

EMPLOYMENT AGREEMENT

BETWEEN

Kemptville District Hospital (the "Hospital")

- and -

Colin Goodfellow (the 'CEO')

WHEREAS the Hospital and the CEO have agreed to enter into this agreement in recognition of their mutual desire to establish and continue the employment relationship between them for their mutual benefit on the terms and conditions set out below;

THIS AGREEMENT WITNESSETH that the parties agree as follows:

1. APPOINTMENT

- 1.1 The Hospital hereby appoints Colin Goodfellow as President and Chief Executive Officer of the Hospital and Colin Goodfellow accepts such appointment.
- 1.2 This Employment Agreement is effective March 28, 2009 and replaces any and all prior and existing employment agreements, contracts or understandings in relation to the employment of the CEO by the Hospital.
- 1.3 It is understood and agreed that no other representations, conditions, promises, whether made orally or in writing, affect this Employment Agreement, and that there shall be no amendments to this Employment Agreement unless specifically agreed to by the parties in writing.

2. DUTIES, RESPONSIBILITIES AND ACCOUNTABILITY

- 2.1 The CEO agrees to diligently serve as the President and Chief Executive Officer of the Hospital to the best of his ability in compliance with all applicable laws, this Agreement and the Hospital's By-laws, policies, procedures, rules and regulations, all as may be amended from time to time.
- 2.2 The CEO agrees to perform the duties and exercise such powers as may be prescribed or specified from time to time by the Board of Directors of the Hospital, and he shall be directly accountable to the Board of Directors of the Hospital in accordance with the Hospital's by-laws and applicable policies and procedures. The Board Chair shall act as the Board's central point of official communication with the CEO.
- 2.3 The CEO agrees to dedicate the time that is necessary to perform his duties and responsibilities as President and Chief Executive Officer.



EMPLOYMENT AGREEMENT BETWEEN

Kemptville District Hospital (the "Hospital")- and - Colin Goodfellow (the 'CEO')

3. TERM

- 3.1 The term of this Agreement shall be for a three (3) year period beginning March 28, 2009 and ending March 28, 2012, subject to the provisions of Article 8 (Termination).
- 3.2 This Employment Agreement will automatically renew for consecutive three (3) year periods unless the Hospital provides at least six (6) months notice of its intent not to renew the agreement, in which case the provisions of Article 8.1(d) will apply with the agreed upon notice period commencing after the six (6) months notice provided for in this provision. In the event 8.1(c) applies, the notice period provided therein includes the six (6) months notice provided for in this provision.

4. FULL TIME AND ATTENTION

- 4.1 The CEO agrees to devote his full time and attention to the performance of the business and affairs of the Hospital and he shall not accept any appointment as an officer, director, employee or consultant with any other organization during the term of this Agreement and any renewal hereof, without the prior consent of the Board of Directors.

5. SALARY AND BENEFITS

- 5.1 The Hospital shall pay the CEO an annual fixed salary set each year of this Agreement at the midpoint of CEO compensation in quadrant two of the peer group of \$10-\$25 million budget hospitals in the most current Ontario Hospital Association Executive Salary Survey Report, with the value of the midpoint being adjusted to reflect the cost of living increase in the previous calendar year. The cost of living increase will be the greater of (i) that provided by the Hospital to its non-bargaining unit management staff, or (ii) Statistics Canada's CPI as set in December for the previous twelve (12) months. The CEO's compensation will be subject to statutory and other applicable deductions.
- 5.2 In the first year of this Agreement the salary level will be \$165,581, adjusted by the appropriate cost of living increase for the year 2008.
- 5.3 In the event that in a given year the midpoint, adjusted for cost of living as indicated above, falls below the CEO's then current salary level, the CEO's salary will be red-circled at the then current amount with no increases of any kind until the midpoint once again reaches or exceeds the CEO's salary level.
- 5.4 Any salary adjustment shall, except in unusual circumstances, become effective March 28 of any year, including the first year, and retroactive payments will be made accordingly if necessary.
- 5.5 The CEO and the Hospital agree to renegotiate the CEO's salary in the event there is a material change in the classification or grade of the Hospital pursuant to section 32.1 of the *Public Hospital's Act* and its Regulation 964, R.R.O. 1990, Classification of Hospitals.

