

This Employment Agreement ("Agreement") is made effective as of the date agreed to between AHS and the Executive pursuant to section 1.1

Between:

ALBERTA HEALTH SERVICES

(hereinafter called "AHS")

- and -

Athana Mentzelopoulos (hereinafter called the "Executive")

EMPLOYMENT AGREEMENT

WHEREAS AHS is established pursuant to the Regional Health Authorities Act of Alberta and is responsible for the provision of health services throughout Alberta;

AND WHEREAS AHS wishes to employ the Executive and the Executive and AHS desire to formalize the terms and conditions of their employment relationship;

NOW THEREFORE, in consideration of the material advantages accruing to both AHS and the Executive, the parties agree as follows:

1. Term

1.1 The term of this Agreement shall be for a period of four (4) years commencing on a date to be confirmed in writing between AHS and the Executive (the "Effective Date Agreement") and expiring four years after such date (the "Term"), unless otherwise terminated or extended pursuant to this Agreement. When executed by both AHS and the Executive, the Effective Date Agreement is incorporated by reference into this Agreement and is deemed to be a part of this Agreement.

1.2 The Term may be extended by mutual agreement made in writing and signed by both parties at any time.

2. Employment and Job Title

2.1 The Executive will be employed as President and Chief Executive Officer of AHS. In that role, the Executive will perform such duties, and will have such responsibilities, as the AHS Board or the Executive Chair of the AHS Board, as applicable, may assign from time to time, in their sole discretion (the "Duties"). The AHS Board or the Executive Chair of the AHS Board, as applicable, may add to or remove from the Duties, in their sole discretion. Duties are understood to be those in the provision of health services throughout Alberta, including implementing the AHS Board's or the Executive Chair of the AHS Board's directions and overseeing the operations of AHS.

2.2 The Executive represents and warrants that the Executive has the requisite skills and experience to perform the Duties, in accordance with the terms and conditions of this Agreement.

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2.3 During this Agreement, the Executive will:

- (a) Serve AHS, the AHS Board and the Executive Chair of the AHS Board loyally and faithfully and to the best of the Executive's ability;
- (b) Perform the Duties honestly and always with a view to the best interests of AHS, and in an efficient, prompt, professional, skillful and careful manner in accordance with good management and modern methods, standards and practices;
- (c) observe and obey all applicable laws, regulations, rules and standards and all policies, rules, systems, codes of conduct, and procedures that AHS and the AHS Board may establish from time to time, including any and all amendments that may occur from time to time;
- (d) devote the Executive's full time, energy and ability, as required by the AHS Board or the Executive Chair of the AHS Board, as applicable, to the furtherance of the business and operational success of AHS, and shall not, without the prior written consent of the AHS Board, or the Executive Chair of the AHS Board, as applicable, undertake during the course of the Executive's employment any other business or occupation or become a director, officer, executive, consultant or agent of another company, firm, proprietorship, society or not for profit or charitable organization;
- (e) avoid any external commitments that interfere with the Executive's obligations to AHS or that constitute a potential, perceived or real conflict of interest; and
- (f) refrain from publicly taking positions in conflict or opposition with those of AHS and/or the AHS Board.

2.4 The Executive's hours of work shall be generally those of other senior management employees of AHS, subject to additional working hours as reasonably necessary to fulfill the Duties.

3. Reporting Relationship

3.1 The Executive will report to the AHS Board, or such other governing body as may be established pursuant to the *Regional Health Authority Act*. Regular reporting outside of AHS Board meetings will be made by the Executive to the Executive Chair of the AHS Board or their designate as the Executive Chair of the AHS Board may assign from time to time. The AHS Board or the Executive Chair of the AHS Board, as applicable, have the full authority to supervise the Executive, including, without limitation, providing direction, approving vacation time and establishing duties and responsibilities.

4. Compensations, Benefits and Expense Reimbursement

4.1 The Executive will be paid an annual base salary of FIVE HUNDRED AND EIGHTY-THREE THOUSAND, FOUR HUNDRED AND FORTY-THREE DOLLARS (\$583,443.00), less statutory deductions, which will be paid in accordance with the usual pay practices of AHS. The Executive

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may be eligible for annual salary increments based on the annual assessments of the Executive's performance, and in accordance with AHS practices and policies.

