EMPLOYMENT CONTRACT

BETWEEN:

WEST NIPISSING GENERAL HOSPITAL

(hereinafter called the "Hospital")

- and -

CYNTHIA DÉSORMIERS

(hereinafter called the "Employee")

WHEREAS the Hospital wishes to employ the Employee and the Employee wishes to be employed by the Hospital in the capacity and upon the terms set forth in this agreement;

AND WHEREAS the Employee has represented that she has the required skills to perform the duties of the position;

NOW THEREFORE, this Agreement witnesses that, in consideration of the mutual covenants hereafter contained including, but not limited to, the increase in the Employee's rate of pay, the parties agree as follows:

1.0 APPOINTMENT

1.1 The Hospital hereby agrees to promote the Employee to, and she hereby agrees to serve as, Chief Executive Officer of the Hospital in accordance with the terms and conditions of this Agreement commencing 1 ~~April, 2009~~ March 23/09

2.0 RESPONSIBILITIES

2.1 The Employee agrees to act as Chief Executive Officer of the Hospital in accordance with the Position Description attached hereto as Schedule "A" (which will be considered as part of this Agreement) and the By-Laws of the Hospital. In general, the Employee agrees to supervise, promote and direct the operations of the Hospital so as to further its objectives as set out in its mission statement and policies of the Hospital, shall regularly report to the Board of Directors of the Hospital on the affairs of the Hospital, and shall perform such other duties as from time to time may be conferred upon or assigned to her by the Board of Directors of the Hospital. The parties agree that the authority of the Chief Executive Officer will be as described in Policy No. 730.17 as may be amended by the Board of Directors of the Hospital from time to time.

2.2 Without restricting the duties and responsibilities set out above, the Employee may delegate any of the above duties to other members of staff of the Hospital, save where specifically prohibited by law, Ministry directive or instruction of the Board of Directors of the Hospital.

2.3 The Hospital agrees not to substantially alter the duties and responsibilities of the Employee's position in a manner which would have the effect of a demotion from the position of Chief Executive Officer and/or a reduction in wages or benefits, without cause or the consent of the Employee or in accordance with the terms of this Agreement.

2.4 The Employee accepts the appointment and undertakes to fully and faithfully discharge the duties and responsibilities of Chief Executive Officer of the Hospital to a high standard of professional competence.

2.5 The parties agree and understand that the Employee will be employed on a full-time basis for the Hospital and that the Employee will devote herself exclusively to the business of the Hospital and will not be employed or engaged in any capacity in any other business without the prior written approval of the Hospital.

3.0 TERM

3.1 This Employment Contract shall be for an indefinite term, subject to termination in accordance with the Termination provision.

4.0 RECOGNITION OF SERVICE AND TRIAL PERIOD

4.1 The Hospital recognizes the Employee's past service to the Hospital since her hire in 1988 and agrees that such service will be recognized for all purposes under this Agreement.

4.2 The Employee acknowledges that the Hospital must be at liberty during the initial period of the Employee's employment in the position of Chief Executive Officer to assess the ability of the Employee to perform the duties of the position and to assess the ability of the Employee to work in harmony with others and to comply with the organizational requirements of the Hospital. Accordingly, the Employee understands and agrees that the first twelve (12) months of her employment as Chief Executive Officer shall constitute a trial period during which the Board of Directors of the Hospital may, in its absolute discretion, remove the Employee from the position of Chief Executive Officer (the "Trial Period"). The Hospital may elect to terminate the Employee's employment during the Trial Period without cause in accordance with article 10.1 (c) hereof except that the Notice Period shall be twelve (12) months at the rate of remuneration she was receiving at the time of her promotion plus any applicable adjustments prior to her termination of employment.

5.0 PERFORMANCE APPRAISALS

5.1 The Employee understands that the Hospital will conduct Performance Appraisals and that these will be based on the duties and obligations as set out in the Position Description.

5.2 The first of these reviews will be conducted within six (6) months of employment and thereafter such reviews will be conducted annually and will be conducted by the Board of Directors of the Hospital or such other ad hoc committee as may be determined by the Board.

