

EMPLOYMENT CONTRACT

THIS AGREEMENT is made this 29th day of June, 2006.

BETWEEN:

LEGAL AID ONTARIO (LAO)

(herein called the "Employer")

OF THE FIRST PART

- and -

ROBERT W. WARD

(herein called the "Employee")

OF THE SECOND PART

WHEREAS the Employer wishes to employ the Employee and the Employee wishes to be employed by the Employer in the capacity and upon the terms set forth in this agreement;

THEREFORE IN CONSIDERATION of the respective promises and covenants contained herein and conditional upon receiving the approval no later than June 29, 2006 of the Board of Directors of Legal Aid Ontario, the parties agree as follows:

1. EMPLOYMENT AND TITLES

(a) Subject to the terms and conditions set out in this agreement, and subject to ratification of this agreement by the Board of Directors of Legal Aid Ontario, the Employer agrees to employ the Employee as its President and Chief Executive Officer, and the Employee agrees to work for the Employer in such capacity and to perform such duties and exercise such powers as may be prescribed or specified from time to time by the board of directors of the Employer (the "Board").

(b) During his employment, the Employee shall faithfully perform his assigned duties and apply his best efforts to promote the interests of the Employer in accordance with the Employer's policies and procedures as may be established from time to time.

2. EXCLUSIVE SERVICE

The Employee shall devote the whole of his working time and attention to the business and affairs of the Employer and to his responsibilities as President and shall not, without the written consent of the Employer, engage either directly or indirectly in any other business or occupation of a permanent, temporary or part time nature. The Employee may participate on other Boards with the consent of the Employer.

3. NON-DISCLOSURE

The Employee shall not (either during the continuance of his employment or any time thereafter) disclose any information relating to the private or confidential affairs of the Employer to any person other than as may be required for the purposes properly carrying his duties for the Employer or as required by law.

4. TERM OF EMPLOYMENT and COMMENCEMENT DATE

The term of employment hereunder shall be for an indefinite period and may be terminated at any time in accordance with the provision of this agreement. The Employee will start on September 5, 2006, unless otherwise agreed upon by the parties in writing.

5. PERFORMANCE REVIEWS

The Employer may conduct an performance reviews of the Employee annually or at other intervals it deems appropriate. The Employee's annual performance will be reviewed in comparison to annual objectives determined for the year by the Employer in consultation with the Employee.

6. PROBATION

The first six months of the Employee's employment will be considered a probationary period during which time the Employee shall demonstrate his ability to successfully carry out the duties of his position to the satisfaction of the Employer.

7. SALARY

The Employer shall pay the Employee during the first year an annual fixed salary of one hundred and eighty-five thousand dollars (\$185,000) (less deductions required by law), which shall be payable in accordance with the Employer's usual payroll practices. Annual salary increases will be based on the Employee's performance as assessed by the Employer.

8. BONUSES

The Employee shall be eligible to receive an annual bonus payment of up to 10% of his salary to be determined by the Employer, based on the achievement of the annual objectives as established pursuant to clause 5 above.

In addition, the Employee shall, if he completes the entire year, be eligible for a subjective bonus of up to an additional 10% of his salary, to be determined at the sole descretion of the Employer based on its assessment of performance which exceeds the Employee's annual objectives.

9. BENEFITS

Subject to meeting the insurability and other applicable requirements, the Employee will be entitled to participate in the insured group benefits plans, which the Employer makes generally available to its other employees. The Employer's insured group benefits plans may change from time to time at the Employer's discretion without notice to the Employee. Subject to receiving such approvals as may be required from the insurance carrier(s), the waiting period for enrollment in the existing group benefits plans shall be waived.

10. VACATION

The Employee shall accrue six (6) weeks' paid vacation per year with the year calculated from the anniversary of the Employee's employment with the Employer. Vacation pay and vacation time may only be carried forward from one year to the next with the written authorization from the Employer. In the absence of such authorization, unused vacation and vacation pay shall (subject to the payment by the Employer to the Employee of the minimum vacation pay required by the *Employment Standards Act, 2000*) be forfeited.

11. EXPENSES

The Employee shall be reimbursed for all reasonable travelling and other reasonable out-of-pocket expenses actually and properly incurred by him in connection with his employment hereunder. For all such expenses the Employee shall furnish to the Employer statements and vouchers as and when required by the Employer. The Employee agrees to be bound by the travel policies established by the Employer.

The Employee shall be paid a monthly car allowance of \$750. In addition the Employer shall, at its own expense, provide the Employee with a parking space in a location at or near the Employer's offices.

