical Association and the Ontario College of Physicians and Surgeons), fitness centre memberships and social club memberships that may be required in connection with the business of CAMH. All such memberships will be discussed between the Chair and the CEO, and the amount of any allowance will be determined at the discretion of the Chair.

8. Death Benefit

CAMH will reimburse the CEO for the annual premium payments for a policy of insurance held by the CEO covering the following benefit:

If the CEO dies prior to the termination of her employment hereunder and prior to attaining age 65, CAMH shall pay or cause to be paid to the CEO's spouse, or such other beneficiary as designated by her in writing, a salary continuation benefit equal to 50% of the aggregate of her then base salary for the preceding year. Such salary continuation benefit shall be payable in substantially equal monthly instalments commencing in the month following the month in which the CEO dies and shall be payable for 10

years. Such salary continuation benefit shall be in addition to any payments to which the CEO's estate or designated beneficiary is entitled under CAMH's group life insurance policy.

For clarity, the premium for 2009 was \$4,026.72.

9. Authority

The CEO shall have, subject always to the general or specific instructions and directions of the Chair of CAMH, full power and authority to enter into contracts, engagements or commitments of every nature or kind in the name of and on behalf of CAMH, in accordance with CAMH's financial policies.

10. Conflict of Interest

(1) The CEO represents and warrants to CAMH that she is not party to nor bound by any agreements or covenants that otherwise would prevent her from performing her duties under this Agreement.

(2) The CEO shall not knowingly have any private interests that would, either directly or indirectly, be affected significantly or particularly by CAMH actions, whether she participates in those actions or not, without the prior written consent of the Chair of CAMH. The CEO shall arrange her private affairs in a manner that will prevent real, potential or apparent conflicts of interest from arising but, if such a conflict does arise between the private interests of the CEO and the official duties and responsibilities of the CEO as an employee of CAMH, the conflict shall be resolved in favour of the interests of CAMH.

(3) The CEO shall be permitted to see patients and supplement her compensation with fee-for-service activities (including OHIP billings) outside of her responsibilities as set out above for up to three one-half days per month. All arrangements for treating patients, including billing for services, will be the personal responsibility of the CEO and outside the scope of this Agreement. It is expected that any and all practice requirements for the provision of clinical care by the CEO in this context will be met by the CEO. This would include, but not necessarily be limited to, professional memberships, medical staff appointments, medical license and malpractice insurance (other than Ontario Medical Association and Ontario College of Physicians and Surgeons).

11. Confidential Information

(1) The CEO acknowledges that as the CEO of CAMH, she will acquire information about certain matters and things which are confidential to CAMH, and which information is the exclusive property of CAMH, including information concerning donors and supporters of CAMH and the CAMH Foundation. Without in any way limiting the generality of the foregoing, it is agreed and accepted that the terms of the CEO's employment with CAMH, including the provisions respecting remuneration and

severance benefits, are confidential to the parties and are not to be disclosed except to her personal legal or financial advisors, or as may be required by law.

(2) The CEO acknowledges the information as referred to in paragraph 11(1) could be used to the detriment of CAMH. Accordingly, the CEO undertakes not to disclose same to any third party either during the term of her employment except as may be necessary in the proper discharge of her employment under this Agreement, or after the term of her employment, however caused, except with the written permission of the Chair of CAMH or as required by law.

12. Termination of Employment

(1) The parties understand and agree that this Agreement and the employment of the CEO may be terminated in the following manner in the specified circumstances:

(a) By CAMH, at any time in its absolute discretion and for any reason,

(i) by providing the CEO with a payment in lieu of notice equivalent to twenty-one (21) months of her base salary plus one (1) additional month for every year of service to a maximum of twenty four (24) months of her base salary;

(ii) continuing the CEO's participation in all benefits plans, programs or arrangements in which the CEO was participating at the date of termination (to the extent permitted by any applicable policy of insurance), for the number of months in respect of which pay in lieu of notice is being made in accordance with paragraph 12(1)(a) or such earlier date the CEO becomes eligible for substantially similar benefits from a subsequent employer, whichever occurs first.

Payments in lieu of notice under this section may be made by salary continuation or lump sum, at the option of CAMH.

(b) By CAMH, at any time, without notice or payment in lieu of notice, for just cause, provided that the particulars of such cause be provided to the CEO in writing.

(c) This Agreement shall automatically terminate in the event of the death of the CEO.

(d) The CEO may resign from her employment at any time during the term of this Agreement provided she provides CAMH with three (3) months' advance notice thereof in writing. CAMH shall have the right to waive the resignation notice period, in whole or in part thereof, by continuing the CEO's regular salary and benefits for the period so waived. Notwithstanding the foregoing, the CEO and CAMH may mutually agree to a notice period of less than thirty (30) calendar days, in which event, employment shall cease on the date fixed by mutual agreement.

(2) CAMH and the CEO confirm that the provisions of this section are reasonable and that the total amounts payable as outlined above are reasonable pre-estimates of the damages that would be incurred by the CEO in the event of a termination without cause. The CEO acknowledges and accepts that such payments, if satisfied by CAMH, are in lieu of (and not in addition to) and in full satisfaction of any and all other claims or entitlements which the CEO has or may have upon the termination of her employment, including but not limited to any right to notice, pay in lieu of notice or severance pay under the Employment Standards Act, 2000 and/or at common law.

