

This agreement is made effective the 21 of December, 2011.

B E T W E E N:

KINGSTON GENERAL HOSPITAL
(Herein referred to as the "Hospital")

-and-

JAMES FLETT
(Chief Operating Officer, herein referred to as the "COO")

WHEREAS the Hospital is a corporation without share capital duly incorporated under the laws of the Province of Ontario, having its head office, in the City of Kingston, in the Province of Ontario;

WHEREAS the parties entered into a contract of employment dated 8 June, 2009 setting out certain terms and conditions of the COO's employment relationship with the Hospital which the parties wish to continue as amended herein;

WHEREAS the parties to the within agreement are committed to protecting the interests of taxpayers and strengthening the accountability of the Hospital as an organization in receipt of public funds;

WHEREAS the parties are aware and adhere to the requirements under the Broader Public Sector Accountability Act, 2010 and in particular to ensure that public funds are used prudently and responsibly;

WHEREAS parties are aware and adhere to the requirements under the Excellent Care for All Act, 2010 and in particular to ensure that an annual quality improvement plan is established and that a portion of the executive pay is linked to the plan;

WHEREAS paragraph 3.1 of the contract of employment dated 08 June, 2009 provides that any modifications must be confirmed in writing by the parties;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants and agreements hereinafter contained, and for other good and valuable consideration the sufficiency of which is hereby acknowledged by the parties hereto, it is agreed by and between the parties as follows:

Executive Employment Contract
 James Flett, Chief Operating Officer
 Kingston General Hospital

Position and Duties

- 1.1 The COO will be employed in the position of Chief Operating Officer (COO) and shall provide the services as set forth in the job description setting out the duties of the COO.
- 1.2 The COO acknowledges that the COO's duties may be unilaterally revised by the Chief Executive Officer (CEO), from time to time.
- 1.3 The COO will abide by the Hospital's mission, guiding principles, policies, practices, procedures, rules and regulations, applicable statutes and regulations, guidelines and directions from the CEO, as may be amended from time to time.

Professional Responsibilities

- 2.1 The COO is accountable to the CEO for all contractual and employment obligations. The performance of these obligations will be reviewed by the CEO on an annual basis, in accordance with hospital policies.
- 2.2 The COO will devote his full working time and attention to the business and affairs of the Hospital.
- 2.3 The COO agrees to avoid any external commitments that may interfere with his obligations to the Hospital or that constitute a potential, perceived or real conflict of interest, in accordance with Hospital policy.

Representations and Warranties

- 3.1 The COO warrants that he will and can carry out all contractual obligations pursuant to this Agreement and his employment in a diligent fashion and with a high degree of professional competence.
- 3.2 All representations, warranties, covenants and limitations of liability in this contract shall continue in force after the termination of this contract.

Term of the Agreement

- 4.1 The parties acknowledge and agree that the COO commenced employment with the Hospital on 01 September, 2009, and that the term of his employment automatically expires on 01 September, 2014 (the "Termination Date") unless changed pursuant to s. 4.2 or terminated pursuant to sections 4.5, 4.6, 4.7 or 4.8 of the within Agreement.
- 4.2 The Termination Date may be changed by mutual written agreement of the parties, not later than the last six (6) months of the automatic expiry of this Agreement.
- 4.3 If the parties have not agreed in writing to an extension within six (6) months prior to the termination date, they are each entitled to consider that this Agreement will end on the Termination Date and act accordingly.
- 4.4 Nothing in sections 4.2 or 4.3 precludes or restricts either party from using its respective termination rights as described herein. That is, either party is free to rely upon the termination provisions of this agreement at any time prior to the Termination Date or any extension period.

