

**MEMORANDUM OF AGREEMENT
BETWEEN**

**MANITOULIN HEALTH CENTRE
HEREINAFTER REFERRED TO AS "MHC"**

-AND-

DEREK GRAHAM

herein called the Executive Director and CEO, MHC

NOW THEREFORE, this Agreement witnesses that in consideration of the mutual covenants hereafter contained, the parties agree as follows:

1.0 APPOINTMENT

- 1.1 Whereas Derek Graham represents that he has the required skills and experience to perform the duties required of him as Executive Director and CEO ("CEO") and agrees to be bound by the terms and conditions of this agreement, MHC hereby agrees to employ Derek Graham and he hereby agrees to serve as Executive Director and CEO of MHC in accordance with the terms and conditions of this Agreement
- 1.2 Specifically, MHC agrees to continue to employ Derek Graham in the position of Executive Director and CEO for a period of or about five years commencing 6 February, 2012 and ending 31 March, 2017 subject to the terms of this Agreement

2.0 RESPONSIBILITIES

- 2.1 Derek Graham shall act as Executive Director and CEO of MHC and agrees to perform all the functions and duties ordinarily associated with such an office which shall generally be as follows and including the Position Description attached as Appendix "A":
- (a) Represent the Hospital in the community.
 - (b) Develop strategic plans, objectives as well as operating and capital budgets for approval by the Board of Directors ("Board").
 - (c) Implement approved operating and strategic plans in accordance with approved budgets.
 - (d) Monitor all areas of the Hospital's operations to ensure compliance with policies, procedures and objectives as well as develop and implement required corrective action. After such corrective action is taken, the Executive Director and CEO

shall report such action to the Board with a statement of reasons.

- (e) Chair regular meetings of the Management group and ensure that policies and procedures are developed with Board approval for all areas of the Hospital's operations as well as lead the Management group to develop solutions for operational problems which may arise from time to time.
 - (f) Report at each regularly scheduled meeting of the Board on the affairs of MHC and make such recommendations thereon as considered necessary and as the Board deems appropriate.
 - (g) Be responsible to the Board for all phases of the operation, administration, supervision, maintenance and promotion of MI-IC and the development of policies, plans and programs to effect a successful development and operational scheme for the Hospital.
 - (h) Be policy advisor to the Board, with special reference to, but not restricted to the areas of strategic planning and coordination.
 - (i) Investigate, develop and foster relationships with all levels of government and related agencies within the community, provincially and nationally in order to meet the stated and approved objectives of the MHC.
 - (j) Provide regular information to the Board concerning the Local Health Integration Network (LHIN) policies and strategies;
 - (k) Provide advice to the Board, in an effort to foster alignment between MHC's strategic plan, the LHIN's Integrated Health Services Plan and other LHIN initiatives;
 - (l) Collaborate with LHIN and other Health Service Providers to identify possible integration opportunities and make recommendations to the Board for their consideration and adoption;
 - (m) Recommend the adoption of targeted performance measures, designed to track the efficiency and effectiveness of selected integrated activities and report these periodically to the Board.
 - (n) In addition to the functions and duties set forth above, the Executive Director and CEO agrees to discharge such duties and responsibilities as may be assigned from time to time by the Board.
- 2.2 The Executive Director and CEO agrees and understands that in his capacity as Executive Director and CEO, his reporting relationships, duties and responsibilities may be changed unilaterally by the Board as the Board deems appropriate and that any changes which occur pursuant to this clause will not effect the change of any other part of this agreement.
- 2.3 Derek Graham accepts the continued appointment and undertakes to fully and faithfully discharge the duties and responsibilities of Executive Director and CEO of MHC to a high standard of professional competence.
- 2.4 The parties agree and understand that the Executive Director and CEO will be employed on a full-time basis for MHC and that the Executive Director and CEO will devote himself exclusively to the business of MHC and will not be employed or engaged in any capacity in any other business without the prior written approval of the Board.

3.0 PERFORMANCE AND APPRAISAL

- 3.1 The Executive Director and CEO understands that MHC will conduct annual Performance and Appraisal reviews and that these will be based on his duties and obligations as noted in Article 2 of this Agreement. The first of such reviews will be conducted within twelve (12) months of the date of the execution of this agreement.

It is understood that the Board of Directors of MHC or its nominee will conduct the Performance and Appraisal reviews.

4.0 REMUNERATION AND BENEFITS

- 4.1 Pay shall remain status quo from 5 February, 2012 to 31 March, 2012. Effective 1 April 2012 MHC shall pay to Derek Graham an annual salary of \$174,900.00 less statutory deductions and pension plan contributions as compensation for services rendered and for covenants provided by the Executive Director and CEO relating to the terms of this Agreement. Thereafter, Derek Graham will be entitled to yearly increases, at the discretion of the Board.

