

THIS **AGREEMENT** made on Dec. 1, 2006 & Revised 1 May 2008

BETWEEN:

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

(the "Hospital")

and

**MICHAEL RESETAR**

(the "Director of Human Resources")

IT IS AGREED THAT:

**1. RESPONSIBILITIES**

- (a) The Director of Human Resources shall render full-time services to the Hospital in the position of Director of Human Resources or such other job title as the parties may agree to from time to time.
- (b) The Director of Human Resources 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) Except as provided in Section 6(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 Director of Human Resources, and/or a reduction in wages and benefits, without the written consent of the Director of Human Resources.
- (d) The Director of Human Resources 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 Director of Human Resources shall have a 90 day period ("Cure Period") to correct any problems identified in a performance review prior to any reduction of his annual salary. If the identified problems have been corrected by the end of the Cure Period, there shall be no reduction in the Director of Human Resources annual salary.
- (e) The Director of Human Resources is directly accountable and reports to the CEO.

## **2. TERM**

This Agreement commences on January 2, 2007 and shall continue until termination in accordance with the provisions of this Agreement.

## **3. SALARY**

- (a) The Director of Human Resources shall receive \$115,000.00 (One Hundred and Fifteen thousand dollars) per annum for the period commencing January 2, 2007 and ending June 30, 2007, and shall receive \$117,500.00 (One Hundred Seventeen Thousand Five Hundred dollars) per annum commencing July 1, 2007. The CEO shall review by April 1 of each contract year-end the Director of Human Resources' 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 Director of Human Resources for any reasonable and substantiated expenses, incurred in connection with his duties under this Agreement, according to established Hospital policy.

### **(b) Benefits Plans**

The Director of Human Resources shall participate in the benefit plans as per Schedule "B". The waiting period normally applicable to new employees prior to becoming eligible to participate in such benefit plans will be waived.

### **(c) Vacation**

The Director of Human Resources is entitled to 5 (five) weeks vacation per year after completion of his first year of employment, 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 the Human Resource Professionals Association of Ontario ("HRPAO") and any other professional organizations, service organizations, clubs and any other memberships required by the Hospital, provided that all fees are pre-approved by the CEO.

**(e) Professional Development**

The Director of Human Resources 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 Director of Human Resources \$500 (five hundred dollars) per month towards the expense of the Director of Human Resources' automobile for local travel (which is a taxable benefit), commencing when on-call responsibility is assumed, and 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 Director of Human Resources shall devote his 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.
- (b) The Director of Human Resources 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 Director of Human Resources 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 Director of Human Resources.

**6. TERMINATION OF EMPLOYMENT**

This Agreement may be terminated in the following manner:

- (a) By the Director of Human Resources, at any time, 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 Director of Human Resources 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 this Section 6(b) includes the following:

- (i) any material breach of the obligations or covenants contained in this Agreement;
- (ii) willful failure to carry out the Director of Human Resources' duties as set out in this Agreement or as prescribed by the CEO from time to time;
- (iii) willful failure to comply with the applicable legislation governing the Hospital, including, but not limited to the *Public Hospitals Act*, the *Labour Relations Act, 1995*, the *Human Rights Code*, the *Workplace Safety and Insurance Act*, or with the Hospital's by-laws, policies, rules or regulations;
- (iv) Any mental or physical disability or illness that results in the Director of Human Resources being unable to substantially perform his duties in accordance with this agreement, for a period of 150 consecutive days, or an aggregate of 180 days in any 365 day period.

For the purposes of this provision the parties agree that the Director of Human Resources is a key person in a key position in which maximum production is a fundamental term and condition of the employment contract. Failure by the Hospital to rely on this provision in any given instance or instances shall not constitute a precedent or deemed to be a waiver;

- (v) any conduct of the Director of Human Resources that, in the opinion of the CEO, tends to bring the Director of Human Resources or the Hospital into disrepute;
  - (vi) conviction of the Director of Human Resources 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; or
  - (vii) Any and all omissions or commissions that would have been just cause for summary dismissal by law, in addition to the specified causes.
- (c) In the event of termination of the Director of Human Resources without Just Cause, the Hospital will compensate him at his regular rate on the date of termination of employment for a period calculated as follows: a base period of 3 (three) months plus one month for each completed year of service (calculated from the Director of Human Resources first day of employment with the Hospital, being January 2, 2007) to a maximum of 24 months (the "Notice Period"). In addition, the Hospital will continue the Director of Human Resources' health/dental benefits, health spending account, life insurance, accidental death and dismemberment, and pension for the Notice Period, to the extent permitted by the applicable third party provider. The Hospital agrees to provide the Director of Human Resources with a lump sum payment equivalent to the Hospital's share of Long Term Disability premiums that would have been paid on the