13. CAMH Property

The CEO acknowledges that all items of any and every nature or kind created or used by the CEO pursuant to the CEO's employment under this Agreement, or furnished by CAMH to the CEO, and all equipment, credit cards, books, records, reports, files, manuals, literature, confidential information or other materials, shall remain and be considered the exclusive property of CAMH at all times and shall be surrendered to CAMH, in good condition, promptly on the termination of the CEO's employment irrespective of the time, manner or cause of the termination.

14. Notices

(1) Any notice required or permitted to be given to the CEO shall be sufficiently given if delivered to the CEO personally or if mailed by registered mail to the CEO's address last known to CAMH.

(2) Any notice required or permitted to be given to CAMH shall be sufficiently given if mailed by registered mail to the Chair at CAMH's Head Office at its address last known to the CEO.

15. Severability

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

16. Entire Agreement

This contract constitutes the entire Agreement between the parties with respect to the employment and appointment of Catherine Zahn 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 Catherine Zahn by CAMH, are terminated and cancelled and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claims and demands whatsoever, under or in respect of any such Agreements.

17. 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.

18. 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.

19. Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

20. Arbitration

(1) All questions, disputes or differences of opinion involving the interpretation, application, administration, or alleged violation of this Agreement including a question of whether a matter is arbitrable, shall be settled by arbitration. The arbitrator shall have no authority or jurisdiction to order reinstatement of the CEO to employment with CAMH. The arbitration will take place in the City of Toronto unless otherwise agreed by the parties. Each party may be represented by counsel at the arbitration. The arbitrator has the right to grant legal and equitable relief including injunctive relief and the right to grant permanent and interim injunctive relief. The arbitrator shall neither make any decision which is inconsistent with the terms and conditions of this Agreement nor which serves to alter, modify or amend any part of this Agreement. The arbitrator shall render a decision within sixty (60) days after his/her appointment as arbitrator unless both parties otherwise agree in writing.

(2) A party that wishes to submit a question, dispute or difference of opinion to arbitration shall set out in writing the facts, the provisions of this Agreement that require interpretation or that allegedly have been violated, and that party's position (the "arbitration submission") and shall deliver personally the arbitration submission to the other party. Upon receipt of an arbitration submission, the responding party shall set out in writing its position in relation to the arbitration submission (the "response") and shall deliver personally the response to the party who delivered the arbitration submission within thirty (30) days of the receipt of the arbitration submission. The arbitration submission and the response shall be provided to the arbitrator.

(3) An arbitration submission must be delivered within six (6) months of the event which gave rise to the arbitration submission or within six (6) months of the date the submitting party should have been aware of the event or relevant facts giving rise to the arbitration submission. Otherwise, the arbitration submission is deemed to have been abandoned and shall be absolutely barred, unless the parties agree in writing to extend the time for delivery of the arbitration submission.

(4) The arbitration submission shall be heard, determined and settled by one arbitrator (the "arbitrator"). The arbitrator shall be appointed by the mutual written consent of the parties within thirty (30) days of the delivery of the arbitration submission and failing such mutual written consent either party may apply to a Judge of the Ontario Superior Court of Justice for an order appointing the arbitrator.

(5) The provisions of the Arbitration Act, 1991 shall apply to any arbitration under this Agreement, except to the extent that such provisions are specifically modified by this Agreement.

(6) The costs of the arbitrator shall be shared equally by the parties to the arbitration and each party shall pay its own costs unless otherwise ordered by the arbitrator.

21. Independent Legal Advice

The CEO has been advised to obtain independent legal advice from her solicitors with respect to this Agreement and she acknowledges that she has had an opportunity to do so prior to executing this Agreement and that the terms and conditions of her employment with CAMH are as set forth in this Agreement, and there are no other terms and conditions of that employment or representations or promises made with respect to that employment other than as set forth herein.

IN WITNESS WHEREOF this Agreement has been executed by the parties.

Dated at Toronto, this 12th day of November, 2009.



Catherine Zahn

Centre for Addiction and Mental
Health



By: T. Daniel Burns
Chair of the Board of Trustees

PERSONAL AND CONFIDENTIAL

Dr. Catherine Zahn
President and CEO
CAMH

Dear Catherine,

As we have discussed, we will need to amend your employment agreement in order to comply with the requirements of the Ontario Management Board of Cabinet Broader Public Sector Perquisites Directive dated August 2, 2011. Specifically we will have to amend paragraph **7. Other Allowances** in your agreement to exclude fitness centre memberships and social club memberships. As you have noted, you have not used these provisions of the agreement in the past so it will not be a substantial change. There will be no other changes in the agreement or your compensation as a result of this amendment. This change will be effective immediately.

Please sign below to indicate that you are in agreement with this amendment and return a copy to me and to Human Resources + Organizational Development for their records.

Thank you.



T. Daniel Burns
Chair of the Board of Trustees

I have read and agree to the amendment to my employment agreement dated November 12, 2009.



Dr. Catherine Zahn
President and CEO

25.10.2011
Date