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- 4.5 The Hospital may terminate the COO's employment for cause, without notice or pay in lieu of notice.
- 4.6 The Hospital may terminate this Agreement and the COO's employment at any time in the absence of cause, by providing twelve (12) months' notice, pay-in-lieu of notice or any combination thereof totaling twelve (12) months. The notice or pay-in-lieu of notice shall be in full and final satisfaction of all amounts owed by the Hospital to the COO. It is agreed that any pay-in-lieu of notice shall be limited to the annual salary and performance pay percentage in effect at the date upon which the notice of termination is given by the Hospital to the COO.
- 4.7 The COO shall provide no less than three (3) months' written notice to the CEO of his intent to terminate this agreement either through resignation, retirement or other departure from employment.
- 4.8 The notice of termination of this Agreement by the Hospital pursuant to the terms of this Agreement shall be given in writing by personal delivery or by ordinary prepaid mail addressed as follows:

To the COO: James Flett



Remuneration, Vacation and Benefits

- 5.1 The COO's compensation plan remains the same as outlined in the employment agreement dated 8 June, 2009 except for the reduction of the non-union benefit plan in April 2010. To clarify further, the annual salary and performance pay amounts have not changed since the 8 June, 2009 Agreement, and the COO has received less benefit coverage (Schedule A) since April 2010.
- 5.2 The COO shall receive the following annual salary and performance pay, less applicable deductions:

Effective	Annual Salary	Annual Performance Pay
		(as a percentage of annual salary)
Date of hire	\$295,000	up to 15%
- 5.3 The Annual Performance Pay is contingent on the CEO's assessment and evaluation of the COO's performance and whether the performance agreement as established in article 5.5, have been successfully met is the CEO's sole discretion. This assessment and evaluation shall be conducted consistent with any applicable policy or procedure which may be established or amended from time to time.
- 5.4 The hospital will review the base salary of the COO in April in each year. This will be conducted and adjustments made consistent with applicable policies or legislation. Review of total compensation, including performance pay, will be conducted every three years and in accordance with applicable policy or legislation.

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- 5.5 The CEO and the COO shall jointly develop an annual performance agreement which includes goals, milestones and targets for the fiscal year by which the COO will be measured when evaluated. Performance pay is allocated according to policy and the actual results achieved against pre-established targets, at the end of the fiscal year once all the year-end financial, clinical and business performance data is available.
- 5.6 The Hospital shall provide the COO with six (6) weeks annually paid vacation. Vacation days shall be taken as agreed by the CEO and COO.
- 5.7 Carry-over of vacation entitlements from year to year will be done in accordance with hospital policy, unless prior authorization in writing has been obtained from the CEO.
- 5.8 Upon termination of the employment relationship for any reason, the COO is entitled to payout of any accrued, but untaken, vacation entitlement.
- 5.9 The Hospital shall provide the COO with a taxable car allowance of \$700.00 per month, less applicable deductions. All expenses concerning the ownership, operation and maintenance of the vehicle, whether leased or owned, will be the responsibility of the COO.
- 5.10 The Hospital shall reimburse the COO for kilometers driven outside of the Kingston regional area while actively carrying out his job duties, pursuant to the Hospital's travel policy and at the applicable per kilometer rate established by the Hospital from time to time.
- 5.11 The Hospital and Employee shall pay the applicable premium cost of the benefits as outlined in the attached Schedule "A". Participation in these benefits will be subject to the terms of the applicable benefit plan or policy in effect from time to time. The Hospital may change these benefits and benefit terms from time to time, in which case the Hospital will advise the COO of the change(s). The COO will be subject to the general conditions and limitations in any benefit plan or program and may be changed without notice. For insured benefits, the Hospital is only required to pay their portion of the premiums and have no further obligations. Termination of benefits will be in accordance with the Termination provisions of this Agreement.

Hospital's Property

- 6.1 The COO acknowledges that all items of any and every nature or kind created or used by the COO pursuant to the COO's engagement under this Agreement or furnished by the Hospital to the COO, and all equipment, books, records, reports, files, 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 in good condition, promptly on the date he ceases for any reason to be an employee of the Hospital irrespective of the time, manner or cause of the release from employment.

