

BETWEEN:

**TIMMINS AND DISTRICT HOSPITAL/
L'HOPITAL DE TIMMINS ET DU DISTRICT**

(the "Hospital")

and

Bryan Bennetts

(the "Chief Financial Officer" = "CFO")

IT IS AGREED THAT:

1. RESPONSIBILITIES

- (a) The CFO shall render full-time services to the Hospital in the position of CFO or such other job title as the parties may agree to from time to time.
- (b) The CFO shall perform, to the best of his ability and capability, the duties and responsibilities as set out in the job description for the position (attached as Schedule "A"), as may be amended from time to time, and as required by the Hospital's policies, procedures, rules and regulations, and/or as requested.
- (c) The Hospital agrees not to substantially alter the duties and responsibilities of the position, which would have the effect of a demotion of the CFO, and/or a reduction in wages and benefits, without the written consent of the CFO.
- (d) The CFO shall participate in the development of annual goals and objectives for his management responsibility. These will be used by the Chief Executive Officer ("CEO") to evaluate his performance on a regular basis. This performance review may impact on annual salary consideration. The CFO shall have a 90 day period ("Cure Period") to correct any problems identified in a performance review prior to any impact on his salary. If the identified problems have been corrected by the end of the Cure Period, there shall be no impact on the CFO's salary.
- (e) The CFO is directly accountable and reports to the CEO.

2. TERM

This Agreement commences on April 1, 2007 and shall continue until termination in accordance with the provisions of this Agreement. Notwithstanding the term of this Agreement, the parties acknowledge that the CFO began his employment with the Hospital on June 3, 1985.

3. SALARY

- (a) As of April 1, 2007, The CFO shall receive \$130,885. (one hundred and thirty thousand, eight hundred and eighty-five dollars) per annum. After a successful 6-month probationary period in this new role, the new remuneration would be \$134,157. (one hundred and thirty-four thousand one hundred and fifty-seven) effective October 1, 2007. The CEO shall review by March 31st of each contract year-end the CFO's salary, benefits, vacation, performance and working conditions, taking into account his submissions. An increase, if any, will be effective April 1 if it is approved by the CEO.
- (b) The salary component of the contract is determined in part by considering salary benchmarks in the Ontario Hospital industry which are comparable to salaries paid in hospitals of similar bed size and operational budgets.

4. BENEFITS AND RELATED POLICIES

a) Reimbursement of Expenses

The Hospital will reimburse the CFO for any reasonable and substantiated expenses, incurred in connection with his duties under this Agreement, according to established hospital policy.

b) Benefits Plans

The CFO shall participate in the benefit plans as per Schedule "B".

c) Vacation

The CFO is entitled to 6 (six) weeks vacation per year which entitlement shall increase upon his accumulation of additional years of service, in accordance with Hospital policy, as amended by the Hospital from time to time. Vacation time may not be carried over into subsequent years but must be taken in the year in which it is earned, unless otherwise agreed to by the CEO in writing. For purposes of vacation, the year is from May 1 to April 30.

d) Professional Dues and Memberships

The Hospital will pay for membership fees for professional memberships (i.e. CGA and CCHSE), and any other professional, service or other organization required by the Hospital, provided that all fees are pre-approved by the CEO.

e) Professional Development

The CFO will be permitted to be absent from the Hospital during working days to attend professional development meetings and conferences and to attend to such outside professional duties in the Hospital field as have been mutually agreed upon between him and the CEO. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and shall not be considered vacation time.

f) Car Allowance

The Hospital will pay the CFO \$500 (five hundred dollars) per month towards the expense of the CFO's automobile for local travel, which is a taxable benefit. It is understood that a portion of this is considered as compensation for Senior Manager On-Call duties. The Hospital will pay for travel outside the City of Timmins at a rate per kilometer set by the Hospital for all administrative staff.

