

MEMORANDUM OF AGREEMENT made this *22* day of *December*, 2005.

BETWEEN:

GERALDTON DISTRICT HOSPITAL
(hereinafter referred to as the "Employer")

OF THE FIRST PART

- and -

KURT PRISTANSKI
(hereinafter referred to as the "Executive Director")

OF THE SECOND PART

The Employer hereby agrees to employ Kurt Pristanski as the Executive Director of the Employer upon the following terms and conditions, which Kurt Pristanski hereby accepts.

The classification of "Executive Director" shall be synonymous with "Chief Executive Officer" and "Administrator" wherever those terms appear in the bylaws of the Employer or in any statute or regulation relevant to the operation of the Employer.

1. DUTIES OF THE EXECUTIVE DIRECTOR

- 1.1 The Executive Director is responsible for the total and proper management of the Employer, reports to the Board of Directors of the Employer and completes and reports on other duties assigned by the Board of Directors all in accordance with the Employer bylaws and all relevant legislation.
- 1.2 The Executive Director shall devote the whole of his efforts, time and attention to the performance of his duties hereunder, and shall disclose to the Employer the nature and extent of his involvement in volunteer or other organizational activities in which he becomes involved, from time to time.

- 2 -

- 1.3 The Executive Director acknowledges that the hours of work required will vary and will be irregular and will be those hours of work required to meet the requirements of his position.

2. TERM

- 2.1 The appointment shall commence March 1, 2006, or such other date as may be agreed by the parties, and shall continue thereafter on the terms set out herein unless terminated in accordance with the provisions of this Agreement.

3. COMPENSATION

- 3.1 In consideration of services as Executive Director, the Executive Director will be paid an annual amount of ONE HUNDRED TWENTY-EIGHT THOUSAND (\$128,000.00) DOLLARS, less all applicable deductions, for each year of the Agreement or as otherwise agreed in writing by the parties during the term of this Agreement. Payments will be made on a bi-weekly basis.

4. BENEFITS

- 4.1 The Employee will be entitled to the benefits set out in the document "Non-Union Staff Benefits", attached hereto as Schedule "A", and as amended by the Employer from time to time, except where a greater benefit is provided under this Agreement, which greater benefit shall prevail.
- 4.2 The Employer will contribute 100% of the billed premium for the insurance coverage (subject to the terms and conditions of the specific insurance policies) per the attached Schedule "A", as amended by the Employer from time to time.
- 4.3 Professional Development: The Executive Director is encouraged to participate in

- 3 -

educational programs which may require his absence from the Employer during working days; the timing and cost is to be discussed with the Chair and approved by the Board. The Employer shall pay the annual membership fee for admission of the Executive Director to one hospital-related professional organization, and may, in its discretion, consider paying annual membership fees for additional hospital-related professional organizations.

- 4.4 The Executive Director will be entitled to five weeks' annual paid vacation, at a time or times to be agreed between the Executive Director and the Employer.

5. PERFORMANCE REVIEW

- 5.1 A performance review of the Executive Director will be done annually in the month of June, or otherwise as agreed by the parties.

6. TERMINATION OF THE AGREEMENT

- 6.1 By the Employer for Cause: The Employer may terminate this Agreement in its sole discretion without any notice or pay in lieu thereof at any time for cause, which shall include, but not be limited to, any material breach of the provisions of this Agreement.

- 6.2 By the Employer Other than for Cause: The Employer may terminate this Agreement in its absolute discretion and for any reason on giving the Executive Director:

- (i) twelve (12) months' notice in writing and/or salary as compensation in lieu of such notice; no more than three months of any combined twelve months' notice and pay in lieu shall be working notice;
- (ii) the replacement value of his benefits, or alternatively, the continuation of his benefits (subject to the insurance carrier of the benefit package agreeing to extend coverage) for a twelve (12)-month period.

- 4 -

Payment of the foregoing amounts in this paragraph shall be in full settlement of any claims the Executive Director may have against the Employer relating directly or indirectly to his employment under this Agreement and to such termination. The Executive Director will have no further claims against the Employer for damages or for any other relief, under this Agreement, the *Employment Standards Act*, any other statute, or at common law.