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Kingston General Hospital

- 6.2 Without limiting the generality of the foregoing, the COO further covenants and agrees with the Hospital that all documents, including, without limitation, instructions, drawings, notes, memoranda, drawings, blueprints, manuals, letters, notes, notebooks, reports, sketches, formula, records, files, computer programs, data, inventions, patents and other property relating to the Hospital made or conceived by him during the term hereof of which may come into his possession during hereof in his capacity as a employee hereunder are the sole and exclusive property of the Hospital and will not without the prior written consent of the Hospital be removed from the offices of the Hospital (except to the extent necessary in carrying out the COO's duties hereunder) and shall, in any event, be returned to the Hospital upon the COO ceasing for any reason to be an employee of the Hospital.

Conflict of Interest

- 7.1 It is understood and agreed that a conflict of interest or the perception of one does not necessarily involve monetary gain, but may arise in a variety of ways. The COO shall be responsible for recognizing and avoiding all circumstances that may give rise to actual or perceived conflict of interest situations. The parties agree that in addition to the COO being responsible for recognizing and avoiding all circumstances that may give rise to actual or perceived conflict of interest situations; he shall disclose any such actual or perceived conflicts of interest to the CEO at the earliest possible opportunity upon discovering same.
- 7.2 The COO shall not, during the term of the Contract, under any circumstances, either directly or indirectly, engage in any other occupation, business or entity, or have any interest in same, without the prior written consent of the CEO in accordance with Hospital policy for such matters.

Confidentiality

- 8.1 The COO acknowledges that he is in a fiduciary relationship and position of trust with the Hospital. In the performance of this Agreement, confidential information relating to the Hospital, its patients and the services it provides may be disclosed or become known to the COO. The COO acknowledges that the disclosure of confidential information other than as necessary in the fulfillment of the COO's employment duties on behalf of the Hospital, or compliance with any applicable statute or regulation or as compelled by a court of law or other judicial or administrative body, would be detrimental to the legitimate interests of the Hospital. The COO undertakes and agrees that no such confidential information shall be divulged in any form, nor used directly or indirectly for the COO's own purposes or for the purposes of any person, corporation, firm, association or thing other than the Hospital, without the Hospital's prior consent, except as may be necessary in the proper discharge of her responsibilities under this Agreement.

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Assignment of the Agreement

- 9.1 Neither party may assign this Agreement without the express written consent of the other party.

Severability

- 10.1 The Hospital and the COO agree that if any of the provisions or a part of a provision of this Agreement are deemed illegal and unenforceable, such provisions shall be considered separate and severable from this Agreement, and the remaining provisions or part of a provision of the Agreement shall continue in force, and be binding upon the parties as though such provision or part of a provision had never been included.

Entire Agreement

- 11.1 This agreement constitutes the entire agreement between the COO and the Hospital concerning the COO's employment relationship with the Hospital. It supersedes any and all other agreements or contracts, whether verbal or written, between the parties. The COO further acknowledges that there are no other agreements, understandings, representations, promises or warranties, either collateral, oral or otherwise made to her apart from the obligations of the Hospital expressly set out in this Agreement. More specifically, this Agreement replaces the Agreement dated 8 June, 2009 in its entirety.

Legal Authority

- 12.1 The Hospital represents and warrants that:
- (a) it has the authority to enter into this Agreement;
 - (b) all necessary steps have been taken by the Hospital to properly authorize the execution and performance of the terms of this Agreement; and
 - (c) when this Agreement has been executed by the parties signing below, this Agreement shall be a legal, valid and binding Agreement, enforceable against the Hospital in accordance with the terms.

General


- 13.1 This agreement will be reviewed on an annual basis to identify revisions required as part of legislative or other changes and any agreement will have to be agreed to by both parties.
- 13.2 This agreement may be amended at any time by mutual agreement of the parties in writing.
- 13.3 Any disputes as to the validity, interpretation, performance of this Agreement shall be determined in accordance with the law and by the Courts of the Province of Ontario.

