

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-

LESLEE J. THOMPSON
(President and Chief Executive Officer, herein referred to as the "CEO")

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 29 January, 2009 setting out certain terms and conditions of the CEO'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 4.1 of the contract of employment dated 29 January, 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 – dated 21 December, 2011
Leslee J. Thompson, President and CEO, Kingston General Hospital

Position and Duties

- 1.1 The CEO will be employed in the position of President and Chief Executive Officer and shall provide the services as set forth in the Hospital's By-Law Article 6, s.601 and s.602 setting out the duties of the CEO, a copy of which is attached as Schedule "A" to this agreement.
- 1.2 The CEO acknowledges that the CEO's duties may be unilaterally revised by the Hospital's Board of Directors, in writing, from time to time.
- 1.3 In addition to the By-Law, the CEO will abide by the Hospital's mission, guiding principles, policies, practices, procedures, rules and regulations, applicable statutes and regulations, guidelines and directions from the Board, as may be amended from time to time.

Professional Responsibilities

- 2.1 The CEO is accountable to the Hospital's Board of Directors for all contractual and employment obligations. The performance of these obligations will be reviewed by the Board of Directors on an annual basis, in accordance with the applicable By-Law and policies.
- 2.2 The CEO will devote her full working time and attention to the business and affairs of the Hospital.
- 2.3 The CEO agrees to avoid any external commitments that may interfere with her 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 CEO warrants that she will and can carry out all contractual obligations pursuant to this Agreement and her 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.

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Term of the Agreement

- 4.1 The parties acknowledge and agree that the CEO commenced employment with the Hospital on February 2, 2009, and that the term of her employment automatically expires on February 14, 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.
- 4.5 The Hospital may terminate the CEO's employment for cause, without notice or pay in lieu of notice.
- 4.6 The Hospital may terminate this Agreement and the CEO'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. Commencing on the first anniversary date of the CEO's employment, and yearly thereafter, the notice period shall increase by 1 month for each year of the Agreement and each subsequent year to a maximum of sixteen (16) months. For further clarity the notice period as of February 2010 is: 13 months; February 2011 is: 14 months; February 2012 is: 15 months; February 2013 is: 16 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 CEO. 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 CEO.
- 4.7 The CEO shall provide no less than three (3) months' written notice to the Board of Directors of her 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 CEO: Leslee Thompson



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Remuneration, Vacation and Benefits

5.1 The CEO's compensation plan remains the same as outlined in the employment agreement dated 29 January, 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 29 January, 2009 Agreement, and the CEO has received less benefit coverage (Schedule B) since April 2010.

5.2 The CEO shall receive the following annual salary and performance pay, less applicable deductions:

Effective Date	Annual Salary	Maximum Annual Performance Pay (as a percentage of annual salary)
February 2, 2009	\$400,000	plus 15%
February 2, 2010	\$410,000	plus 20%
February 2, 2011	\$410,000	plus 20%
February 2, 2012	\$410,000	plus 25%
February 2, 2013	\$415,000	plus 25%

5.3 The Annual Performance Pay is contingent on the Hospital's Board of Directors' assessment and evaluation of the CEO's performance and whether the performance agreement as established in article 5.5, have been successfully met is the Board'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 CEO 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.

5.5 The Hospital's Board of Directors and the CEO shall jointly develop an annual performance agreement which includes goals, milestones and targets for the fiscal year by which the CEO will be measured when evaluated. Performance pay is allocated according to board 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 CEO with six (6) weeks annually paid vacation. The CEO may elect to receive up to five (5) days of unused vacation days each fiscal year in equivalent pay. Vacation days shall be taken as agreed by the CEO and the chair of the Board of Directors.

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- 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 chair of the Board of Directors.
- 5.8 Upon termination of the employment relationship for any reason, the CEO is entitled to payout of any accrued, but untaken, vacation entitlement.
- 5.9 The Hospital shall provide the CEO with a taxable car allowance of \$750.00 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 CEO.
- 5.10 The Hospital shall provide the CEO with a corporate portable computer and a Blackberry. The corporate portable computer and blackberry shall remain the property of the Hospital and shall be returned to the Hospital upon the expiration or termination of the employment relationship
- 5.11 The Hospital shall reimburse the CEO for kilometers driven outside of the Kingston regional area while actively carrying out her job duties, pursuant to the Hospital's travel policy and at the applicable per kilometer rate established by the Hospital from time to time.
- 5.12 The Hospital and Employee shall pay the applicable premium cost of the benefits as outlined in the attached Schedule "B". 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 CEO of the change(s). The CEO 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 CEO acknowledges that all items of any and every nature or kind created or used by the CEO pursuant to the CEO's engagement under this Agreement or furnished by the Hospital to the CEO, 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 she ceases for any reason to be an employee of the Hospital irrespective of the time, manner or cause of the release from employment.
- 6.2 Without limiting the generality of the foregoing, the CEO 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 her during the term hereof of which may come into her

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possession during hereof in her 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 CEO's duties hereunder) and shall, in any event, be returned to the Hospital upon the CEO 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 CEO 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 CEO being responsible for recognizing and avoiding all circumstances that may give rise to actual or perceived conflict of interest situations; she shall disclose any such actual or perceived conflicts of interest to the Chair of the Hospital's Board of Directors at the earliest possible opportunity upon discovering same.
- 7.2 The CEO 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 Hospital's Board of Directors in accordance with Hospital policy for such matters.

Confidentiality

- 8.1 The CEO acknowledges that she 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 CEO. The CEO acknowledges that the disclosure of confidential information other than as necessary in the fulfillment of the CEO'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 CEO undertakes and agrees that no such confidential information shall be divulged in any form, nor used directly or indirectly for the CEO'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.

