

THIS AGREEMENT is made effective the 3rd day of December 2013 (the "**Effective Date**"),

BETWEEN:

WINDSOR REGIONAL HOSPITAL

a corporation without share capital duly incorporated under the laws of the Province of Ontario
having its head office at the City of Windsor, in the said Province

(the "Hospital")

-and-

KAREN MCCULLOUGH

(the "COO")

RECITALS

- A. The Hospital wishes to employ Karen McCullough as the Chief Operating Officer/Chief Nursing Executive (hereinafter "COO") of the Hospital.
- B. The Hospital and the COO have agreed to enter into an employment relationship.
- C. The terms of the employment relationship have been negotiated between the Hospital and the COO and are set out in this Agreement.

FOR VALUE RECEIVED, and in consideration of the harmonization of the benefits the parties agree to amend the existing employment relationship as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, each capitalized term shall have the meaning attributed thereto:

- (a) "Agreement" means this agreement, including its recitals and all schedules attached to this agreement, all as may be supplemented or amended from time to time;
- (b) "Board" means the Board of Directors of the Hospital;
- (c) "Cause" has the meaning ascribed in section 11.5;
- (d) "CEO" means the President and Chief Executive Officer of the Hospital;
- (e) "COO" means the Chief Operating Office/Chief Nursing Executive;

- (f) "Confidential Information" has the meaning ascribed in section 13.1
- (g) "LHIN" means Local Health Integration Network and
- (h) "MOHLTC" means Ministry of Health and Long-Term Care.

1.2 Entire Agreement

This Agreement, including Schedule A and B, constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties. There are no representations, warranties, forms, conditions, undertakings or collateral agreements, express, implied or statutory between the parties other than as expressly set forth in this Agreement.

Schedule A - Compensation of COO
Schedule B - Employee Benefit Program

Section Headings

All paragraph headings have been inserted herein for convenience of reference only and do not form part of this Agreement.

ARTICLE 2 CHIEF OPERATING OFFICER/CHIEF NURSING EXECUTIVE

- 2.1 The COO agrees to serve as the Chief Operating Officer/Chief Nursing Executive of the Hospital to the best of her ability in compliance with all applicable laws, the Hospital's By-laws, policies, procedures, rules and regulations, all as may be amended from time to time, and this Agreement.
- 2.2 The COO agrees that her general duties and responsibilities are set out in Schedule "B".

ARTICLE 3 ACCOUNTABILITY

- 3.1 The COO shall report directly to the CEO of the Hospital.
- 3.2 The COO shall follow all lawful instructions and directions given to him by the CEO.
- 3.3 The COO shall also be accountable to the Board of Directors and CEO that appropriate financial management and internal control systems are in place ensuring best practices are in place to sustain a culture of fiscal accountability and continuous improvement to the extent the same is part of the functions of the COO.

ARTICLE 4 TERM

- 4.1 The term of this Agreement shall commence December 1, 2013 and shall continue until the COO reaches age 65, unless terminated prior thereto in accordance with the provisions of ARTICLE 11 of this Agreement.

ARTICLE 5 FULL TIME AND ATTENTION

- 5.1 Except as expressly provided in section 5.2 below, the COO shall, throughout the term of her employment, devote her full time and attention to the business and affairs of the Hospital. The COO acknowledges that this position will include the carrying out of the duties in the evenings and weekends, as may be required from time to time, in addition to regular business hours. The COO shall not, without the prior written consent of the CEO, undertake any other business or occupation or become a director, officer, employee, partner or agent of any other corporation, partnership, firm or person ("Other Organizations").
- 5.2(a) The COO shall, with the CEO's consent, be entitled to undertake activities for Other Organizations which are consistent with the COO's responsibilities in respect of raising the profile of the Hospital and/or improving the Hospital's relationship with key stakeholders such as government (federal, provincial or municipal), University of Western Ontario and the University of Windsor, other education or research organizations, and other healthcare providers or their respective associations, provided such activities do not interfere with her ability to discharge her responsibilities to the Hospital.
- (b) The COO's total aggregate commitment to the other organizations shall not exceed the equivalent of twenty (20) business days per year without any reduction in salary.

ARTICLE 6 COMPENSATION

- 6.1 Subject to the terms and conditions of this Agreement, the COO shall be entitled to compensation set out in Schedule "A".