5. SERVICE

- (a) The CFO shall devote full-time and attention to the business of the Hospital and shall not, without the consent in writing of the Hospital, undertake any other business or occupation or become a director, officer, executive or agent of any other company, firm or individual. It is understood that the CFO does provide assistance to the Hospital Foundation on his own time.
- (b) The CFO covenants – and acknowledges that the Hospital is relying on this covenant – to remain in the employment of the Hospital (in this position or another position that the parties agree upon) until at least March 31, 2009.
- (c) The CFO shall not, either during the term of this Agreement, or any time thereafter, disclose in any way any information concerning the business affairs of the Hospital which the CFO may have acquired in the course of, or incidental to, his relationship with the Hospital. 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 CFO.

6. TERMINATION OF EMPLOYMENT

This Agreement may be terminated in the following manner:

- (a) By the CFO, at any time after March 31, 2009, for any reason on giving three (3) months' written notice to the Hospital. The Hospital may waive notice, in whole or in part. Where the CFO terminates this Agreement due to his own ill health or disability, which prevents his continued employment with the Hospital, the Hospital shall waive the notice requirement.
- (b) By the Hospital, in its absolute discretion, without any notice or payment if there is "Just Cause" for the termination. Just Cause for the purposes of the Section 6(b) includes the following:
 - (i) any material breach of the obligations or covenants contained in the Agreement;
 - (ii) wilful failure to carry out the CFO duties as set out in this Agreement or as prescribed by the CEO from time to time;
 - (iii) wilful failure to comply with the applicable legislation governing the Hospital, including the *Public Hospitals Act*, or with the Hospital's by-laws, policies, rules or regulations;
 - (iv) any conduct of the CFO that, in the opinion of the CEO, tends to bring the CFO or the Hospital into disrepute; or,
 - (v) conviction of the CFO of a criminal offence punishable by indictment, where the CEO in his discretion considers the nature, circumstances and effect of the conviction to merit termination.
- (c) In the event of termination of the CFO without Just Cause (e.g., a result of corporate restructuring, Ministry of Health mandated operational review, etc.), the Hospital will pay 24 months severance (the "Notice Period"), including a continuation of health/dental benefits, health spending account, life insurance, accidental death and dismemberment, and pension, where permitted by the third party provider. The Hospital agrees to provide the CFO with a lump sum payment equivalent to the Hospital's share of Long Term Disability premiums that would have been paid on the CFO's behalf during the Notice Period. The payments under this Section 6(c) include all entitlement to either notice or pay in lieu of notice and severance pay under the *Employment Standards Act, 2000* (Ontario). In the event that the minimum statutory requirements as at the date of termination provide for right or benefit that is greater than that provided for in this Agreement, such statutory requirements will replace the payments contemplated under this Agreement.

The CFO agrees to accept the notice or pay in lieu of notice as set out in this Section 6(c) in full and final settlement of all amounts owing to him by the Hospital on termination, including any payment in lieu of notice of termination, entitlement of the CFO under any applicable statute and any rights that the CFO may have at common law and the CFO waives any claim to any other payment or benefits from the Hospital.

- (i) The parties understand and agree that the giving of notice or the payment of pay in lieu of notice by the Hospital to the CFO on termination of the CFO's employment shall not prevent the Hospital from alleging that Just Cause exists for the termination.
 - (ii) During the Notice Period, the CFO, as a long-service employee, shall have no obligation to mitigate the amounts payable by the Hospital under this Section 6(c).
 - (iii) Upon termination of the CFO pursuant to this Section 6(c), the Hospital agrees to make a one-time payment of up to \$3,000.00 (three thousand dollars) to be used for outplacement counseling or executive job search services or relocation expenses, provided that all requests for payment are supported by an invoice from the counseling or search firm or moving company.
- (d) Notwithstanding the termination of this Agreement for any reason whatsoever, the Hospital shall pay to the CFO any arrears of monies owing to the CFO up to the date of termination, in addition to those monies which may be owing pursuant to this Section 6(c).
- (e) Upon termination of this Agreement for any reason, the CFO acknowledges that all items of any kind created or used by him pursuant to his employment or furnished by the Hospital to him, including, but not limited to, all equipment, books records, credit cards, keys, 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 CEO, in good condition, promptly without being requested to do so.