12. MOVING EXPENSES

The Employer shall reimburse the Employee's costs of moving his personal effects to his home in Toronto, up to a maximum of \$10,000, upon presentation by the Employee to the Employer of third party vouchers and receipts for such moving expenses the Employee has incurred.

The Employee shall re-pay the reimbursed moving expenses to the Employer if the Employee:

1. resigns his employment within 1 year of his start date;
11. fails to give notice of resignation as required by this agreement; or
111. is terminated for cause.

13. PENSION

The Employee shall participate in the Legal Aid Ontario Pension Plan (a defined contribution plan) in accordance with the provisions of the plan. The Employer shall, upon the Employee's request, seek to have the waiting period for registration in the Plan waived.

14. NOTICE OF TERMINATION BY THE EMPLOYEE

The Employee may resign from his employment at any time provided he gives the Employer six (6) months (not more or less) notice thereof in writing.

As long as it continues the Employee's salary during the period of notice provided by the Employee under this clause, the Employer may, at its option, relieve the Employee of his duties for all or a portion of the period of notice and/or appoint another to act in or fill the position of the Employee.

15. TERMINATION OF EMPLOYMENT BY EMPLOYER -FOR CAUSE

- a. The Employer may terminate the Employee's employment at any time for cause without notice or compensation in lieu of notice or any other kind, save and except for any salary and unused vacation pay earned prior to the date of such termination.
- b. Cause, for the purposes of this agreement, shall include the following act or omission by the Employee which constitutes:
 - (i) a material breach of this agreement;
 - (ii) gross or willful neglect of duty;
 - (iii) insubordination;
 - (iv) a willful act of dishonesty in the course of his duties;
 - (v) conviction of the Employee of any indictable offence under the Criminal Code of Canada;
 - (vi) failure of the Employee to have disclosed or to disclose to the Employer, at time of entering into the agreement or hereafter, any material fact about himself which the Employee knew or ought to have known would tend to bring himself or the Employer into disrepute; or,
 - (vii) cause for dismissal at common law.

Failure by the Employer to rely on the provisions of this paragraph in any given instance or instances, shall not constitute a precedent or be deemed a waiver.

16. TERMINATION OF EMPLOYMENT BY EMPLOYER - DURING PROBATION

- (i.) During the probationary period, the Employer may terminate the Employee's employment without cause at any time upon providing the Employee six (6) months' notice in writing or, at the Employer's option six (6) months' salary in lieu of notice in the form of salary continuance, less applicable statutory deductions (or any combination of the two).
- (ii.) In addition to the above, upon termination of the Employee's employment without cause, the Employer shall pay to the Employee salary and vacation pay accrued up to his last date of active employment, less applicable statutory deductions.
- (iii.) To the extent permitted by the policies governing the Employer's insured Group Plans, the Employee's health, dental and medical coverage shall continue while he is receiving salary continuance payments from the Employer. Subject to the requirements of the *Employment Standards Act, 2000*, or successor legislation the Employee's group disability and all other coverage shall cease immediately upon cessation of the Employee's active employment.

17. TERMINATION OF EMPLOYMENT BY EMPLOYER - WITHOUT CAUSE

- (i) After the successful completion of the probationary period, the Employer may terminate the Employee's employment without cause at any time upon providing the Employee twelve (12) months' notice in writing or, at the Employer's option, compensation in lieu of notice, or any combination of notice and compensation in lieu of notice.
- (ii) Compensation in lieu of notice shall be provided in the form of a salary continuance, subject to applicable statutory deductions.
- (iii) Upon receiving notice of termination or termination without cause, the Employee shall take reasonable steps to search for other employment or sustained self-employment and shall inform the Employer as soon as he finds other employment or sustained self-employment.
- (iv) If the Employee starts other employment or becomes self-employed while receiving salary continuance, the Employer shall stop the salary continuance and pay the Employee, instead, a lump sum equal to 50% of the salary continuance that would otherwise have been payable to the Employee for the remainder of his period of notice under this clause 17, subject to applicable statutory deductions.
- (v) In addition to the above, upon termination of his employment without cause, the Employee shall be paid, a lump sum payment in lieu of incentive pay up to his last date of active employment calculated as set forth below.