ARTICLE 7 PERFORMANCE REVIEW

- 7.1 On the annual performance review date, the CEO will undertake a review of the COO's performance, which will provide for a review of:
- (a) the COO's progress toward achievement of objectives determined by the CEO;
 - (b) the position of the COO as outlined in Schedule "B";
 - (c) the Hospital's performance under any accountability agreement between the Hospital and the MOHLTC/LHIN; and
 - (c) other relevant matters.
- 7.2 The review process will also establish measurable performance expectations, including both short-term and long-term objectives for the COO, as identified by the CEO.
- 7.3 The COO's salary shall be subject to the annual cost of living adjustment, if any, awarded to management/non-union staff of the Hospital. The salary shall also be reviewed every year by the CEO in light of the results of the performance review.

ARTICLE 8 VACATION ENTITLEMENT

- 8.1 The COO will be entitled to vacation in accordance with the Hospital's unlimited vacation policy.

ARTICLE 9 EMPLOYEE BENEFIT PLAN

- 9.1 The COO shall participate in the Executive Benefit plan as made available by the Hospital to its full-time senior administrative personnel, including HOOPP, dental, group life insurance and extended health benefits as more particularly set out in Schedule "B". The parties acknowledge and understand that the harmonization of benefit plans and that the changes thereto shall constitute consideration to this agreement.
- 9.2 The COO acknowledges that some employee benefit plans may include compulsory employee participation and employee contributions at levels determined by the Hospital. The Hospital regularly reviews the employee benefit plans, as well as its insurance carriers, and accordingly, reserves the right to amend or discontinue the employee benefit plans and change its insurance carriers where deemed appropriate and without further notice to the COO.

ARTICLE 10 EXPENSES

- 10.1 It is understood and agreed that the COO will incur expenses in connection with her employment duties under this Agreement. The Hospital will reimburse the COO for any reasonable and substantiated expenses provided such expenses were incurred in accordance with established Hospital policy and as approved by the CEO.

ARTICLE 11 TERMINATION

- 11.1 (a) The COO may terminate her employment pursuant to this Agreement voluntarily at any time by giving not less than one hundred and twenty (120) days' notice in writing to the Hospital.
- (b) The Hospital may with written notice waive notice in whole or in part but shall be required to continue providing the COO both her salary and benefits for the full one hundred and twenty (120) days.
- (c) The COO agrees to accept the pay-in-lieu of notice set out in section 11.3 in full and final settlement of all amounts owing to her by the Hospital, including any payment in lieu of notice of termination, entitlement of the COO under any applicable statute and any rights that the COO may have at common law, and the COO waives any claim to any other payment or benefits from the Hospital.
- 11.2 This Agreement and the COO's employment with the Hospital may be terminated, without the Hospital being obligated to provide the COO with advance notice of

termination or pay in lieu of such notice, whether under contract, statute, common law or otherwise if:

- (a) the COO retires;
- (b) the COO is unable to perform substantially all of the COO's employment related duties for a period of more than either three (3) consecutive months, or six (6) months in the aggregate during any twelve (12) month period. Failure by the Hospital to strictly rely upon this provision in any given instance or instances, shall not in any way constitute a waiver of the Hospital's rights as stated herein;
- (c) the COO's employment is terminated for Cause as that term is defined in section 11.5;
- (d) the COO dies.

The COO or the COO's estate will not be entitled to receive any further compensation or benefits pursuant to the terms of this Agreement other than those which have accrued up to the date of the COO's death and those death benefits which may be payable in accordance with applicable insurance policies.

11.3 This Agreement may be terminated by the Hospital, in its absolute discretion, for any reason by giving the COO prior notice in writing equal to twelve (12) months, plus one (1) additional month for each full year of service up to a maximum of twenty-four (24) months notice in total (the "Notice Period") or on paying to the COO the equivalent termination pay in lieu of notice in equal monthly amounts over the Notice Period or a combination of the Notice Period and pay in lieu. During the Notice Period the COO shall have a positive obligation to mitigate the amounts taking all reasonable steps to find reasonable employment (including consulting and contract work) and if such mitigation occurs, a lump sum payment in the amount equal to one-half of the remaining Notice Period shall occur.

These payments will be made, less required statutory deductions, and are inclusive of the Hospital's obligations to give "notice of termination" in accordance with the Employment Standards Act, 2000, and any other severance or termination obligations thereunder.

11.4 The COO agrees to accept the pay-in-lieu of notice as set out in section 11.3 above in full and final settlement of all amounts owing to her by the Hospital on termination, including any payment in lieu of notice of termination, entitlement of the COO under any applicable statute and any rights that the COO may have at common law, and the COO waives any claim to any other payment or benefits from the Hospital and she agrees that she will sign a release in a form satisfactory to the Hospital to this effect.