7. NOTICES

- (a) Any notice to be given to the CFO shall be delivered to the CFO personally or mailed by registered mail to the address last known to the Hospital.
- (b) Any notice to be given to the Hospital shall be mailed by registered mail to the CEO at the Hospital address or delivered personally to the CEO or in his absence the acting CEO of the Hospital.

8. SEVERABILITY

In the event that any provision or part of this Agreement shall be deemed invalid by a court or arbitrator the remaining provisions shall remain in effect.

9. ENTIRE AGREEMENT

This contract, includes Schedules "A" and "B", constitutes the entire agreement between the parties and any previous agreements, written or oral, express or implied, relating to the employment and appointment of CFO by the Hospital, are terminated and superseded.

10. AMENDMENT OF AGREEMENT

Except as expressly contemplated in this Agreement, any modification to this Agreement must be in writing and signed by the parties or it shall have no effect. This Agreement shall not be assigned by either party without the written consent of the other, provided that the Hospital may assign this Agreement to any successor entity of the Hospital, without the consent of the CFO.

11. HEADINGS

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the Agreement.

12. GOVERNING LAW

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

13. INDEPENDENT LEGAL ADVICE

Each party has had the opportunity of obtaining independent legal advice and has read and understood the terms of this Agreement, and freely agrees to those terms. The Hospital agrees to reimburse the CFO for reasonable legal costs incurred by him in obtaining independent legal advice relating to this Agreement, up to a maximum of \$1,000 (one thousand dollars); reimbursement shall be conditional on the submission to the Hospital of invoice for the legal services rendered.

14. ARBITRATION

Any dispute between the Hospital and the CFO concerning this Agreement shall be referred to a single arbitrator in accordance with the *Arbitration Act*, 1991 (Ontario). The parties shall jointly appoint the arbitrator. Where the parties cannot agree on an arbitrator within a reasonable time frame (not to exceed 30 (thirty) days following a request by either party to engage in arbitration), either party shall be at liberty to apply to any judge of the Superior Court of Justice (Ontario) sitting in Timmins for an order appointing the arbitrator, provided that the other party is given not less than 21 (twenty-one) days' prior written notice of that application and is permitted to attend and speak to the Court at the hearing of that application.

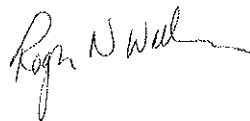
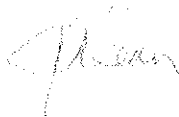
Amongst other matters that may be in dispute under this Agreement, the arbitrator shall be entitled to decide whether the facts surrounding a dismissal of the CFO for Just Cause support the conclusion of the Hospital that Just Cause exists.

The parties shall each be liable to the arbitrator to pay one-half of the arbitrator's fees and disbursements. In the event that the parties agree in writing at the outset of the dispute that the arbitrator's decision with respect to the dispute shall be final and without recourse to appeal, the Hospital agrees to pay two-thirds of the arbitrator's fees and disbursements, and the CFO shall be responsible for the remaining one-third of the arbitrator's fees and disbursements. Notwithstanding the foregoing, the arbitrator may, but shall not be obliged, to award to the party to the dispute whom the arbitrator decides has achieved substantial success in the arbitration proceedings all or any part of the solicitors' fees, arbitrators' fees and costs and other costs incurred by that party with respect to the arbitration.

SIGNED IN THE PRESENCE OF

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**TIMMINS AND DISTRICT HOSPITAL/
L'HOPITAL DE TIMMINS ET DU DISTRICT**



(Witness)

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Per: Roger N. Walker
President & CEO



(Witness)

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Bryan Bennetts
CFO

SCHEDULE "A"

TIMMINS AND DISTRICT HOSPITAL

POSITION DESCRIPTION

POSITION TITLE

Chief Financial Officer

POSITION SUMMARY

To assist the Senior Management Team in developing and implementing the Hospital's strategic plan.

To direct and oversee all financial activities of the Hospital including preparation of financial reports, forecasts and budgets

To provide leadership and coordination in the business planning, account and budgeting efforts of the Hospital.

