

EMPLOYMENT CONTRACT

THIS AGREEMENT is effective this 21st day of June, 2018.

BETWEEN:

CAMPBELLFORD MEMORIAL HOSPITAL

(hereinafter called the "Hospital")

- and -

VAROUJ ESKEDJIAN

(hereinafter called the "Employee")

WHEREAS the Hospital wishes to employ the Employee as its President and Chief Executive Officer and the Employee wishes to be employed by the Hospital in this position;

NOW THEREFORE, this Agreement witnesses that, in consideration of the mutual covenants contained herein, including the Employee's remuneration, the parties agree as follows:

1. APPOINTMENT

- 1.1 The Hospital appoints the Employee to serve in the position of President and Chief Executive Officer of the Hospital and the Employee accepts employment in this position on the following terms and conditions, with such employment to commence June 21, 2018.
- 1.2 If the date of execution of this Agreement is after the effective date, the parties agree that the terms hereof constitute good and proper consideration for the Agreement to bind the parties, and that any defences to the enforceability hereof by either party are irrevocably waived.

2. RESPONSIBILITIES

- 2.1 The Employee agrees to diligently, faithfully, and to the best of his abilities fulfill the duties and responsibilities of the President and Chief Executive Officer of the Hospital in accordance with the terms of this Agreement and the policies and procedures of the Hospital. This includes:
 - (a) the duties of the President and Chief Executive Officer as set out and provided for in the Hospital's By-Laws as they may be amended from time to time;
 - (b) the duties and responsibilities of a President and Chief Executive Officer of a public hospital under any applicable legislation;
 - (c) the duties and responsibilities associated with being an ex officio member of the Campbellford Memorial Hospital Foundation's Board of Directors and as a member of the Boards of Directors of the Campbellford Memorial Hospital Multicare Lodge and the Campbellford Memorial Health Centre;
 - (d) the duties and responsibilities set out in any job description which is developed for President and Chief Executive Officer position, and as amended from time to time; and

- (e) such duties and responsibilities as may from time to time be lawfully assigned or delegated to him by the Board of the Hospital.

2.2 The parties agree and understand that the Employee will be employed on a full-time basis for the Hospital and that the Employee will devote himself exclusively to the business of the Hospital and will not be employed or engaged in any capacity in any other business without the prior written approval of the Board of Directors of the Hospital.

3. TERM AND HOURS OF WORK

3.1 This Employment Contract shall be for a 4 year period. This Agreement and the employment of the Employee may be terminated at any time on or before June 21, 2022 by either party providing the other with notice or severance in lieu of notice as set out at section 8 below.

3.2 It is expected that the Employee will devote such full-time and excess hours as may reasonably be required to fulfill the responsibilities of the position of President and Chief Executive Officer. It is recognized that the Employee is a management employee and his salary is inclusive of compensation for any required overtime.

4. REMUNERATION, BENEFITS AND EXPENSES

4.1 The Employee will be paid at a base salary rate of \$180,000 per annum, payable on the Hospital's regular payroll schedule.

4.2 The Employee will be eligible for pay-for-performance of up to 3% of base salary in addition to the base annual salary based on agreed-upon CEO objectives.

4.3 The Employee will be eligible to participate in the Hospital's group benefits plans, including the Healthcare of Ontario Pension Plan, subject to and in accordance with the terms of the applicable plans and policies. Where the benefits provided for under this Agreement are provided by an outside entity, the Employee agrees that the Hospital's only obligation in respect of such benefits is to pay the premiums or fees called for under this Agreement and the Employee's entitlement to such benefits is subject to the terms and conditions of the respective policies, plans or products.

4.4 The Hospital agrees to provide to the Employee reimbursement of any applicable membership fees in professional organizations in which the Employee is required to be a member or for which membership is determined to be advantageous for the performance of his duties and responsibilities as President and Chief Executive Officer.

4.5 The Hospital will reimburse the Employee for any reasonable and substantiated expenses incurred in connection with his duties under this Agreement and in accordance with established Hospital policy. In accordance with such policy, the Employee will be required to provide invoices or receipts.

