



Interior Health
Every person matters

EMPLOYMENT CONTRACT

THIS AGREEMENT made the 30th day of September, 2015

BETWEEN:

Interior Health Authority
220-1815 Kirschner Road
Kelowna, BC V1Y 4N7

(the "Employer")

AND:

Chris Mazurkewich

s.22(1)

(the "Employee")

WHEREAS the Employer has agreed to employ the Employee and the Employee has agreed to be employed by the Employer on the provisions and understandings set forth in this Employment Agreement (the "Agreement");

THEREFORE, in consideration of the mutual promises contained in this Agreement, the Employer and the Employee agree as follows:

1. POSITION

- 1.1 The Interior Health Authority shall employ the Employee in the position of President & Chief Executive Officer, commencing on October 26, 2015.
- 1.2 The Employee shall report to and be responsible to the Chair of the Employer's Board of Directors, acting on behalf of the Board of Directors (the "Board").
- 1.3 The Employee will perform all such duties commensurate with the position as are necessary to properly and efficiently administer the Employer's operation.
- 1.4 The Employee agrees to well and faithfully serve the Employer's interests and shall devote his full time, effort, skill, attention and energies to the performance of his duties in relation to the business of the Employer as the Employer's President & Chief Executive Officer.
- 1.5 The Employee agrees during the term of this Agreement not to undertake any obligations or perform any employment or consulting services other than services contemplated by this Agreement, unless otherwise agreed to by the Board.
- 1.6 The Employer's policies and procedures, as amended from time to time, are incorporated into and form part of this Agreement. In the case of a conflict between the terms of this Agreement and any policy or procedure, the terms of this Agreement shall prevail.

2. TERM OF THE AGREEMENT

- 2.1 The Employee's Appointment is for an indefinite term, beginning on October 26, 2015.
- 2.2 The provisions of the Employee's employment will be reviewed at least every five years and, upon review, may be altered by mutual agreement, in writing.
- 2.3 The Employee will be on probation for the first six months, commencing on the date of hire.
- 2.4 During the Probationary Period, the Employer will evaluate the Employee's suitability for the position.
- 2.5 Notwithstanding any other provision(s) to the contrary, during the probationary period the Employer may terminate the Employee's employment upon giving notice, or salary in lieu of notice, pursuant to the quantum set out in the Employment Standards Act, even without just cause.

3. PERFORMANCE REVIEWS

- 3.1 A formal Performance Review of the Employee's performance will be conducted at the end of the Probationary Period, and thereafter at least once per year.

4. REMUNERATION

During the term of this Agreement, the Employer will pay and provide to the Employee remuneration for carrying out his duties and responsibilities, as follows:

4.1 Salary

- a. The Employer will pay to the Employee an annualized salary of \$345,000.00 less statutory and other normal Employee deductions. Ten percent (10%) of the annualized salary will be held back as incentive pay and will be earned based upon achieving a balanced budget and health outcomes/targets as agreed to with the Board and Ministry of Health.
- b. Any further adjustment to the Employee's salary, and/or total compensation, must be in accordance with the guidelines established by the Public Sector Employers Council.
- c. The nature of the Employee's position requires the Employee to be flexible about hours of work. This is an Executive position and overtime is not compensable; however, for exceptional workload circumstances, limited time off in lieu may be available pursuant to the standardized Terms and Conditions of Employment for Executive and Non-Contract Staff.

4.2 Terms and Conditions of Employment

The Employee will be covered by the attached standardized Terms and Conditions of Employment governing Executive and Non-Contract Staff, issued in 2015. For clarity:

- a. The annual vacation entitlement is varied to read:

The Employee shall be entitled to thirty-five (35) days of vacation.

- b. Professional Development and Memberships

Professional Development – with the prior approval of the Board Chair, the Employee will be eligible to attend up to one (1) national and one (1) international conference per annum.

Memberships – the Employee will be reimbursed for up to three (3) professional memberships that are directly related to the nature of the Employer's business or to maintain a designation or professional standing.

- c. Agreement Termination – “termination not for cause”. The quantum of eligible notice is governed by law has been set out in section 5.1 of this Agreement.
- d. The Employee may be entitled to other pay for time not worked provisions as provided for in the Employer's policies and procedures.
- e. Transportation allowance: the Employee is entitled to the maximum monthly lease payment exclusive of tax that will not exceed \$625 per month. The amount of the lease is not to be augmented by personal payment. The insurance and operating costs of the leased vehicle will be paid by the province. The Employee may elect to receive a vehicle allowance in lieu of taking a leased vehicle. The allowance is equivalent to the average lease and vehicle operating costs noted above and is equal to \$580 per month.
- f. The Employee is exempt from making contributions to the Municipal Pension Plan and the Employer will not make any pension contributions.

