

Employment Contract

THIS AGREEMENT is made this 21st day of September, 2015

Between:

**Espanola General Hospital
(herein referred to as "the Hospital")
-and-
Nicole Haley
of 1734 Bay of Islands Drive, PO Box 33
Whitefish Falls P0P 2H0
in the Province of Ontario**

WHEREAS the Hospital has offered Nicole Haley to the position of CEO and Nicole Haley has agreed to serve the Hospital in this capacity;

AND WHEREAS, given the importance and responsibility of this position, the parties wish to come to agreement on the terms of Nicole Haley's employment;

THEREFORE IN CONSIDERATION of the mutual promises and covenants contained herein the Parties agree as follows;

1. EMPLOYMENT

- (a) Subject to the terms and conditions set out in this agreement, the Hospital agrees to employ Nicole Haley as its Chief Executive Officer, and Nicole Haley agrees to work for the Hospital 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 Hospital (the "Board"). The duties include responsibility for related and associated organizations.
- (b) During the term of this agreement, Nicole Haley shall faithfully perform her assigned duties and apply her best efforts to promote the interests of the Hospital.
- (c) In addition to the responsibilities associated with the role of Chief Executive Officer, Nicole Haley agrees to work as Administrator of the Long Term Care facility under the control of the Espanola General Hospital.

2. TERM OF EMPLOYMENT

Nicole Haley has entered into this period of employment with the Hospital effective November 2, 2015. This contract does not negate her prior years of service with the Hospital effective September 27, 2004. This employment contract shall continue to a term of five (5) years and eight (8) months. The contract may be ended by either party in accordance with paragraph 8. The parties shall commence discussions on the renewal of this contract no later than 180 days prior to its expiry.

3. EXCLUSIVE SERVICE

Nicole Haley shall devote the whole of her working time and attention to the business and affairs of the Hospital and shall not, without the written consent of the Board, engage either directly or indirectly in any other business or occupation of a permanent, temporary or part time nature. It is

acknowledged by both parties that Nicole Haley may be required to work from home on occasion and during other than normal business hours.

4. CONFIDENTIALITY AND NON-DISCLOSURE

- (a) Nicole Haley acknowledges that she will acquire information about certain matters which are confidential to the Hospital, which information is exclusive property of the Hospital including but not limited to the following:
- Financial information
 - Confidential information regarding employees, patients, clients, service providers and patient families
- (b) Nicole Haley acknowledges that such information could be used to the detriment of the Hospital and that the disclosure could cause irreparable harm to the Hospital and may breach government legislation or regulations. Accordingly, Nicole Haley undertakes to treat confidentiality all such information and not to disclose it to any third party or to use it for any purposes, either during her employment, except as may be necessary in the proper discharge of her duties or after termination of her employment for any reason, except with the written permission of the Board, unless and until such information has ceased to be secret or confidential without her fault.
- (c) Nicole Haley agree that all items created by her pursuant to her employment or furnished to her by the Hospital and all equipment, personal computers, iPad, electronic storage devices, facsimile machines, cell telephones, credit cards, keys, books, records, reports, files, manuals, notes, reference items, sketches, drawings, memoranda and other materials in any way relating to any of the information or the Hospital's business shall belong exclusively to the Hospital. Nicole Haley agree to turn over to the Hospital all such materials and copies in her possession or under her control, forthwith at the request of the Hospital or in the absences of a request, on the termination of her employment with the Hospital.

5. PERFORMANCE REVIEWS

The Board shall conduct an annual performance review in the third quarter of each fiscal year. Nicole Haley's performance will be based upon performance targets mutually agreeable to the Parties consistent with the overall strategic and policy discretion of the Board. The Parties agree that for the first year of this contract that the performance review will be conducted prior to April 30, 2016.

6. COMPENSATION AND BENEFITS

(a) SALARY

The position of CEO has a five (5) step salary grid as follows: Step 1 - \$70.211/hr; Step 2- 74.070/hr; Step 3- \$77.900/hr; Step 4- \$81.749/hr; Step 5- \$85.631/hr.