4.6 The Hospital will provide up to \$5,000 or moving/relocation expenses. Reimbursement will be provided upon production of appropriate receipts.

5. VACATION

5.1 The Employee shall be entitled to four weeks of vacation with pay annually, to be pro-rated according to the portion of the year worked.

5.2 Vacation will be taken with due consideration of high demand periods and at such time or times as is convenient to both the Employee and Hospital. No more than one (1) week

will be taken at one time unless authorized by the Chair of the Board of Directors of the Hospital.

6. CONFLICT OF INTEREST AND CONFIDENTIALITY

- 6.1 In recognition of the Hospital's commitment to the community, the Employee agrees to perform his duties in accordance with the highest ethical standards and in a manner that will bear the closest public scrutiny. In particular, the Employee agrees:
- (a) to disclose any private interests of the Employee that could be affected by actions of the Hospital or could put the Hospital's reputation for ethical practice at risk;
 - (b) that he must not have a business, commercial or financial interest in any transaction or initiative which would or could conflict with the conduct of his duties for the Hospital, the best interests of the Hospital, or the carrying out of the Hospital's objectives;
 - (c) not to solicit or accept transfer of economic benefit from persons having, or likely to have, dealings with the Hospital;
 - (d) not to step out of his official role to assist private entities or persons in their dealings with the Hospital, where this would result in preferential treatment to any person or organization;
 - (e) not to knowingly take advantage of, nor benefit from material information that is not generally available to the public that is obtained in the course of his official duties and responsibilities;
 - (f) not to directly or indirectly use, or allow the use of the Hospital's property of any kind, for anything other than officially approved activities;
 - (g) not to, after he leaves the employment of the Hospital, act in a manner that takes improper advantage of his position with the Hospital.
- 6.2 The Employee acknowledges that in the course of his duties as President and Chief Executive Officer of the Hospital he will have knowledge of and/or be exposed to information that is confidential in nature. This includes information in respect of the operations of the Hospital and any affiliated organizations, information about the Hospital's employees, professional staff and patients, and personal health information. The Employee agrees that he shall not, either during the term of this Agreement or any time thereafter, disclose any of this confidential information without the prior approval of the Hospital unless required by law. For clarity, it is understood that this obligation survives the termination of the employment relationship with the Hospital no matter the nature or form of such termination.
- 6.3 This confidentiality obligation does not apply to the disclosure of information necessary to conduct the business of the Hospital or to information about the Hospital that is publicly available through no fault of the Employee.

7. HOSPITAL PROPERTY

- 7.1 The Employee acknowledges that all items of any and every nature or kind created or used by him pursuant to his employment under this Agreement, or furnished by the Hospital to him, and all equipment, credit cards, books, records, reports, files, diskettes, manuals, literature, 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 request or, in the absence of a request, on the cessation of the Employee's employment with the Hospital, regardless of the reason or manner of such cessation.

- 7.2 Any of the Hospital's procedures, opportunities, projects, publications, or potential developments are and shall continue to be the property of the Hospital notwithstanding that the Employee may have worked in connection therewith, or may have been responsible therefore. Any such procedures, opportunities, projects, publications, or potential developments which he may work on or develop as part of his work for the Hospital are and shall continue to be the property of the Hospital, as a "work for hire" under copyright law.