11.5 As used in this ARTICLE 11, the term "cause" shall be deemed to mean:

- (a) The COO's breach of a material term of this Agreement; or
- (b) Any reason which would entitle the Hospital at law to terminate the services of the

COO without either notice or pay in lieu of notice, including, without limitation, serious misconduct, habitual neglect of duty, incompetence, or conduct incompatible with her duties, or conduct prejudicial to the Hospital's business, or willful disobedience to the Hospital's orders in a matter of substance; or

- (c) Any conduct by the COO which calls into question the COO's integrity or the integrity of the Hospital or that tends to bring discredit to the Hospital, including but not limited to conduct involving dishonesty or conduct that calls into question the trustworthiness or moral character of the COO such as a criminal conviction; or
- (d) The theft by the COO of any funds or property of the Hospital; or
- (e) An attempt by the COO to obtain any personal advantage from any transaction in which the COO has an interest which is adverse to the interest of the Hospital, unless the COO shall have first obtained the consent of the CEO of the Hospital in writing; or
- (f) Willful neglect of the duties assigned to the COO pursuant to the provisions of this Agreement, including compliance with applicable legislation, including the Public Hospitals Act (Ontario) and the Commitment to the Future of Medicare Act (Ontario); or
- (g) If the COO becomes insolvent and unable to pay her debts in full, or files an assignment in bankruptcy or is adjudicated a bankrupt.

11.6 (a) It is understood that, if termination occurs pursuant to sections 11.1 or 11.3, all benefits shall terminate at the end of the month of termination.

(b) (i) Upon termination of this Agreement for any reason, the COO acknowledges that all items of any kind created or used by her pursuant to her employment or furnished by the Hospital to her including, but not limited to, any motor vehicles, equipment, books, records, credit cards, 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 of the Hospital, in good condition, promptly without being requested to do so.

11.7 The COO hereby acknowledges and agrees that she will not be constructively dismissed in the event of a government mandated restructuring of the healthcare system that results in the Hospital's operations being assumed by a regional health authority, a local health integration network or other organization provided the restructuring does not materially affect the COO's responsibilities (e.g. may be a site administrator) and there is no decrease in the COO's salary or benefits.

ARTICLE 12 LIABILITY INSURANCE

12.1 The Hospital shall insure the COO under its general liability policy both during and after the term of her employment, for all acts done by the COO in good faith and in the execution of her office as Chief Operating Officer/ Chief Nursing Executive, throughout the term of her employment, including where the COO is specifically named in a lawsuit launched by a patient, member of the Medical Staff, or any other party where the Hospital is a co-defendant.

ARTICLE 13 OWNERSHIP OF INFORMATION AND NON DISCLOSURE

- 13.1 "Confidential Information" includes, without limitation, information and facts relating to the operation and affairs of the Hospital acquired by the COO in the course of her employment, including information and facts relating to present and contemplated services, future plans, processes, procedures, suppliers, capital projects, financial information of all kinds, government relations strategies, patients or their health records, any product, device, equipment or machine, or employees. For greater certainty, Confidential Information shall not include:
- (a) information and facts that are available to the public or in the public domain at the time of such disclosure or use, without breach of this Agreement; or
 - (b) information and facts that become available to the COO on a non-confidential basis from a source other than the Hospital.
- 13.2 All Confidential Information of the Hospital, whether it is developed by the COO during her period of employment or by others employed or physicians or engaged by or associated with the Hospital, is the exclusive property of the Hospital and shall at all times be regarded, treated and protected as such.
- 13.3 The COO shall not disclose Confidential Information to any person or use any Confidential Information (other than as necessary in carrying out her duties on behalf of the Hospital) at any time during or subsequent to her period of employment without first obtaining the consent of the CEO, and the COO shall take all reasonable precautions to prevent inadvertent disclosure of any such Confidential Information.
- 13.4 Within five (5) days after the termination of the COO's employment by the Hospital for any reason, or of receipt by the COO of a written request from the Hospital, the COO shall promptly deliver to the Hospital all property belonging to the Hospital, including without limitation all Confidential Information (in whatever form) that is in the COO's possession or under the COO's control.
- 13.5 Nothing in this section precludes the COO from disclosing Confidential Information at any time if disclosure of such Confidential Information is required by any law, regulation, governmental body, or authority or by court order, provided that before disclosure is made, notice of the requirement is provided to the Hospital, and to the extent possible in the circumstances, the Hospital is afforded an opportunity to dispute the requirement.
- 13.6 The contents of this Agreement shall not be disclosed by the COO to anyone, except to the Board, to the COO's own financial and legal advisors, or as required by law, regulation, governmental body, or court order. Requests for further disclosure will be made to the CEO for consideration.
- 13.7 The parties will agree in advance upon any appropriate press releases to announce the execution or termination of this Agreement.