Assignment of the Agreement

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

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Severability

- 10.1 The Hospital and the CEO 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 CEO and the Hospital concerning the CEO's employment relationship with the Hospital. It supersedes any and all other agreements or contracts, whether verbal or written, between the parties. The CEO 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 January 29, 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 CEO 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

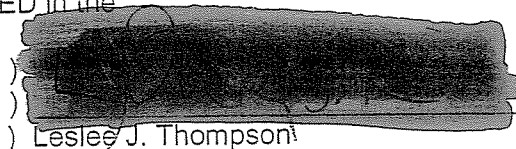
Per: 
Chris Cunningham, Chair, Board of Directors

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:



Witness


) Leslee J. Thompson

Shannon Graham

Name of Witness

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Leslee J. Thompson, President and CEO, Kingston General Hospital

SCHEDULE A

EXCERPT OF THE KGH BYLAWS APPROVED FEBRUARY 2009

ARTICLE 6 CHIEF EXECUTIVE OFFICER & CHIEF OF STAFF

6.01 Chief Executive Officer & Chief of Staff

- (a) The Chief Executive Officer and Chief of Staff shall be appointed by the Board of Directors in accordance with its approved selection and engagement process.
- (b) The Board of Directors by resolution may at any time revoke or suspend the appointment of the Chief Executive Officer and the Chief of Staff.

6.02 Duties of Chief Executive Officer

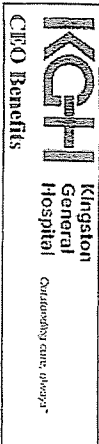
- (a) The Chief Executive Officer may be the Secretary of the Board.
- (b) The Chief Executive Officer shall be an ex-officio non-voting member of the Board and, unless otherwise noted, the Board committees but shall only count towards the quorum of the Board committees if he/she is present.
- (c) The Chief Executive Officer shall:
 - (i) be responsible for and accountable to the Board of Directors for all aspects of the Hospital management including organization and utilization of resources, all in accordance with the Policies established by the Board of Directors;
 - (ii) be responsible to the Board for taking such action as the Chief Executive Officer considers necessary to ensure compliance with the Legislation thereunder and the By-Law of the Corporation;
 - (iii) provide the Board with regular assurance that the methodology and data used by Management to report Performance Metrics to the Board and federal and provincial agencies appropriately and accurately reflect the Corporation's performance and provides a reliable basis for Board decision-making;
 - (iv) employ, control and direct all employees of the Corporation;

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- (v) be responsible for the payment of all salaries and amounts due from and owing by the Hospital which fall within the purview and scope of the approved annual budget, or otherwise as may be established from time to time by resolution of the Board of Directors;
- (vi) report to the Board of Directors any matter about which it should have knowledge;
- (vii) report to the Chief of Staff or appropriate Head of Department:
 - (A) any oversight of clinical practice of the Professional Staff members in the Hospital;
 - (B) any failure of a member of the Professional Staff to act in accordance with the Legislation, or the By-Laws, Rules and Regulations of the Corporation; and
 - (C) any patient who does not appear to be making reasonable progress towards recovery or who is not being visited frequently enough by the attending member of the Professional Staff;
- (viii) assure that provision is made for the employee health services as required by the Regulations under the *Public Hospitals Act*;
- (ix) submit quarterly financial statements to the Board indicating the financial position of the Corporation for the previous most recently completed financial statement. The financial statements shall not be earlier than three (3) months preceding the date of the Board meeting;
- (x) ensure that the investment Policy as established by the Board is in place, and monitor compliance with the Policy;
- (xi) submit quarterly certificates to the Board in respect of the previous quarter that all wages owing to employees and source deductions relating to the employees that the Corporation is required to deduct and remit to the proper authorities pursuant to all applicable Legislation, including without limitation, the *Income Tax Act (Canada)*, the *Canada Pension Plan (Canada)*, the *Employment Insurance Act (Canada)* and the *Employer Health Tax Act (Ontario)*, have been made and remitted to the proper authorities, and that all taxes collected pursuant to the *Excise Tax Act (Canada)* and the *Retail Sales Tax Act*

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- (Ontario) have been collected and remitted to the proper authorities;
- (xii) represent the Hospital externally to the community, government, media and other organizations and agencies;
 - (xiii) communicate with related healthcare agencies to promote co-ordination and/or planning of local healthcare services;
 - (xiv) establish an organizational structure to ensure accountability of all programs, services and staff for fulfilling the mission, objectives and strategic plan of the Hospital;
 - (xv) establish a system for ensuring the disclosure of every critical incident as soon as is practicable after the incident occurs to the patient, their substitute-decision-maker or estate trustee, as applicable; and
 - (xvi) have such other powers and duties as may from time to time be assigned to this office by the Board of Directors or as are incident to this office.



**SCHEDULE B -
EMPLOYMENT AGREEMENT
Leslie J. Thompson, CEO**

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 paternity and parental benefits.
HEALTHCARE OF 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 is 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 entitlement)

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	Employer pays 100% of premium.	Compulsory for all regular full-time employees.	400% of annual earnings to a maximum of \$1,000,000.00 (\$600,000 non-evidence) for CEO only.
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	Employer 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)	Employer 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 emp. Also includes International Emergency Assistance.
DENTAL PLAN*	Immediate (First day of Hospital Service)	Employer 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 dependants to age 18. No deductible.
SEMI-PRIVATE HOSPITAL COVERAGE	Immediate (First day of Hospital Service)	Employer 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	Employer 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.

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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.