- (vi) The lump sum payment in lieu of incentive pay shall be equal to 10% of the Employee's salary paid during the portion of the year ending on the Employee's last date of employment. (For example, in the event of a termination without cause coinciding with the end of the *ih* month of the year, the lump sum payment in lieu of incentive would be 10% multiplied by the salary paid to the Employee in the preceding 7 months.
- (vii) In addition to the above, upon termination of the Employee's employment without cause, the Employer shall pay to the Employee salary and vacation pay accrued up to his last date of active employment, less applicable statutory deductions.
- (viii) To the extent permitted by the policies governing the Employer's insured Group Plans, the Employee's health, dental and medical coverage shall continue while he is receiving salary continuance payments from the Employer. Subject to the requirements of the *Employment Standards Act, 2000*, or successor legislation the Employee's group disability coverage and all other coverage shall cease immediately upon cessation of the Employee's active employment
- (ix) To the extent permitted by the policies governing the Employer's Pension Plan, the Employee's participation in the Pension Plan shall continue while he is receiving salary continuance payments from the Employer.
- (x) Except for salary, vacation pay and termination and/or severance pay required by the *Employment Standards Act, 2000* or successor legislation in force at the time (Legislated Minimums), payments to the Employee in lieu of notice under this clause shall be conditional upon the Employee duly executing and delivering to the Employer a full and final release in a form acceptable to the Employer.

18. **TERMINATION OF EMPLOYMENT FRUSTRATION**

The employment of the Employee shall end if the employee dies or, subject to the requirements of the *Human Rights Code*, is unable to carry out his duties under this agreement. Given the nature of the Employee's position, the Employee agrees that his absence due to illness or incapacity of longer than 10 months cannot be accommodated without causing the Employer undue hardship and shall justify the Employer treating the Employee's employment at an end.

19. **GREATER RIGHT OR BENEFIT**

The parties confirm that the provisions contained in clauses 15, 16, 17 and 18 of this agreement are fair and reasonable and exceed the minimum standards established by the *Employment Standards Act, 2000*. In the event that any of clauses 15, 16, 17 or 18 do not satisfy Legislated Minimums, the Employer's obligations upon termination of the Employee's employment shall be limited to the Legislated Minimums.

20. **EMPLOYER'S PROPERTY**

The Employee acknowledges that all items of any and every nature or kind created or used by the Employee pursuant to the Employee's employment under this agreement, or furnished by the Employer to the Employee, and all equipment, credit cards, books, records, reports, files, diskettes, manuals, literature, confidential information or other materials shall remain and be considered the exclusive property of the Employer at all times and shall be surrendered to the Employer upon the request of the Employer, or in the absence of a request, on the cessation, termination or ending of the Employee's employment with the Employer.

21. **NOTICES**

Any demand, notice or other communication to be given in connection with this agreement shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To the Employee:

Robert W. Ward
RR #1
Pakenham, Ontario
KOA 2X0

To the Employer:

Chair of the Board Legal Aid Ontario
375 University Avenue
Suite 404
Toronto, Ontario
MSG 2G1

or to such other addresses or individual as may be designated by notice by either party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if made or given by registered mail, on the second day, other than a Saturday, Sunday or statutory holiday in Ontario following a deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

22. **GOVERNING LAW**

This agreement shall be deemed to have been made in and shall be construed in accordance with the laws of Ontario and the parties irrevocably attom to the courts of Ontario

23. **ENTIRE AGREEMENT**

This agreement constitutes and expresses the whole agreement of the parties with respect to the employment of the Employee and supersedes all prior arrangements and understandings between them. Any modification to this agreement must be in writing and signed by the parties or it shall have no effect and shall be void.

24. **SEVERABILITY**

Should any provision of this agreement become invalid, illegal or not enforceable it shall be considered separate and several from the agreement and the remaining provisions shall remain in force and binding upon the parties as though such provisions had not been included.

25. **ENUREMENT**

The Employee may not assign, pledge or encumber the Employee's interest in this agreement nor assign any of the rights or duties of the Employee under this agreement without prior written consent of the Employer. This agreement shall be binding on and enure to the benefit of the successors and assigns of the Employer and the heirs, executors, personal legal representatives and pennitted assi gns of the Employee.

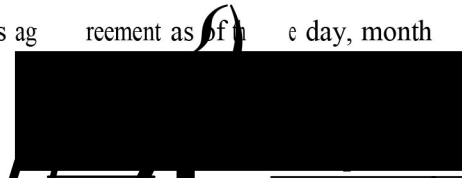
26. **INDEPENDENT LEGAL ADVICE**

The Employee acknowledges that he has read and understands this agreement and acknowledges that he has had the opportunity to obtain independent legal advice with respect to it. The Employer will pay the cost of the Employee obtaining independent legal advice on a budget agreed upon in advance.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the _____ day, month

and year first above written.

By (



Witness

Robert W. Ward

Jan 27 .2<J<f G Date