5.3 It is understood and agreed by the Employee that, without derogating in any way from the Hospital's rights under the Termination provision, repeated unacceptable performance appraisals will constitute a material breach of this agreement.

6.0 REMUNERATION, BENEFITS AND EXPENSES

6.1 The parties agree that the Employee's remuneration for the first year of her employment will be $150,159.83 per annum.

6.2 Prior to any change in remuneration, there shall be a Performance Appraisal of the Employee conducted by the Hospital in accordance with article 5 hereof. If the Employee's performance has been satisfactory, then an increase will be awarded. If the financial circumstances of the Hospital are such that, in the Hospital's view, the scheduled increase is inappropriate, the Employee will receive the minimum rate of increase granted to other management employees. In considering what increase is appropriate, the Hospital will consider salary benchmarks in the Ontario hospital industry which are comparable to salaries paid in hospitals of similar bed size and operational budgets.

6.3 The Employee shall be entitled to all of the fringe benefits and holidays provided to other Non-union Management employees of the Hospital. It is agreed and understood that the Hospital reserves the right to unilaterally revise terms of the Non-Union Management Employee benefit program.

6.4 The Hospital agrees to provide to the Employee reimbursement of any applicable membership fees in professional organizations in which the Employee is required to be a member, subject to approval by the Chair of the Board of Directors of the Hospital.

6.5 The Hospital will reimburse the Employee for any reasonable and substantiated expenses incurred in connection with her duties under this Agreement and in accordance with established Hospital policy.

6.6 The Employee will be permitted to be absent from the Hospital to attend professional development meetings and conferences and to attend to such outside professional duties in the Hospital field as have been mutually agreed with the Board of Directors of the Hospital.

7.0 VACATION

7.1 The Employee shall be entitled to six (6) weeks' vacation in the first year of employment and, commencing on the twenty-second anniversary date of the commencement of her employment, shall be entitled to seven (7) weeks of vacation per year.

7.2 Vacation will be taken with due consideration of high demand program intervals and at such time or times as is convenient to both the Employee and Hospital.

7.3 No greater than four (4) weeks will be taken at one time unless authorized by the Chair of the Board of Directors of the Hospital.

7.4 It is understood that vacation entitlement may not be accumulated but must, with respect to any completed year, be taken within 12 months of the end of such year. If taking such vacation entitlement within the prescribed time period is not possible due to operational reasons, the parties may agree to a vacation deferral or a payout of the Employee's vacation pay entitlement.

8.0 HOURS OF WORK

8.1 It is expected that the Employee will devote such full-time and excess hours as may reasonably be required to fulfil the responsibilities of the position of Chief Executive Officer. It is recognized that the Employee is a management employee and her salary is inclusive of compensation for any required overtime.

9.0 CONFLICT OF INTEREST AND CONFIDENTIALITY

9.1 In recognition of the Hospital's commitment to the community, the Employee agrees to perform her duties in accordance with the highest ethical standards and in a manner that will bear the closest public scrutiny. In particular, the Employee agrees:

a) to disclose any private interests of the Employee that could be affected by actions of the Hospital or could put the Hospital's reputation for ethical practice at risk.

b) that she must not have a business, commercial or financial interest in any transaction or initiative which would or could conflict with the conduct of her duties for the Hospital, the best interests of the Hospital, or the carrying out of the Hospital's objectives.

c) not to solicit or accept transfer of economic benefit from persons having, or likely to have, dealings with the Hospital.

d) not to step out of her official role to assist private entities or persons in their dealings with the Hospital, where this would result in preferential treatment to any person or organization.

e) not to knowingly take advantage of, nor benefit from material information that is not generally available to the public that is obtained in the course of her official duties and responsibilities.

f) not to directly or indirectly use, or allow the use of the Hospital's property of any kind, for anything other than officially approved activities.

g) Not to, after she leaves the employment of the Hospital, act in a manner that takes improper advantage of her position with the Hospital.