MHC shall provide the opportunity for Derek Graham to earn a lump sum payment amount of up to 10% of the CEO's base salary, less required statutory deductions, for the year ending 31 March 2013 and thereafter on an annual basis by 30 April. This lump sum payment will be based on the CEO's performance, as measured in his review by the Board and based on achieving the factors set out in paragraph 2.1 of this agreement, the duties and responsibilities as outlined in the position description and meeting any performance targets set annually by the Board, Appendix C.

- 4.2 The Executive Director and CEO shall be entitled to the benefits of and participation in MHC benefit plans as amended and attached as Appendix "B" and all other such plans as maintained by MHC from time to time.
- 4.3 It is agreed and understood that MHC reserves the right to unilaterally revise terms of the benefit program; the revised terms of the plan offered to the Executive Director and CEO will be consistent with the plan offered to the non-union Management Staff.

5.0 EXPENSES

- 5.1 The Executive Director and CEO will be reimbursed for all reasonable expenses such as traveling, attending professional conferences and/or being a member of a related professional association actually and properly incurred by him in the connection with his employment with MHC as determined by MHC. In any event, any professional membership expenses will be subject to the discretion of the MHC and such expenses shall not exceed the budgeted amount in any one fiscal year and must be approved in advance by MHC.

6.0 VACATION AND PUBLIC HOLIDAYS

- 6.1 Derek Graham shall be entitled to vacation time of five weeks during each year of the

contract. It is expected that the Executive Director and CEO will exhaust his vacation in the year. Any carry-over of unused portion of vacation entitlement from one year to the next shall be limited to one week and must be taken and completed by 30 April of the carry-over year.

- 6.2 Derek Graham shall also be entitled to public holidays which will include the following: New Years Day, Good Friday, Victoria Day, Dominion Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day plus three floating holidays. There shall be no carry-over of unused floating holidays from one calendar year to the next.
- 6.3 Notwithstanding the above, vacation and floating holidays will be taken with due consideration of high demand program intervals and at such time or times as is convenient to both the Executive Director and CEO and MHC.

7.0 EARLY TERMINATION

7.1 In accordance with the terms of this Agreement, the CEO is engaged under a definite term contract of or about a five year duration commencing 6 February, 2012 and ending 31 March, 2017. No further notice is required. Prior to the termination date of 31 March, 2017, MHC will provide a minimum of six months notice of intent to Derek Graham. This notice will provide prospective terms for a new Memorandum of Understanding, or declaring the intent of MHC to not enter into an agreement following the termination of existing memorandum.

7.2 a) The CEO may voluntarily terminate his employment at any time by giving not less than four (4) months notice in writing to MHC. MHC may waive such notice in whole or in part.

b) MHC may terminate the employment of the CEO for cause without notice by written notification at any time (see 7.3).

c) MHC may terminate the CEO's employment without cause at any time by a notice to the CEO, in writing, and by forthwith thereafter paying to the CEO a termination amount equivalent to one year's salary and continuing the health benefits set out in Appendix B (except sick leave and Long Term Disability) for a period of six months from the date of the notice. If the Ministry, LHIN or any other external agency, direct the Board to terminate the CEO, and if the Ministry, LHIN or any other external agency provides specific funds to cover part or all of the notice or severance of CEO, any funds in excess of the one year's notice, pursuant to article 7.2, shall be made available as additional severance to the CEO in satisfaction of all claims and demands against MHC.

7.3 In the event this Agreement is terminated by MHC for cause during the term of the Agreement, it is agreed and understood that the CEO will not be entitled to receive any notice or payment in lieu of notice and that the parties will have no further obligation to the other. For the purposes of the Agreement, cause shall include, without limitations, the following:

- a) Any material breach of the provisions of this Agreement as determined in the sole discretion of MHC.

- b) Incompetence of the CEO,
- c) Consistent poor performance on the part of the CEO after being counseled as to the standard of performance required as determined by MHC.
- d) Any mental or physical disability or illness which results in the CEO being unable to substantially perform his duties in accordance with this agreement, for a period of 180 consecutive days or periods aggregating 210 days in any period of 365 days, unless the injury is work related and falls within the provisions of the *Workplace Safety and Insurance Act*.

For the purposes of this provision the parties agree that the CEO is a key person in a key position in which maximum attendance and leadership is a fundamental term and condition of the employment contract. Failure by the Employer to rely on this provision in any given instance or instances, shall not constitute a precedent or deemed to be a waiver,

- e) Any intentional or grossly negligent use and/or disclosure of any information by the CEO as determined by MHC.
- f) Failing to hold in confidence and to keep confidential all Confidential Information.
- g) Failing to report regularly to the Board and failing to keep the Board properly apprised of critical developments within the organization as determined by the Board;
- h) Any abuse of authority, including humiliation, intimidation, bullying, threat, and coercion to interfere with an employee or the employee's job. This does not include normal managerial activities such as counseling, performance appraisals, and discipline.
- i) Any and all omissions or commissions that would have been cause for summary dismissal by law, in addition to the specified causes.

7.4 It is further agreed and understood that for the purposes of compensation all payments will be based on the Executive Director and CEO's remuneration entitlement at the time of termination of this Agreement and will not be based on any contemplated future changes or salary adjustments.