6.3 In the event the Executive Director suffers a disabling condition which prevents him from performing his duties under this Agreement:

- (i) the Executive Director shall, upon the expiry of any qualifying and/or waiting period under the Employer's insured long-term disability benefit plan, apply for income replacement benefits through the Employer's long-term disability insurance plan;
- (ii) in the event the Executive Director qualifies for long-term disability benefits under the Employer's insurance plan, the Executive Director agrees that the Employer may thereafter hire a permanent replacement in the Executive Director position;
- (iii) in the event the Executive Director continues to receive long-term disability benefits beyond twenty-four (24) months, and there is no reasonable likelihood of the Executive Director returning to active employment in the near future, the Executive Director agrees that this contract of employment has become frustrated and is accordingly terminated, and the Employer's sole obligation will be to pay any amounts owed in accordance with the *Employment Standards Act*.

6.4 Notice Required by the Executive Director on Resignation: If the Executive Director wishes to resign, he is required to give the Employer three (3) months' written notice. The Employer may waive the requirement for active employment during all or part of such period, in its discretion.

- 6.5 (i) The parties are encouraged to resolve any disputes between them regarding the interpretation or application of this Agreement by means of negotiation and/or mediation, on such terms as the parties agree.

- 5 -

- (ii) Failing resolution of any dispute between the parties regarding the interpretation or application of this Employment Contract, such dispute will be referred to binding arbitration before an arbitrator to be agreed by the parties. To invoke this arbitration clause, either party may write to the other requesting that a certain dispute be settled by the arbitrator. The parties will then have 21 days, or such longer period as the parties agree, to make written submissions to the arbitrator who will provide a written decision within 30 days thereof. This arbitration process cannot be used to resolve any disputes regarding the termination of this Employment Contract under 6.1 herein, except at the election of the Employer.

7. CONFIDENTIAL INFORMATION

- 7.1 The Executive Director acknowledges that as the Executive Director he will acquire information about certain matters and things which are confidential to the Employer. The Executive Director agrees not to disclose such confidential information to any third party either during the term of his employment except as may be necessary in the proper discharge of his employment, or after the term of his employment except with written permission of the Employer.

8. OTHER TERMS OF THIS AGREEMENT

- 8.1 The parties hereto agree that this Agreement contains the entire understanding between the parties and supersedes any prior understanding and/or written or oral agreement between them respecting the within subject matter. There are no representations, agreements or understandings, oral or written, between the parties which are not fully expressed herein.
- 8.2 The parties hereto agree to execute such documents, assurances, certificates or the like as may from time to time be reasonably requested, required or desirable in order to give full force and effect to this Agreement, the matters contemplated herein and to its and their intention.

- 8.3 In respect of all matters relating to employment not specifically dealt with in this contract, the existing policies of the Employer shall be applicable.
- 8.4 Except as otherwise specifically provided, the terms and conditions of this contract may be amended at any time by mutual agreement of the parties, provided that before any amendments shall be valid or effective it shall have been reduced to writing and signed by the Chair of the Board of Directors of the Employer and the Executive Director.
- 8.5 The Executive Director and the Employer agree that neither party will disclose the details of this Agreement without having first received the written agreement of the other party, unless such disclosure is required by law.
- 8.6 The provisions of this Agreement shall enure to the benefit of and be binding on the heirs, executors, administrators and legal representatives of the Executive Director and the successors and assigns of the Employer, respectively.
- 8.7 Any notice required or permitted hereunder shall be sufficiently given if sent by registered mail, postage prepaid, to the Executive Director at his last residential address known to the Employer, or delivered in person.
- 8.8 If any term of this Agreement is found to be invalid, illegal or unenforceable by any court or tribunal having the jurisdiction to do so, that term is considered to have been severed and the rest of the Agreement shall continue to bind the parties as if the severed term had not been included.
- 8.9 This Agreement shall be construed in accordance with the laws of the province of Ontario.

9. INDEPENDENT LEGAL ADVICE

9.1 The Executive Director acknowledges having had the opportunity to obtain independent legal advice from his own solicitor with respect to the terms of this Agreement prior to its execution, and further acknowledges that he understands the terms of this Agreement and his rights and obligations under this Agreement.

IN WITNESS WHEREOF the Employer has hereunto affixed its corporate seal attested to by the hand of an officer duly authorized on its behalf this 22 day of December, 2005.

GERALDTON DISTRICT HOSPITAL

Per: *R. E. Mannisto*

Per: *S. P. M. B. Prosser*

SIGNED, SEALED AND DELIVERED)
in the presence of:)

[Signature])
WITNESS)

[Signature]
KURT PRISTANSKI