Responsible for departments of Information Technology/Information Services and Health Data.

POSITION RESPONSIBILITIES

ORGANIZATIONAL

1. To contribute to the development of Hospital philosophy, objectives, policies and support them.
 - a) To implement hospital policies.
 - b) To appraise them, report their effectiveness and make recommendations to the President & CEO.
 - c) To understand and respect the responsibilities of associates in the Hospital and to support them wherever possible in the achievement of their objectives.
2. To establish policies and procedures, evaluate their effectiveness and recommend changes to the President & CEO.
3. To establish and maintain an effective working relationship with departmental staff, medical staff and other departments and inform them of changes or

developments which may affect them.

4. To actively participate in hospital, community and district committees, inservice programs and other activities.
5. To provide advice to assist the Senior Management Team regarding any issue that may be brought to their attention from time to time.
6. To lead Senior Management Team and develop long term operational and capital financial planning that aligns with the Hospital's strategic plan.

FUNCTIONAL

7. To ensure all financial records are maintained in accordance with generally accepted accounting procedures.
8. To ensure accuracy, completeness, integrity and appropriate disclosure in all financial reporting and analysis.
9. To ensure compliance with all governmental financial reporting requirements and to assist with ensuring compliance of all non-governmental financial and statistical reporting requests and requirements.
10. To monitor the financial results of the Hospital and provide information to the Senior and Middle Management Teams which will allow them to analyse the operation and performance of the Hospital and their areas of responsibility.
11. To interpret pertinent financial directives, policies, reports, etc. to the President & CEO.
12. To be responsible for all disbursements, investments and collection of funds.
13. To monitor Hospital cashflow and develop strategy to maximize the cash available to meet the operational and capital needs of the Hospital and to advise President & CEO of any potential cashflow risks.
14. To implement systems and controls which will safeguard all Hospital assets.
15. To develop, implement and refine the annual budgeting process to ensure active participation by all management to facilitate an acceptable Hospital budget for submission to the Board of Directors and the Ministry of Health.
16. To oversee and participate where necessary in all interactions with the Hospital's external auditor.
17. To keep informed of new trends in financial management and implement when feasible to achieve improved performance.
18. To provide on-going educational programs in budget preparation and control for all department heads.

19. To oversee the Hospital's insurance coverage and make recommendations to the President & CEO on required enhancements or other changes.

MANAGERIAL

20. To direct and co-ordinate the departments of Finance, Information Technology/Services and Health Data and to ensure that the philosophy and objectives of these departments supports the philosophy and objectives of the Hospital.
21. Strive for personal and professional growth and improvement and encourage staff to do likewise.

POSITION REQUIREMENTS

1. Must possess an accounting designation (CA, CMA or CGA). Individuals who possess senior financial experience in a hospital setting will be considered.
2. Must possess the ability to understand and apply the principles and practices of accounting, auditing, statistics, fiscal management and related systems and procedures.
3. Must possess professional written and verbal communication and interpersonal skills.
4. Must show evidence of ability to exercise initiative, professional judgement, discretion and decision making to achieve organizational objectives.
5. Must possess experience in strategic planning and execution.

POSITION RELATIONSHIPS

- a) Reports to President & CEO
- b) Responsible for Manager, Business Operations; Manager, IT/IS and Manager, Health Data.

EFFECTIVE: January 1, 2008

REVIEW/REVISION DATE

SCHEDULE 'B'

TIMMINS AND DISTRICT HOSPITAL

BENEFITS – CFO

- Hospitals of Ontario Pension Plan (HOOPP)
- Hospitals of Ontario Disability Insurance Plan (HOODIP)
- Extended Health
- Dental
- Semi-Private
- Accidental dismemberment & Death (AD&D)
- Life Insurance
- WSIB
- Employer Health Tax
- Health Spending Account (\$1,000 (one thousand dollars) per annum)

Details of benefit entitlement are as set out in the manual (s) provided to the employee by the employer. Benefits are subject to any and all changes made by the relevant carrier or legislation