Nicole Haley's salary has been agreed at Step four (4) which corresponds \$81.749 per hour, to be paid in accordance with the Hospital's bi-weekly payroll practice, with standard government deductions. Nicole Haley's salary shall increase to Step five (5) effective April 30, 2016 subject to the Board's recommendation at the time of the first performance review specified in paragraph 5. All future progression on the salary scale will occur annually on November 2.

Nicole Haley will not be eligible for economic increases awarded to non-union employees until such a time as it is permissible under legislation. *The Excellent Care for All Act* (ECFAA) requires a certain percentage of compensation for any executive to be linked to the achievement of performance targets set out in the annual quality improvement plan (QIP). Due to the *Compensation Restraint Act* (CRA), the Espanola General Hospital was required to create a pay-for-performance (P4P) model in which annual pay is "clawed back" and an "at risk" amount was established. A 3% pay at risk will be assigned to her salary for meeting targets/goals that are dedicated to achieving a certain QIP performance and measurements.

Should provincial legislation or regulations amend the ECFAA or CRS, the hospital will need to review its current P4P and if required, make changes to comply with current provision of law. Specific quality plan measurements and targets for 2015-2016 will be outline in her 2015-2016 Pay for Performance Plan.

The parties agree that the Hospital's implementation of any legislated provision related to compensation that may apply now or at any point in the future will not constitute a breach of contract or trigger a claim of constructive dismissal. Any claim to that end, if made, will be in bad faith.

(b) HEALTH BENEFITS

Nicole Haley's benefits shall continue without change or interruption, subject to her continuing to meet the eligibility requirements of the plans.

Upon retirement Nicole Haley will be eligible for retirement health benefits in accordance with the terms and conditions outlined in group plan 001-005 and subject to her meeting the eligibility requirements of the plan. The Hospital has the right to review and update the terms and conditions of group-plan 001-005 as required.

Upon retirement Nicole Haley will be eligible for post-retirement benefit from Desjardins Insurance, subject to her meeting the eligibility requirements of the plan.

(c) PENSION BENEFITS

Nicole Haley's enrollment in HOOPP shall continue without change or interruption, subject to her continuing to meet the eligibility requirements of the plan.

(d) VACATION

Nicole Haley vacation entitlement will remain unchanged at five (5) weeks per year. Future increases in vacation shall be in accordance with Hospital policy.

(e) LIEU TIME

In the first fiscal year of this contract Nicole Haley will be entitled to one (1) week of lieu time in recognition of extended hours that will be required from time to time in the performance of her duties. After the first year, Nicole Haley will be eligible for two (2) weeks of lieu time annually each fiscal year. Lieu time may be taken at any time during the fiscal year. It is understood that the fiscal year runs from April 1st of one year to March 31st of the next. Lieu time will not be carried over to the next fiscal year. Any unused lieu time will not be paid out at the end of the fiscal year or on termination of employment.

7. EXPENSES

Nicole Haley shall be reimbursed for all reasonable travelling and other out-of-pocket expenses associated with the duties and responsibilities of the position of CEO and within the policy of the Hospital.

Requests for educational components shall be submitted to the Chair of the Board and approved by the Board prior to attendance. For all such expenses Nicole Haley shall furnish to the Hospital statements and vouchers as and when required by Hospital policy.

The Hospital will pay for any professional memberships up to a maximum value of \$2000 per year.

8. TERMINATION OF EMPLOYMENT

(a) NOTICE OF TERMINATION BY NICOLE HALEY

Nicole Haley may resign from her employment at any time provided she gives the Hospital three (3) months' notice thereof in writing.