ARTICLE 14 NON-SOLICITATION/NON-DISPARAGEMENT

- 14.1 The COO will not, either while employed with the Hospital or for a period of six (6) months subsequent to the COO's termination of employment for any reason, without the Hospital's express written consent, either as an individual, or in conjunction with any other person, firm, corporation, or other entity, whether acting as a principal, agent, employee, consultant, or in any capacity whatsoever solicit, attempt to solicit, or communicate in any way with any employees or physicians of the Hospital for the purpose of having such employees or physician employed or in any way engaged by another healthcare organization, person, firm, corporation, or other entity.
- 14.2 The COO and the Hospital covenant and agree that neither party shall engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumours, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the other party, which in the case of the Hospital, includes Board, officers, employees, physicians and/or patients.

ARTICLE 15 GENERAL PROVISIONS

15.1 Binding Effect and Non-Assignment

This Agreement shall endure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors, but shall not be capable of assignment by either party without the previous written consent of the other party thereto.

15.2 Notice Provisions

Any notice to be given under this Agreement shall be in writing and shall be personally delivered or sent by registered mail to the following address or such other address as either party may from time to time designate to the other by notice given in accordance with this section:

Notices to the Hospital:
1030 Ouellette Avenue
Windsor, ON N9A 1E1
Attention: David Musyj, President and CEO

Notices to COO:
2831 Mark Avenue
Windsor, ON N9E 2W6
Attention: Karen McCullough

15.3 Severability

If any covenant or provision of this Agreement is determined to be void or unenforceable in whole or in part by any court, such determination shall not affect or impair the validity of any other covenant or provision of this Agreement, which shall remain in full force and effect as if the void or unenforceable covenant or provision had not been made part of this Agreement.

15.4 Waiver

No waiver by either party of any breach of any provisions herein shall constitute a waiver of the provision except with respect to the particular breach giving rise to the waiver.

15.5 Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

15.6 Currency

All dollar amounts set forth or referred to in this Agreement refer to Canadian currency.

15.7 Withholding

All payments made by the Hospital to the COO or for the benefit of the COO shall be less applicable withholdings and deductions.

15.8 Recitals

The COO and the Hospital acknowledge and agree that the provisions contained in the preamble or recitals section of this Agreement form part of this Agreement and may be relied upon by either Party when interpreting this Agreement.

15.9 Interpretation

The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and the Agreement shall be interpreted without regard to any presumption or other rule requiring interpretation of the Agreement more strongly against the Party causing it to be drafted.

15.10 Privacy Consent

By accepting employment with the Hospital, the COO consents to the Hospital collecting, using and disclosing the COO's personal information to establish, manage, terminate and/or otherwise to administer the employment relationship, including, but not limited to:

- (a) ensuring that the COO is properly remunerated for her services to the Hospital which may include disclosure to third party payroll providers;
- (b) administering and/or facilitating the provision of any benefits to which the COO is or may become entitled, including benefits coverage, pension plan and incentive plans; this shall include the disclosure of the COO's personal information to the Hospital's third party service providers and administrators;
- (c) ensuring that the Hospital is able to comply with any regulatory, reporting and withholding requirements relating to the COO's employment;

- (d) performance and promotion;
- (e) monitoring the COO's access to and use of the Hospital's electronic media services in order to ensure that the use of such services is in compliance with the Hospital's policies and procedures and is not in violation of any applicable laws; and
- (f) complying with the Hospital's obligations to report improper or illegal conduct by any director, officer, executive or agent of the Hospital under any applicable health, criminal or other law.

15.11 Independent Legal Advice

The COO confirms that, prior to the execution of this Agreement, she had a full and complete opportunity to obtain independent legal advice and representation and that she has either done so or has freely chosen not to obtain such advice.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date.