EMPLOYMENT AGREEMENT BETWEEN

Kemptville District Hospital (the "Hospital")- and - Colin Goodfellow (the 'CEO')

5.6 The CEO shall participate in the benefits plans that are applicable to the non-bargaining unit management staff of the Hospital, and on the same terms and conditions as other non-bargaining unit management staff unless otherwise specified in this Agreement.

6. EXPENSES

6.1 It is understood and agreed that the CEO will incur expenses in connection with his duties and responsibilities under this Agreement. The Hospital will reimburse the CEO for any reasonable and substantiated expenses, provided such expenses were incurred in accordance with established Hospital policy and have been approved by the Board Chair. The approval of the Board Chair will be sought prior to reimbursement whenever practicable.

6.2 The Hospital agrees to pay membership dues to professional associations and societies and to such service organizations and clubs of which the CEO wishes to be a member, subject to the approval of the Board of Directors that such membership is in the best interests of the Hospital.

7. ANNUAL PERFORMANCE REVIEW

7.1 Each year the Board of Directors of the Hospital will undertake a review of the CEO's performance, which will include a review of the fulfilment of the duties and responsibilities. This review will be performed by the Chair of the Board and another Board member appointed by the Governance Committee.

8. TERMINATION

8.1 The parties understand and agree that employment of the CEO pursuant to this Employment Agreement may be terminated in the following manner in the specified circumstances

- (a) by the CEO at any time, for any reason, on the giving of three (3) months' written notice to the Hospital;
- (b) by the Hospital, at any time, without any notice or pay in lieu of notice, for just cause. For the purposes of this Employment Agreement, 'just cause' means just and sufficient cause for termination of employment at common law and is agreed to include the following:
 - (i) any material breach of the obligations or covenants contained in this Agreement;
 - (ii) wilful failure or disobedience by the CEO to carry out the his duties as set out in this Agreement or as prescribed by the Board;
 - (iii) wilful failure of the CEO to comply with the applicable legislation governing the Hospital including the *Public Hospitals Act* (Ontario), or with the Hospital's by-laws, policies, rules or regulations;



EMPLOYMENT AGREEMENT BETWEEN

Kemptville District Hospital (the "Hospital")- and - Colin Goodfellow (the 'CEO')

- (iv) any conduct of the CEO that brings the CEO or the Hospital into disrepute; or
- (v) conviction of the CEO of a criminal offence punishable by indictment.

A failure by the Hospital to rely on the provisions of this section in any given instance or instances shall not constitute condonation or be deemed a waiver.

- (c) on the occurrence of any of the following, in which case the CEO will be entitled to eighteen (18) months' pay in lieu of notice in the form of salary continuance, with such payments to be subject to mitigation, which includes self-employment:
 - (i) a demotion of the CEO as the most senior executive of the Hospital or any successor, unless the CEO agrees to take a less senior position;
 - (ii) a reassignment of the CEO to a position having less responsibility than the position of President and Chief Executive Officer, unless the CEO agrees to such a reassignment;
 - (iii) the appointment of a permanent supervisor for the Employer under the *Public Hospitals Act* which infringes upon the authority of the CEO as the President and Chief Executive Officer; or
 - (iv) a decision of the Minister of Health and Long Term Care, the Ministry of Health and Long Term Care, or a Local Health Integration Network that substantially or significantly infringes upon the authority of the CEO as the President and Chief Executive Officer of the Hospital.

In the event there is any dispute between the parties in respect of whether any of the conditions set out in parts (i) through (iv) have occurred, the dispute will be resolved through arbitration in accordance with the *Arbitration Act*. It is further agreed that each party will bear its own legal costs of such a proceeding, and the Hospital will be responsible for the costs of the arbitrator.

- (d) by the Hospital, at any time by giving the CEO twelve (12) months' pay in lieu of notice in the form of salary continuance, with such payments to be subject to mitigation, which includes self-employment.

At no time will any of the payments pursuant to this section be less than the statutory minimums that the CEO is entitled under the *Employment Standards Act, 2000* or its successor legislation.