Director of Human Resources 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 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 Director of Human Resources 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 Director of Human Resources under any applicable statute and any rights that the Director of Human Resources may have at common law, and the Director of Human Resources 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 Director of Human Resources on termination of the Director of Human Resources employment shall not prevent the Hospital from alleging that Just Cause exists for the termination.
- (ii) During the Notice Period, the Director of Human Resources shall have a positive obligation to mitigate the amounts payable by the Hospital under this Section 6(c) by taking all reasonable steps to find reasonable alternate employment (including consulting and contract work and including employment elsewhere in the Province) and by providing the Hospital with acceptable proof of such efforts on a monthly basis. Failure to provide such proof or to make reasonable efforts in any given month will result in the forfeiture by the Director of Human Resources of the payment for the following month. Should the Director of Human Resources obtain alternative employment (including consulting and contract work) prior to the end of the Notice Period, all monies earned by the Director of Human Resources during the Notice Period shall be set off against the payments owing or made by the Hospital under this Section 6(c). Notwithstanding the foregoing, the Director of Human Resources shall have no obligation to mitigate, and the Hospital shall have no right of set off, during the initial period of the Notice Period for a timeframe which is equivalent to the Director of Human Resources' notice and severance entitlement under the *Employment Standards Act* (Ontario). It is also understood that once the Director of Human Resources has served the Hospital for 10 years (i.e. after January 2, 2017) or longer, this Section on mitigation and set off would no longer apply.
- (iii) Upon termination of the Director of Human Resources 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.

- (c) Upon the retirement of the Director of Human Resources in accordance with the terms of the Hospital's retirement policy and pension plan. The retirement of the Director of Human Resources shall not constitute a dismissal or constructive dismissal, and the Director of Human Resources acknowledges and agrees that the Hospital is not required to provide notice of termination upon retirement, nor compensation in lieu of such notice upon the retirement of the Director of Human Resources.
- (d) Notwithstanding the termination of this Agreement for any reason whatsoever, the Hospital shall pay to the Director of Human Resources any arrears of monies owing to the Director of Human Resources 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 Director of Human Resources 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.
- (f) The Director of Human Resources acknowledges that his obligation to maintain confidentiality in accordance with article 5(b) of this Agreement is intended to survive the termination of his employment for whatever reason. In addition, the Director of Human Resources warrants that, after the termination of his employment for whatever reason, he will refrain from making negative public comments that could jeopardize the reputation of the Hospital or its management, Board of Directors, physicians or staff, and that any such comments, if made will result in the forfeiture of his entitlements pursuant to article 6(c).

## **7. NOTICES**

- (a) Any notice to be given to The Director of Human Resources shall be delivered to The Director of Human Resources personally or mailed by registered mail to his 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, including 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 the Director of Human Resources by the Hospital, are terminated and superseded.

## **10. AMENDMENT/ASSIGNMENT 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 Director of Human Resources.

## **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**

The Director of Human Resources acknowledges that he 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.

## **14. ARBITRATION**

Any dispute between the Hospital and the Director of Human Resources 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 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 twenty-one (21) 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 Director of Human Resources for Just Cause support the conclusion of the Hospital that Just Cause exists. The arbitrator will not have the authority to reinstate the Director of Human Resources, and shall be governed by the principles normally applicable in a dismissal case before the courts.

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 Director of Human Resources 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.

All of which is agreed, this 3rd day of <sup>June</sup> ~~April~~, 2008, in the City of Timmins.

*E.V. M*

SIGNED IN THE PRESENCE OF

*[Signature]*  
(Witness)

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

*[Signature]*

Per: Esko J. Vainio  
Chief Executive Officer

*[Signature]*

Michael Resetar  
Director of Human Resources



TIMMINS AND DISTRICT HOSPITAL

**SCHEDULE 'B'**

**BENEFITS - DIRECTOR OF HUMAN RESOURCES**

- Hospitals of Ontario Pension Plan (HOOPP)
- Hospitals of Ontario Disability Insurance Plan (HOODIP)
- Extended Health Care
- Dental
- Semi-Private
- Accidental dismemberment & Death (AD&D)
- Life Insurance
- WSIB
- Employer Health Tax
- Health Spending Account \$1,000 (one thousand dollars) per annum
- In the first year of employment, two float holidays, plus two additional float holidays effective 1 April, 2007 (all four of which are to be used or scheduled by 31 March, 2008)

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