WINDSOR REGIONAL HOSPITAL

BY:

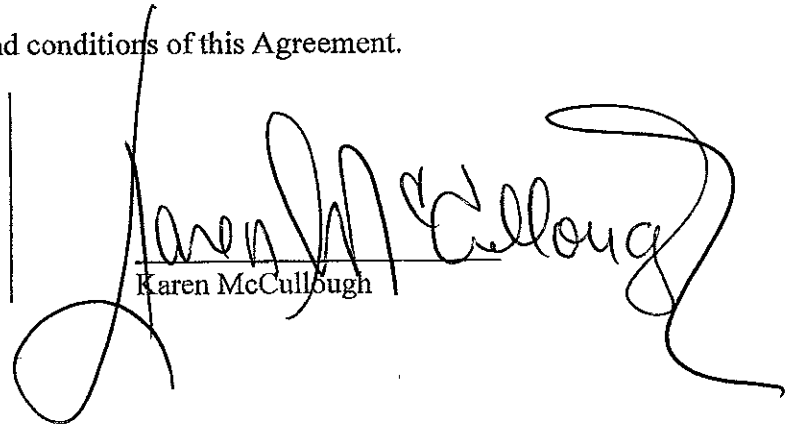


Name: David Musyj

Title: President & Chief Executive Officer

I have read, understand and accept the terms and conditions of this Agreement.


Witness


Karen McCullough

SCHEDULE A
COMPENSATION OF COO

Subject to the terms and conditions of the Agreement, the COO shall be entitled to the compensation set out below:

- **Salary:** The COO will continue at the current salary which became effective May 1, 2013 and which amounts to \$260,000 per annum less COO contributions to Hospital pension and benefit plans. Salary will be subject to potential annual salary increases as may be determined appropriate by the CEO, in consideration of the performance review conducted by the CEO as more particularly described in ARTICLE 7.;
- For the purposes of any performance based bonus entitlement which may be in place prior to the COO attaining 65 years of age, the same will be calculated as if the COO had completed the full year of work for the entire calendar year within which she turned sixty-five (65) and retired unless the provisions of ARTICLE 11- Termination were the cause of the end of the employment relationship during that year.



SCHEDULE "B"

FULL TIME EXECUTIVE BENEFIT PLANS

Effective the 1st of the month immediately following the date of enrollment please see the benefit booklet for full details.

- ◆ Dental Plan (exam/cleaning every 6 months, 100% for basic, 50% for major, 50% for Orthodontics- no age limit)
- ◆ Drug Plan (\$2.00 co-pay, \$9.00 cap dispensing fee)
- ◆ Extended Health Plan which includes but are not limited to (chiropractor, osteopath, podiatrist/chiroprapist, physiotherapist, private nursing) – maximums are variable, please see plan booklet
- ◆ Semi-Private Coverage
- ◆ Private Room coverage in a Public General Hospital to \$5,000 / calendar year
- ◆ Psychologist to \$300 / year, with no limit per visit
- ◆ Massage Therapy to \$400 / calendar year
- ◆ Speech Therapy to \$300 / calendar year
- ◆ Compression Stocking to 6 pairs every 12 months
- ◆ Vision to \$400 every 24 months with additional vision coverage (subject to reasonable and customary charges)
- ◆ Hearing Aids (One hearing aid in any 36 consecutive months)
- ◆ Out of Province/travel coverage
- ◆ Medical Items, as approved by the benefit carrier

Effective after 3 months of employment – 100% Hospital Cost

- ◆ Accidental Death & Dismemberment (3X Annual Salary, maximum \$500,000)
- ◆ Group Life Insurance (3X annual Salary)
- ◆ Voluntary Life Insurance (Optional Benefit – 1,2,3 times salary)
- ◆ Spousal Life Insurance (Optional Benefit)

Effective after 6 months of employment – 75% Hospital Cost, 25% Employee Cost

- ◆ Long Term Disability (75% of monthly earnings, 105 days qualifying)

Sick Time

Follows the HOODIP Plan

- ◆ 0-3 months – not paid
- ◆ 3 months – 1 year - 66 and 2/3 % of rate
- ◆ 1-2 years – 70% of your rate
- ◆ 2-3 years – 80% of your rate
- ◆ 3-4 years – 90% of your rate
- ◆ After 4 years - 100% of your rate



Pension Plan

- ◆ Effective Date of hire (full time)
- ◆ HOOPP – Hospitals of Ontario Pension Plan
- ◆ 6.9% of base salary up to YMPE (Years maximum pensionable earnings) max + 9.2% base salary over YMPE max
- ◆ Employee deduction matched by Hospital at 126%
- ◆ Reciprocal Transfers offered pending agreement with HOOPP

Vacation Entitlement

- ◆ Unlimited Vacation: See the Non-Union Vacation Policy for Full Time Employees

Paid Holidays (9)

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
Civic Holiday	Family Day
Remembrance Day	2 nd Monday in June