4.3 Expenses

- a. The Employer shall reimburse the Employee for all reasonable, business-related expenses incurred by the Employee in performing his duties, provided that the Employee provides to the Employer within three months from each expenditure a written statement of the expenses incurred, together with copies of all receipts and supporting documentation.
- b. The Employer will not reimburse, directly or indirectly, expenses for spousal or familial travel for any person, except where the payment is:
 - i. in relation to a specific business occasion;
 - ii. authorized specifically for that business occasion; and
 - iii. recorded in the minutes of the Employer's governance body, which are made publicly available.

5. **AGREEMENT TERMINATION**

- 5.1 The Employer may terminate the Employee's employment at any time, without cause, by giving working notice (the Notice Period) consistent with statutory and common law standards. For the purposes of this severance and termination notice consideration, the Employee shall port all his former British Columbia Healthcare Employer continuous service where there is no break in service in excess of 90 days with an Health Employers Association of BC (HEABC) employer. The Notice Period shall not exceed the following:

- (i) up to a 6 month notice period or severance, if the employee has served or been employed in that position for fewer than 12 months;
- (ii) up to a 9 month notice period or severance, if the employee has served or been employed in that position for 12 to 17 months;
- (iii) up to a 12 month notice period or severance, if the employee has served or been employed in that position for 18 to 35 months;
- (iv) up to a 14 month notice period or severance, if the employee has served or been employed in that position for 36 to 47 months;
- (v) up to a 16 month notice period or severance, if the employee has served or been employed in that position for 48 to 59 months;
- (vi) up to an 18 month notice period or severance, if the employee has served or been employed in that position for 60 or more months.

- 5.2 During the Notice Period the Employer may, in its sole discretion:
- a. require the Employee to continue with his or her duties, assignments, tasks or projects,
 - b. assign the Employee to other duties, tasks or projects with the same or a successor Employer, notwithstanding that the assignment may amount to a constructive dismissal, if:
 - i. the assignment is reasonably consistent with the Employee's ability and responsibility at the time of the assignment; and
 - ii. the Employee is not required to relocate unreasonably,
 - c. assign the Employee to a non-successor Employer with the agreement of the Employee, or
 - d. excuse the Employee from performing his or her duties.
- 5.3 If the Employee refuses to perform the duties that the Employer assigns during the Notice Period, the Employee will be deemed to have voluntarily resigned from employment.
- 5.4 The Employer has, in its sole discretion, the additional option of terminating the Employee's employment immediately and, unless the parties otherwise agree, paying the Employee an amount equivalent to the amount of salary and benefits the Employee would have earned during the Notice Period. This payment must be in the form of periodic payments unless the Employer, in its sole discretion, considers a lump sum payment to be more appropriate.
- 5.5 The Employee will not be given a notice period or severance in the case of voluntary resignation or retirement.

- 5.6 The Employee may terminate his employment with the Employer, at any time, by providing the Employer with ninety (90) days written notice (the "Employee's Notice Period") to the Board. The Board, in its sole discretion, may:
- a. accept the notice in which case the Employee shall continue working until the end of the Employee's Notice Period;
 - b. propose a shorter Notice Period, which shall apply if the Employee so agrees; or
 - c. accept the resignation effective the date of receipt or any other date prior to the end of the Notice Period, providing that the Board shall pay to the Employee salary and benefits for the remainder of the Employee's Notice Period.

It should be noted that the employee is bound by section 4.0 Post-Employment Restrictions for the CEO and Senior Executives of Interior Health policy AU0100: Standards of Conduct for Interior Health Employees.

- 5.7 The Employer may, at any time, terminate the Agreement, without notice or severance pay in lieu of notice, in the event the Employer has just and reasonable grounds to discharge the Employee for cause. For the purpose of this Agreement, just and reasonable grounds to discharge the Employee for cause include but are not limited to a failure by the Employee to discharge the duties of his employment in a manner consistent with the vision of the Board.
- 5.8 The Employee acknowledges that other than as set out he is not entitled to any other notice, payment or damages including severance pay from the Employer, in the event the Agreement is terminated.
- 5.9 Service with the Employer shall be calculated as commencing on the Employee's first day of employment with the Employer.