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Independent Legal Advice



14.1 The COO acknowledges and agrees that this Agreement was negotiated freely and voluntarily and that the opportunity to seek independent legal advice was offered by the Hospital with respect to this Agreement and its terms, prior to executing same.

IN WITNESS WHEREOF the parties hereto have cause this agreement to be executed:

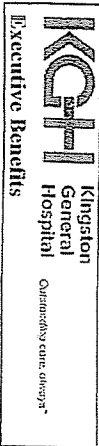
KINGSTON GENERAL HOSPITAL
Per: 
Leslee J. Thompson, President & CEO

I have read, understand and accept the terms and conditions of this Agreement dated this 21 day of December, 2011.

SIGNED, SEALED AND DELIVERED in the Presence of:

) 
James Flett

RITONGA ADSON
Name of Witness



**SCHEDULE A -
EMPLOYMENT AGREEMENT
Executive at KCHH**

BENEFIT	EFFECTIVE DATE	COST (FUNDING OF BENEFIT)	PARTICIPATION	COMMENTS
WORKERS SAFETY & INSURANCE (WSIB)	Immediate.	Employer pays 100% of premiums to the Board.	All employees according to WSIB regulations and policies.	If approved by WSIB for benefits, employee will receive 85% of regular average earnings (net of statutory deductions - Tax, CPP, EI) (up to WSIB maximum).
CANADA PENSION PLAN (CPP)	Immediate.	Employee pays percentage of annual earnings. Employer matches this.	All employees between the ages of 18 - 65.	This is a federal pension plan. Available at age 65 (may apply for reduced pension at age 60). Disability pension available.
EMPLOYMENT INSURANCE (EI)	As specified in EI guidelines and policies.	Employee pays percentage of basic pay. Employer pays percentage based on employee's basic pay.	All employees.	Provides income protection for layoff and illness. Also provides maternity and parental benefits.
HEALTHCARE OR ONTARIO PENSION PLAN (HOOPP)	Immediate if transferring from another HOOPP employer. Otherwise, if full-time, immediate; if part-time, after working 700 hours or earning 35% of CPP maximum in previous year.	Employee pays 6.9% of earnings which are less than, or equal to, current CPP ceiling; 9.2% of earnings in excess of above. Employer contributes an amount determined by the HOOPP Administrative Board	Compulsory for full-time employees. All other employees may join if they meet the eligibility requirements.	Normal retirement under HOOPP is 65. Retirement as early as 55 is possible, subject to a reduction in the accrued pension.
SHORT-TERM SICKNESS (HOODIP)	After three months of employment.	Employer pays 100% of cost.	All regular full-time employees.	Benefits are payable for up to 15 weeks. The amount of pay is 100% of salary.
LONG-TERM DISABILITY (HOODIP)	After six months of employment. (Immediately if you come from another HOODIP participating employer within 6 months).	Employee pays 100% of premium.	Compulsory for all regular full-time employees.	Eligible for benefits if determined that employee is unable to perform own occupation (to a maximum of two years). After two year point, employee is eligible only if unable to perform any occupation. The amount of benefit: 65% of earnings (non-taxable). (Note: Must be actively at work on effective date of enrolment)

NOTE: Part-time employees receive 14% in lieu of hospital benefits and a minimum of 8% in lieu of paid vacation. Part-time employees participating in the pension plan receive 9% in lieu of benefits.

This document is a summary only. Contact the People Services for further details.