9.2 The Employee shall not, either during the term of this Agreement or any time thereafter, disclose in any way information concerning the affairs of the Hospital (including the delivery of health care or personal health information of patients of the Hospital) which the Employee may have acquired in the course of, or incidental to, her 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 availably through no fault of the Employee.

10.0 TERMINATION

10.1 This agreement may be terminated in the following manner in the specified circumstances:

a) By the Employee for any reason on giving not less than 3 months notice in writing to the Hospital. The Hospital may waive notice in whole or in part upon paying the Employee 3 months salary in lieu of notice or the appropriate pro rated portion thereof and, in particular, should the Employee resign her employment, the Employee will not be entitled to any payment other than for monies earned by the Employee in accordance with this clause;

b) By the Hospital, without notice or payment in lieu of notice for cause. For the purposes of this agreement "cause" shall include, without limitations:

i) Any significant and material breach of the provisions of this agreement;

ii) Incompetence of the Employee;

iii) Failing to keep the Hospital informed of material issues affecting the operations of the Hospital after being informed of, and having been given an opportunity to, correct the failing;

iv) Failure by the Employee to maintain a good working relationship with the managers and staff of the Hospital after being informed of, and having been given an opportunity to, correct the failing;

v) Any mental or physical disability or illness which results in the Employee being unable to substantially perform her duties in accordance with this agreement, for a period of 280 consecutive days or periods aggregating 300 days in any period of eighteen months. For the purposes of this provision the parties agree that the Employee is a key person in a key position in which maximum performance is a fundamental term and condition of the employment contract.

vi) Any conduct of the Employee which tends to bring herself or the Hospital into disrepute;

vii) Repeated poor performance on the part of the Employee after being counselled as to the standard required as determined by the Hospital;

viii) Any intentional or grossly negligent disclosure of any confidential information or personal health information by the Employee;

ix) Conviction of the Employee for a criminal offence punishable by indictment, where the Board of Directors of the Hospital, in its discretion, considers the nature, circumstances and effect of the conviction to merit termination;

x) Retirement of the Employee in accordance with the Hospital's pension plan;

xi) Any and all omissions or commissions that would have been cause for summary dismissal by law, in addition to the specified causes.

c) In the event of termination of the Employee without cause following the Trial Period described in article 4.2 of this Agreement, the Hospital will compensate her at her regular rate on the date of the notice of termination of employment for a period of one month per year of service (calculated at the date of the notice of termination of her employment) to a maximum of twenty-four (24) months (the "Notice Period"). Alternatively, at the option of the Hospital, the Hospital may terminate the Employee's employment immediately and provide the Employee with an equivalent lump sum payment in lieu of notice. In addition, the Hospital will continue the Employee's benefits (with the exception of sick leave and long term disability coverage) and pension contributions for the Notice Period, to the extent permitted by the Hospital's group health benefit insurer and HOOPP. The Hospital agrees to provide the Employee with a lump sum payment equivalent to the Hospital's share of Long Term Disability benefit premiums that would have been paid on the Employee's behalf during the Notice Period. If the Hospital's benefit or pension provider does not permit the continuation of coverage during the Notice Period, the Hospital may pay to the Employee a lump sum equivalent to the premiums and/or contributions that would have been required by the Hospital during the Notice Period in substitution for and in full satisfaction of its obligation to continue benefits during the Notice Period.

The payments under this section include all entitlement to either notice or pay in lieu of notice and severance pay under the *Employment Standards Act, 2000*. 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.

10.2 The Hospital agrees that notwithstanding any entitlement the Employee may have to notice, reinstatement or other remedies at common law, the terms of this contract and the entitlement to notice or pay in lieu of notice are a full replacement and substitute for such rights. The parties understand and agree that the giving of notice or the payment of pay in lieu of notice by the Hospital to the Employee on termination of her employment shall not prevent the Hospital from alleging that cause exists for the termination.

10.3 The Employee warrants that, after the termination of her employment for whatever reason, she will refrain from making negative public statements of 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 her entitlements pursuant to article 10.1 (c.) of this Agreement.