8. TERMINATION

- 8.1 This agreement may be terminated in the following manner in the specified circumstances:

- (a) by the Employee at any time on or before June 21, 2022 giving not less than 6 months of notice in writing to the Hospital;
- (b) by the Hospital, without notice or payment in lieu of notice for cause. For the purposes of this agreement "cause" shall include, without limitations:
 - (i) any significant and material breach of the provisions of this agreement;
 - (ii) incompetence of the Employee;
 - (iii) failing to keep the Hospital informed of material issues affecting the operations of the Hospital after being informed of, and having been given an opportunity to, correct the failing;
 - (iv) failure by the Employee to maintain a good working relationship with the managers and staff of the Hospital after being informed of, and having been given an opportunity to, correct the failing;
 - (v) any conduct of the Employee which tends to bring himself or the Hospital into disrepute;
 - (vi) repeated poor performance on the part of the Employee after being counseled as to the standard required as determined by the Hospital;
 - (vii) any intentional or grossly negligent disclosure of any confidential information or personal health information by the Employee;
 - (viii) conviction of the Employee for a criminal offence punishable by indictment, where the Board of Directors of the Hospital, in its discretion, considers the nature, circumstances and effect of the conviction to merit termination;
 - (ix) retirement of the Employee in accordance with the Hospital's pension plan;
 - (x) any and all omissions or commissions that would have been cause for summary dismissal by law, in addition to the specified causes.

Not terminating the Employee should any of the above events occur will not be deemed to be a waiver or condoning of the events and will not preclude the Hospital from acting on a subsequent occurrence; or

- (c) The Hospital may terminate the employment of the Employee without cause at any time during the term of this Agreement as provided for at section 3.1 above, upon the terms as follows:
- (i) By providing 9 months compensation in lieu of notice in year 1 of employment (June 21, 2018 – June 20, 2019)
 - (ii) By providing 12 months of compensation after beginning of year 2 of employment (after June 21, 2019)
 - (iii) By providing 12 months of compensation plus 1 month of compensation for each year of service after year 2 (beginning June 21, 2020) to a maximum of 14 months of compensation.
 - (iv) The Hospital will also pay any unpaid salary or expected performance pay earned by the Employee up to and including the date of such termination, and any unpaid vacation pay earned by the Employee in the year up to and including the date of termination. The Hospital will maintain the Employee's health, dental and life insurance coverage to the extent permitted by the respective carriers, excluding short term and long-term disability, from the date of termination until the term of severance is completed.
- 8.2 The Employee agrees that notwithstanding any entitlement the Employee may have to notice, reinstatement or other remedies at common law or under statute, the terms of this contract and the entitlement to notice or pay in lieu of notice are a full replacement and substitute for such rights. The parties understand and agree that the giving of notice or the payment of pay in lieu of notice by the Hospital to the Employee on termination of his employment shall not prevent the Hospital from alleging that cause exists for the termination.
- 8.3 The Employee warrants that after the termination of his employment, regardless of the reason for the termination, he will refrain from making negative public statements or comments that could jeopardize the reputation of the Hospital or its management, Board of Directors, physicians or staff.

9. GENERAL

- 9.1 No provision of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification is in writing and signed by both parties, or it shall have no effect and shall be void.
- 9.2 This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 9.3 In the event that any provision of this agreement shall be deemed void or invalid by a Court of competent jurisdiction, the remaining provisions or parts of shall be and remain in full force and effect.
- 9.4 This agreement constitutes the entire agreement between the parties with respect to the Employment of the Employee and any and all previous agreements including any pre-hiring promises written or oral, expressed or implied, between the parties or on their behalf relating to the employment of the Employee by the Hospital are terminated and each of the parties releases and forever discharges the other of and from all manner of

action, cause of action, claims or demands under or in respect of any such agreement.

- 9.5 In particular, the parties agree that no pre-hiring promises were made and if any pre-hiring promises were made all the promises are contained within this written agreement.

10. INDEPENDENT LEGAL ADVICE

- 10.1 The Employee acknowledges that he has read and understands this agreement and acknowledges that he has had the opportunity to obtain the independent legal advice with respect to it.

- 10.2 The Employee hereby further acknowledges and agrees that he has not in any way been induced or enticed away from another position of employment into the Hospital's employ.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement effective this 21st day of June, 2018.

SIGNED in the presence of

Witness

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VAROUJ ESKEDJIAN

SIGNED in the presence of

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**CAMPBELLFORD MEMORIAL
HOSPITAL**

Valerie Przybilla
Chair, Board of Directors