6. EMPLOYEE'S DUTY TO MITIGATE

- 6.1 In the event the Employer terminates the Employee's employment, the Employee is required to actively seek and obtain employment. Employment includes entering into a contract for services with a public sector Employer either individually or through a sole proprietorship, partnership or corporation.
- 6.2 If the Employee obtains employment during the Notice Period, the Employee must immediately advise the Employer in writing of the details of the new employment and comply with the following:
- a. If an Employee commences employment with a public sector Employer during the notice period or period of notice in lieu of which severance is provided:
 - i. no severance covering this period of re-employment is payable; and
 - ii. the Employee must pay the Employer any amount that is attributable to the period during which the Employee is re-employed.

- 6.3 If an Employee is re-employed with a public sector employer at a lower level of compensation, during the notice period or period in lieu of which severance is provided, the Employer will pay to the Employee an amount equivalent to the difference between the Employee's former salary level and the salary level upon re-employment for the remainder of the notice period.
- 6.4 If the Employee is receiving long term disability benefits at the time of the termination of employment, the Employee will be entitled to the continued disability benefits as provided for in the Employer's benefit plan, or to receive salary in lieu of working notice as set out in this Agreement for the Notice Period, but the Employee will not receive both.
- 6.5 If the Employee accepts similar full-time employment with an Employer not in the Public Sector, then all salary continuance and benefit coverage will cease immediately on the date that the Employee accepts new employment, and the Employee will receive a lump sum payment equal to fifty percent [50%] of the salary the Employee would have received during the remainder of the Notice Period.

7. CONFIDENTIALITY and NON-DISCLOSURE

- 7.1 The Employee shall not, while employed with the Employer or at any time thereafter, disclose any information relating to the private or confidential affairs of the Employer to any person other than as directed by the Employer. In addition, the Employee shall not, while employed with the Employer or at any time thereafter, disclose the Employer's systems, operations, records, strategies, or business plans to any person other than as directed by the Employer. The Employee shall not use for his own purposes or for the purposes of others any such information he may acquire in relation to the business or operation of the Employer.
- 7.2 The Employee agrees to return all materials which contain such confidential information to the Employer immediately upon the termination of this Agreement, or upon request by the Employer at any time.

8. ASSIGNMENT OF EMPLOYMENT CONTRACT

- 8.1 The Employer has, in its sole discretion, the right to assign the Employee's employment contract in the event of a merger, take-over, amalgamation, transfer of assets or for any other reason. If the Employer assigns the employment contract, such assignment will be valid for the term of the Employee's employment.

9. ACKNOWLEDGEMENT

- 9.1 The Employee hereby acknowledges that the obligations contained in this Agreement are in addition to other fiduciary duties and obligations owed by him to the Employer as a result of the operation of law, prior to, during and after the termination of his Employment.

10. NOTICES

- 10.1 All Notices, demands and payments required or permitted to be given shall be in writing and may be delivered personally, sent by email, facsimile or by first class prepaid registered mail to the addresses set forth above, or to other such addresses may from time to time be provided in writing by the parties. Any Notice delivered or sent by email or facsimile shall be deemed to have been given and received at the time of delivery. Any Notice mailed shall be deemed to have been given and received on five days after the mailing.

11. JURISDICTION

- 11.1 This Agreement shall be construed under and governed by the laws of British Columbia.

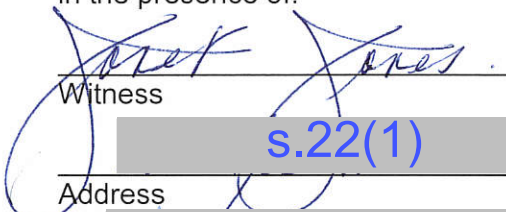
12. MISCELLANEOUS

- 12.1 This Agreement constitutes the entire Agreement between the Employer and the Employee, and all other agreements, understandings, representations or provisions relating to the subject matter of this Agreement are of no further force and effect and are declared terminated and cancelled.
- 12.2 All provisions of this Agreement are to be construed as separate and distinct covenants and agreements, separable from all other such separate and distinct covenants and agreements. Should any provision or provisions of this Agreement be determined to be illegal, void or unenforceable, it and they shall be considered separate and severable from this Agreement and its remaining provision shall remain enforced and be binding upon the parties.
- 12.3 This contract of employment is a public document and Interior Health will make it, together with any related documentation, available for public inspection in accordance with the Public Sector Employers Act.

IN WITNESS WHEREOF THE PARTIES hereto have duly executed this Agreement as of the day and year first above written.

THE CORPORATE SEAL of)
Interior Health Authority)
was hereunto affixed in)
the presence of:)
)
Authorized Signatory)
_____)
Authorized Signatory)

c/s

SIGNED, SEALED AND DELIVERED)
By Chris Mazurkewich)
in the presence of:)
)
Witness)
_____)
Address)
_____)
Occupation)


Chris Mazurkewich

s.22(1)

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