(b) EARLY TERMINATION BY HOSPITAL

The Hospital may terminate this agreement at any time without cause by a notice to Nicole Haley, in writing, and by paying to her a termination amount equivalent to:

1. One (1) year of her base salary at the time of termination if the termination occurs prior to the first performance review specified in paragraph 5 of this agreement;
2. One (1) year of her base salary at the time of termination plus an additional one (1) month for every completed year of service since Nicole's original hire date of September 27, 2004 to a maximum of an additional twelve (12) months if the termination occurs after the first performance review specified in paragraph 5 of this agreement.
3. If the Hospital:
 - a. amalgamates with one or more public hospitals; or
 - b. becomes part of a regional health system; or
 - c. becomes part of a health system where a new entity is created

and, as a result of any of the transactions referred to above, terminates this contract without cause or Nicole Haley is offered employment by the Hospital or any other entity under the terms and conditions of employment which she believes acting reasonably to be materially different from those under this Agreement, Nicole Haley shall be entitled to terminate her employment on the understanding that the Hospital, or her then employer, shall be required to pay or provide to her, pay in lieu of notice equivalent amounts list in section 8 (b) 2.

4. In the event of termination without cause under Section 8 (b) 1 or 8 (b) 2 or 8 (b) 3, the Hospital shall continue to maintain for Nicole Haley the current benefit plan in which she is enrolled for a period equivalent to the length of the termination pay, to a maximum of two (2) years from the date of termination or until the date on which she obtains alternative employment or becomes self-employed, so long as that date occurs within two (2) year from the date of termination. LTD coverage will only be maintained in accordance with the *Employment Standards Act, 2000*.

(c) TERMINATION OF EMPLOYMENT FOR CAUSE

The Hospital may terminate this agreement at any time for just cause, without payment of any compensation either by way of anticipated earnings or damages of any kind, save and except, for any remuneration earned prior to the date of such termination. For greater certainty, just cause shall include any and all elements that be considered cause for summary dismissal under law and including but not limited to any intentional or grossly negligent disclosure or any confidential information by Nicole Haley:

The Parties confirm that the provisions contained in Article 2 and 8 are fair and reasonable, and the Parties agree that, upon expiry of this agreement as provided herein, or upon any termination of this agreement by Nicole Haley, or upon her death, she shall have no action, cause of action, claim or demand against the Hospital, its officers, directors, employees, or agents as a consequence of such expiry, termination, or ending so long as the hospital lives up to the obligations as set out herein.

The Parties understand and agree that any payment in lieu of notice/severance pay by the Hospital to Nicole Haley on termination shall not prevent the Hospital from alleging cause for termination in any action commenced by Nicole Haley.

Nicole Haley waives any right to reinstatement that may exist upon termination of her employment and accepts as full compensation the amounts provided for herein.

9. NOTICES

Any demand, notice or other communication to be given in connection with this agreement shall be given in writing and may be given in person.

10. GOVERNING LAW

This agreement shall be deemed to have been made in and shall be construed in accordance with the laws of Ontario.

11. ENTIRE AGREEMENT

This agreement constitutes and expresses the whole agreement of the parties with respect to the employment of Nicole Haley and supersedes all prior agreements, 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.

12. SEVERABILITY

Each paragraph of this Contract is a separate entity and is independent of and severable from the other paragraphs unless otherwise indicated. If a decision is made that on or more paragraphs are null and void, there is no effect on the rest of the paragraphs.

13. INDEPENDENT LEGAL ADVICE

Nicole Haley acknowledges that she has read and understands this agreement and acknowledges that she has had the opportunity to obtain independent legal advice with respect to it. The Hospital has agreed to reimburse Nicole Haley for legal fees acquired during the review of this agreement, to a maximum of \$1000.00. Proof of payment and explanation of services will be required prior to reimbursement.

14. SIGNATURE

IN WITNESS WHEREOF the parties hereto executed this agreement as the day, month and year first above written.

For the Espanola General Hospital

By Janet Whissell

Chair

For the Employee

By Nicole Haley

Nicole Haley

[Signature]

Witness