Where the CEO is entitled to salary continuance, his health and welfare benefits and pension plan will also continue for the duration of the salary continuance period, or until he secures other similar coverage, provided such continuation is allowed under the terms of the relevant benefit and pension plans and provided he also continues to make his required contributions to the benefit and pension plans. For greater clarity, it is agreed that short-term and long-term disability coverage will not be continued.



EMPLOYMENT AGREEMENT BETWEEN

Kemptville District Hospital (the "Hospital")- and - Colin Goodfellow (the 'CEO')

8.2 It is further agreed that in the event that the Minister of Health, Ministry of Health and Long Term Care or a Local Health Integration Network causes the Hospital to reorganize or discontinue all or part of its operations resulting in the termination of the CEO without cause, the Hospital shall pay to the CEO the amount referenced in Article 8.1(c) above.

8.3 This Agreement shall be terminated upon the death or commencement of long term disability of the CEO, both of which will be considered frustration of this Employment Agreement. The Parties agree that the commencement of long term disability by the CEO will result in the CEO no longer being able to perform the essential duties and requirements of his position and will result in a frustration of this Agreement.

9. VACATION ENTITLEMENT

9.1 The CEO will receive a vacation entitlement of four (4) weeks per fiscal year. This entitlement will increase for five (5) weeks per fiscal year once the CEO has achieved five (5) years of service with the Hospital.

9.2 The CEO will be able to carry-over up to a maximum of two (2) weeks of any unused vacation entitlement from one vacation year to the next. Carry-over of any vacation entitlement in excess of two weeks may be permitted under special circumstances with the prior approval of the Board of Directors of the Hospital.

9.3 Vacation scheduling is subject to approval of the Board, and the CEO shall advise the Board Chair of his vacation schedule at least one month in advance.

10. LIABILITY INSURANCE

10.1 The Hospital shall insure the CEO under its general liability policy for all acts done by him in good faith and in the execution of his duties, throughout the term of his employment and any renewal thereof, and for circumstances where the CEO is specifically named in a lawsuit launched by a patient, member of the Medical Staff, or any other party where the Hospital is co-defendant.

11. CONFIDENTIALITY

11.1 The Parties acknowledge the confidential nature of this Agreement and hereby agree not to disclose its contents to any other party, except as may be required by law or to facilitate the administration of this Agreement.

11.2 It is recognized that in the performance of his duties, the CEO will acquire detailed and confidential knowledge of Hospital operations and other confidential documents and information. The CEO agrees and undertakes to not in any way use, disclose, divulge, furnish or make accessible to any person or entity, either during his employment or any time thereafter, any confidential knowledge, information or document relating to the affairs and operations of the Hospital, except as may be necessary in the proper discharge of his duties, as required by law, or with the prior written consent of the Hospital.



EMPLOYMENT AGREEMENT BETWEEN

Kemptville District Hospital (the "Hospital")- and - Colin Goodfellow (the 'CEO')

12. EMPLOYER'S PROPERTY

12.1 The CEO acknowledges that all items of any and every nature or kind created or used by the CEO pursuant to his employment under this Agreement, or furnished by the Hospital to the CEO, 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 Hospital at all times and shall be surrendered to the Hospital upon the request of the Hospital, or in the absence of a request, on the cessation, termination or ending of the CEO's employment with the Hospital.

13. SEVERANCE AND WAIVER

13.1 If any covenant or provision of this Agreement is determined to be void or unenforceable in whole or in part by any court, such determination shall not affect or impair the validity of any other covenant or provision of this Agreement, which shall remain in full force and effect as if the void or unenforceable covenant or provision had not been made part of this Agreement.

13.2 No waiver by any party of any breach of any provisions herein shall constitute a waiver of the provision except with respect to the particular breach giving rise to the waiver.

14. PARAGRAPH HEADINGS

14.1 All paragraph headings have been inserted herein for convenience of reference only and do not form part of the written agreement.

15. BINDING EFFECT AND NON-ASSIGNMENT

15.1 This Agreement shall ensure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators and successors, and shall not be assignable.

IN WITNESS WHEREOF the Parties have executed this Agreement on this 9th day of April, 2009.

For the Hospital:



Name: Alexandra Pontbriand

Position: Board Chair

For the CEO



Colin Goodfellow