8.0 GENERAL

8.1 Each party represents and warrants that it has full power and authority to enter into and perform this Agreement and the person signing this Agreement on behalf of each party is properly authorized and empowered to sign it.

9.0 MODIFICATION

9.1 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.

10.0 WAIVER

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

11.0 NOTICES

11.1 Any notice to be given to either party may be given by ordinary prepaid mail or personal delivery at the following address:

Manitoulin Health Centre
11 Meredith Street East
P.O. Box 640, Little Current, ON
POP 1K0

11.2 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.

12.0 GOVERNING LAW

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

13.0 SEVERABILITY

13.1 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.

14.0 ENTIRE AGREEMENT

14.1 This agreement constitutes the entire agreement between the parties with respect to the Employment of the Executive Director and CEO, 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 Executive Director and CEO by MHC are terminated and cancelled 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 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.

15.0 INDEPENDENT LEGAL ADVICE

- 15.1 The CEO acknowledges that he has read and understands this agreement and acknowledges that he has had the opportunity to obtain the independent legal advice with respect to it.
- 15.2 The CEO hereby further acknowledges and agrees that he has not in any way been induced or enticed away from another position of employment into the MHC's employ.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement this 29th day of November, 2011, in the town of Little Current in the Province of Ontario.

SIGNED, SEALED AND DELIVERED

In the presence of

Kim Ferraway
Witness

Kim Ferraway
Witness

MHC Gary Nair

[Signature]
Derek Graham, Executive Director and CEO

Appendix "A"

Position Description

Reports to:	Board Chair
Member:	Senior Team
Direct Reports:	Chief Nursing Officer Chief Financial Officer Director of Human Resources Information Technology Manager Environmental Services Manager Nutrition and Food Services Manager Health Records Manager Laboratory Manager Diagnostic Imaging Manager Physiotherapy and Cardiac Rehab Manager Diabetes Education Clinic Co-ordinator Withdrawal Management Manager

Key Responsibilities:

The Executive Director understands that it is an essential term and condition of employment that he resides on Manitoulin Island.

In addition to the responsibilities listed in Section 2.0, as the administrative leader of Manitoulin Health Centre there are a number of core responsibilities that should be maintained throughout the tenure of this position:

- . Ensure support for an array of primary care services across two sites, allowing to the extent possible, health care sufficiently on the Island.
- . With respect to financial responsibilities, be constantly sensitive to the financial constraints within which the Hospital operates.
- . Be an active participant within LHIN 13.
- . Be visible at both sites and aware that both sites must be treated with due regard for their respective cultures and distinctive features.
- . Address any concerns that are specifically addressed to the Executive Director in a timely manner.
- . Emphasize moving communication to an electronic platform. Also implement automated record keeping.

- . Require managers to develop work plans for each program/service area of the hospital. Set goals and objectives to achieve these. This will also provide an evaluation tool to monitor each manager's professional development.
- . On an ongoing basis, liaise with the First Nations group to determine their healthcare needs and communicate with them in an honest and open fashion. Continue to study the epidemiology of the Aboriginal community on the Island and how MHC can effectively respond to these health care needs.
- . Ensure positive and supportive relationships with the various service clubs on the Island and the closely related mainland.
- . Advance the realization of MHC's Strategic Goals and Strategies as set out in the Strategic Plan.
- . Oversee Quality Assurance and Utilization Management programs that effectively tracks the quality of programs and related resource application.
- . With the co-ordination and collaboration of partners, continue to develop IT solutions in which a variety of healthcare providers are able to access patient records.
- . Work with the CCAC and other care providers in the region and the LHIN regarding demographic challenges.
- . Study future service/program needs to be implemented where and when necessary based on the client population.

Appendix “B”

MHC Benefit Plans:

- . Healthcare of Ontario Pension Plan
- . Desjardins Group Life Insurance, Disability Income Plan
- . Manulife Extended Health Care, Dental and Travel Insurance

Appendix “C”

Performance Targets

Performance targets will be reviewed and set annually.

For the year ending March 31, 2012:

A bonus payment of up to 1% of salary will be provided based on the following performance targets:

- 1) Medication Reconciliation Rates at Discharge (Baseline 32%, Target 50%)
- 2) Readmission Rates within 30 days for selected CMG's (Baseline 19.5%, Target 15%)
- 3) Total Margin (Baseline 3.7, Maintain at Greater than or Equal to 0)
- 4) Hold Quarterly Discharge planning meetings (Baseline 50%, Target 100%)

Each of the above indicators shall be weighted equally (25% each).

For those indicators with an identified target level of improvement, at least 50% of the identified improvement goal must be achieved before payment will be delivered. Lesser performance will result in the removal of that portion from payment.

For the Total Margin indicator, performance of greater than or equal to 0% must be determined to demonstrate compliance before payment will be delivered. A result below this level will result in the removal of that portion of the remuneration.