11.0 ARBITRATION

11.1 It is agreed and understood that if any dispute shall occur between the parties relating to the interpretation or implementation of any of the provisions of this Agreement including any matter relating to or arising out of the termination of the Employee, the parties will negotiate in good faith toward a resolution of the dispute. However, where such a resolution is not possible, the dispute shall not be subject to an action in the courts but will be resolved by arbitration.

11.2 In the event that arbitration is necessary, such arbitration shall be conducted by a single arbitrator, if the parties can agree upon one, failing which an arbitrator shall be appointed by a judge of the Ontario Superior Court of Justice upon the application of either of the parties. In the event that the appointed arbitrator is a judge, such judge shall act as an arbitrator and the arbitration shall proceed in accordance with the rules and provisions of the *Arbitrations Act, 1991* (Ontario).

11.3 The arbitrator shall not be precluded by section 35 of the *Arbitrations Act, 1991* from attempting to mediate the dispute.

11.4 The decision of the arbitrator shall be final and binding and no appeal shall lie.

11.5 Each party to the arbitration will be responsible for its own costs and expenses and shall pay one-half of the remuneration and expenses of the Arbitrator

12.0 GENERAL

12.1 The Hospital represents that it has full power and authority to enter into this Agreement and the person signing this Agreement on behalf of the Hospital is properly authorized to sign it.

12.2 No provision of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification is in writing and signed by both parties, or it shall have no effect and shall be void.

12.3 A waiver by the Hospital of any breach of this Agreement shall not be construed as, or deemed to be a waiver of any succeeding or continuing breach or breaches.

12.4 Where notice is required or permitted to be given by either Party to the other pursuant to this Agreement, such notice shall be in writing and shall be deemed to have been sufficiently given,

(a) To the Hospital, if delivered in person to the Chair of the Board of Directors of the Hospital or sent by registered mail to the attention of the Chair of the Board of Directors of the Hospital at the following address:

725 chemin Coursol Road
Sturgeon Falls, ON P2B 2Y6

(b) To the Employee, if delivered in person or sent by registered mail to the Employee at:

725 chemin Coursol Road
Sturgeon Falls, ON P2B 2Y6

Attention: Chief Executive Officer

Any such notice shall be deemed to have been given on the date of delivery or on the fourth (4th) business day after mailing. Either party may specify a different address by notice in writing.

12.5 This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

12.6 In the event that any provision of this agreement shall be deemed void or invalid by a Court of competent jurisdiction, the remaining provisions or parts of shall be and remain in full force and effect.

12.7 This agreement constitutes the entire agreement between the parties with respect to the Employment of the Employee and any and all previous agreements including any pre-hiring promises written or oral, expressed or implied, between the parties or on their behalf relating to the employment of the Employee by the Hospital are terminated and each of the parties releases and forever discharges the other of and from all manner of action, cause of action, claims or demands under or in respect of any such agreement.

In particular, the parties agree that no pre-hiring promises were made and if any pre-hiring promises were made all the promises are contained within this written agreement.

13.0 INDEPENDENT LEGAL ADVICE

13.1 The Employee acknowledges that she has read and understands this agreement and acknowledges that she has had the opportunity to obtain the independent legal advice with respect to it.

13.2 The Employee hereby further acknowledges and agrees that she has not in any way been induced or enticed away from another position of employment into the Hospital's employ.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement this .....9th.....day of February, 2009, in the Town of Sturgeon Falls, in the Province of Ontario.

SIGNED, SEALED AN DELIVERED
in the presence of

Janice Dupuis
Witness

Cynthia Désormiers
Cynthia Désormiers

WEST NIPISSING GENERAL HOSPITAL

Chair, Board of Directors

Executive Committee Member

Executive Committee Member

Executive Committee Member

Executive Committee Member

January 9, 2012 Addendum "A"

Cynthia Désormiers - President & Chief Executive Officer
Executive Compensation – Salary History

• March 26, 2009	$150,159	Start
• March 28, 2010	$165,176	Step increase to Level 3
• March 28, 2011	$172,683	Step increase to Level 4