BENEFIT	EFFECTIVE DATE	COST (FUNDING OF BENEFIT)	PARTICIPATION	COMMENTS
GROUP LIFE INSURANCE (Basic)	After three months of employment	Employee pays 100% of premium.	Compulsory for all regular full-time employees.	200% of base annual earnings
OPTIONAL LIFE INSURANCE/ SPOUSAL OPTIONAL INSURANCE	After three months of employment	Employee pays 100% of premium.	Optional for all regular full-time employees.	Available in units of \$10,000.00 to a maximum of \$500,000.00. Subject to evidence of insurability. Cannot exceed \$1,000,000. in combined total between Basic Life and Optional Life.
ACCIDENTAL DEATH & DISMEMBERMENT	After three months of employment	Employee pays 100% of premium.	All regular full-time employees.	An amount equal to the principal sum of your Basic Life Insurance.
MAJOR MEDICAL/PAY-DIRECT DRUG BENEFIT*	Immediate (First day of Hospital Service)	Employee pays 100% of premium.	Optional at date of hire for all regular full-time employees. If employee elects to enroll at a later date, will be subject to late enrollment restrictions.	Reimburses 100% for eligible generic drug expenses. Annual deductible for pay-direct drug is \$22.50 single, \$35.00 family. Vision care - \$300.00 every 24 consecutive months. Eye examinations - 1/24 months. Hearing aids \$500.00 life maximum. Includes private room coverage. \$10.00 dispensing fee cap. Also includes International Emergency Assistance.
DENTAL PLAN*	Immediate (First day of Hospital Service)	Employee pays 100% of premium	Optional at date of hire for all regular full-time employees. If employee elects to enroll at a later date, will be subject to late enrollment restrictions.	Reimburses 100% for basic and 80% for major restorative services as per current year ODA fee schedule to a maximum of \$2,000.00 per calendar year. Orthodontics coverage - \$1,500/lifetime - 50/50 coinsurance for dependents to age 18. No deductible.
SEMI-PRIVATE HOSPITAL COVERAGE	Immediate (First day of Hospital Service)	Employee pays 100% of premium.	Optional at date of hire for all regular full-time employees. If employee elects to enroll at a later date, will be subject to late enrollment restrictions.	Provides for room and board in a semi-private hospital room with no limit on number of days. No deductible.
PAID HOLIDAYS	Immediate	Employee pays regular salary for full-time employees.	All regular full-time employees.	New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day, one (1) float day.

This document is a summary only. Contact the People Services for further details.

Issued: 2010 April 01
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*Coverage through OHIP or a reciprocal provincial plan is required. Entitlement to benefits will be deferred until such coverage is acquired.

The ADDENDUM shall be effective on 28 September, 2012 and is an Addendum to the Executive Employment Contract which was effective 21 December, 2011

BETWEEN:

KINGSTON GENERAL HOSPITAL (the Employer)

(Herein referred to as the "Hospital")

-and-

JAMES FLETT (the Employee)

(Chief Operating Officer, herein referred to as the "COO")

Pursuant to Section 4.2 "The Termination Date may be changed by mutual written agreement of the parties, not later than the last six (6) months of the automatic expiry of this Agreement", the following item has been amended and agreed to between the parties:

Section 4.1 of the Executive Employment Contract shall be modified as follows with the text in bold italics and the text containing a strikethrough deleted:

Section 4.1 The parties acknowledge and agree that the COO commenced employment with the Hospital on 01 September, 2009 and that the term of his employment automatically expires on 01 September, ~~2014~~ **2017** (the "Termination Date") unless changed pursuant to s. 4.2 or terminated pursuant to sections 4.5, 4.6, 4.7 or 4.8 of the within Agreement.

The original Executive Employment Contract is attached and is made a part of this document.

IN WITNESS WHEREOF the parties hereto have cause this agreement to be executed:

KINGSTON GENERAL HOSPITAL (The Employer)

Per: 

Leslee J. Thompson, President & Chief Executive Officer

I have read, understand and accept the terms and conditions of this Addendum to be effective 28 September 2012.

SIGNED, SEALED AND DELIVERED in the Presence of:

Witness: 

Print: Sept 29, 2012.

James Flett (The Employee)

Signature: 

Date: Sept 29, 2012