- 4.2 The Executive will be enrolled in the AHS group benefits plan in effect for management staff, as provided by AHS from time to time, and will pay by way of payroll deduction the percentage of premiums for benefit coverage in effect at the relevant time. These insurance benefits will be provided in accordance with the formal plan documents or policies. Any issues with respect to entitlement or payment of benefits will be governed by the terms of such plan documents or policies, and will be the responsibility of the benefit provider. AHS may, in its sole discretion, change carriers, plans or policies or amend, terminate or discontinue any of its benefit plans, programs or coverage.
- 4.3 The Executive shall be entitled to participate in the pension plan or plans applicable to management and non-union staff. The Executive's participation in, and entitlement to benefits arising from, the pension plan or plans shall be in strict accordance with the applicable terms of the pension plan or plans.
- 4.4 The Executive is entitled to thirty (30) paid days of annual vacation per vacation year (April 1 to March 31). The Executive shall be credited with a pro-rated portion of the annual vacation entitlement upon the commencement of the Term. Scheduling of vacation time will be subject to the prior approval of the Executive Chair of the AHS Board, and will be based on operational needs.
- 4.5 AHS will reimburse the Executive for all reasonable business travel and other out-of-pocket business expenses actually and properly incurred by the Executive while on authorized AHS business, provided such claims are submitted in a timely fashion and comply with AHS policies, expense guidelines and budgetary limits. If this Agreement is terminated, the Executive will submit all expenses within ten (10) days of such termination.
- 4.6 The Executive's salary, this Agreement, benefits and expenses are subject to public disclosure and periodic compliance audits.

5. Termination of Employment

5.1 In this Article, these terms are defined as follows:

- (a) "annual base salary" means the Executive's annual base salary on the date of termination;
- (b) "date of termination" means the date specified as such in the notice delivered to the Executive by AHS or by the Executive to AHS, or as set by AHS under Article 5.2;
- (c) "just cause" means:
- (i) the Executive's failure to perform the Duties in a competent manner after AHS has provided reasonable written notice of such failure;
 - (ii) any material breach of this Agreement or AHS policies by the Executive;
 - (iii) any fraudulent or dishonest act committed by the Executive,

- (iv) any conduct, behavior or public statements by the Executive that the AHS Board considers to be detrimental to AHS's best interests or reputation;
- (v) the Executive being convicted of a criminal offence involving theft, fraud or dishonesty, or being found in a civil trial or other legal forum to have committed theft or fraud or been dishonest;
- (vi) the Executive acting in the Executive's own interests in conflict with those of AHS; or
- (vii) any other reason that would constitute just cause at common law.

5.2 This Agreement, and the Executive's employment, may be terminated by the Executive at any time by providing to the AHS Board a minimum of three (3) months prior written notice of resignation. The Executive shall perform all services as required during the notice period. The AHS Board may waive the notice of resignation in whole or in part, in its sole discretion, in which case the Executive's employment and entitlement to remuneration and benefits arising from employment shall cease on the date of termination set by the AHS Board. Should the AHS Board waive the notice of resignation in whole or in part, the Executive shall continue to be provided with the Executive's annual base salary and continuation of benefits up to and including the date of termination or up to and including the date that any notice period prescribed by employment standards legislation expires, whatever is greater, and any accrued and unused vacation pay, and reimbursable expenses owing up to and including the date of termination or up to and including the date that any notice period prescribed by employment standards legislation expires, whatever is greater.

5.3 The employment of the Executive and this Agreement shall terminate automatically at the end of the Term or any extension or renewal thereof in accordance with Article 1.2, unless terminated earlier as follows:

- (a) without notice or pay in lieu of notice in the event of the dismissal of the Executive for just cause, in which case the Executive is entitled to only earned salary, any accrued and unused vacation pay, and reimbursable expenses to the date of termination;
- (b) without notice or pay in lieu of notice in the event of the death of the Executive, in which case the Executive is entitled to only earned salary, any accrued and unused vacation pay, and reimbursable expenses to the date of termination;
- (c) by the Executive in accordance with Article 5.2;
- (d) without notice or pay in lieu of notice in the event of the Executive's permanent incapacity to perform the essential functions of the Executive's position as determined by the AHS Board and a duly qualified medical services provider agreed upon by the AHS Board and the Executive. The Executive will cooperate fully, including providing medical records or authorization to release medical records for review by the medical services provider and attending such examinations or assessments required by the medical services provider. AHS represents that its disability benefit plans will continue to apply to the Executive in

the event the Executive's employment is terminated under this section 5.3(d), subject to the terms and conditions of such plans. The Executive agrees that the Executive's eligibility and ongoing entitlement is the responsibility of the benefits provider and will be governed by the terms and conditions of such disability benefit plans;

(e) without just cause:

i. upon providing the Executive with the minimum amount of termination pay required by the Alberta *Employment Standards Code*, RSA 2000, c E-9, as amended from time to time;

and

ii. subject to section 5.3(e)(iii) below,

A. if the date of termination occurs during the first year of the Term, upon AHS providing the Executive notice of termination or severance pay equal to one (1) month annual base salary for each completed month of service, payable by way of monthly installments in arrears in accordance with section 5.3(e)(iii)(B), or,

B. after completion of one (1) year of service of the Term, twelve (12) months' annual base salary, payable by way of monthly installments in arrears in accordance with section 5.3(e)(iii)(B)

(the "Severance Payment").

C. The Severance Payment will be subject to statutory deductions.

iii. Receipt of the Severance Payment under section 5.3(e)(ii) is conditional upon the Executive:

A. having executed a Release in substantially the same form as Schedule "A" attached hereto, and

B. is subject to the Executive satisfying the legal duty to mitigate damages. At the end of each month, the Executive will provide AHS a statutory declaration confirming that the Executive has fulfilled the legal duty to mitigate by diligently seeking alternative employment, or advising that the Executive has secured alternative employment or engagement (including providing services as a consultant, contractor or physician) and specifying the employment, consulting or other earnings or fees received by the Executive that month. Monthly Severance Payments will be reduced by the amount of any employment income or consulting earnings or fees for service received during the month in question. The monthly installment of the Severance Payment will not be paid until AHS has received the statutory declaration for the month in question

and in compliance with this Article, to be determined by AHS in its sole discretion.

5.4 The Executive is not entitled to any compensation resulting from the termination of this Agreement, including payment in lieu of reasonable notice, termination pay, severance pay, damages, costs, benefits, loss of pension, or any other common law entitlements or compensation, except as is specifically provided for in this Agreement and as required by the *Employment Standards Code*, RSA 2000, c E-9.

6. No Prior Obligations

6.1 The Executive is not a party to any agreement or under any obligation to any other person or corporation respecting non-solicitation of employees or clients, non-competition, or confidential or proprietary information. The Executive will not disclose anyone else's confidential or proprietary information unless required to do so by law, or use such confidential information in the course of employment with AHS.

7. Confidential Information & Intellectual Property

7.1 The Executive recognizes and acknowledges that, during the course of employment with AHS, the Executive will have access to certain information not generally known to the public, relating to the business activities of AHS and the manner in which such activities are conducted which may include, without limitation, information related to the Intellectual Property of AHS, corporate opportunities, literature, data programs, contact lists, client lists, sources of supply or service providers, projections, business plans or any other proprietary or confidential matter (collectively, the "Confidential Information"). For the purposes of this Article 7 and Article 8, the term "Intellectual Property" means intangible property developed by AHS and its officers and employees including without limitation, ideas, concepts, outlines, synopses, treatments, inventions, discoveries, software, software code, know-how, designs, design drawings, techniques, documentation and other materials, regardless of form or media on which it is stored, patents, works protected by copyrights, moral rights and other intellectual property rights, trade secrets, trademarks, trade names, industrial designs, formulae, methods, processes, and any improvements to the foregoing;

7.2 The Executive recognizes and acknowledges that this Confidential Information constitutes a valuable, special and unique asset of AHS, access to and knowledge of which are essential to the performance of the Executive's duties. The Executive acknowledges and agrees that all such Confidential Information, including without limitation that which the Executive conceives or develops, either alone or with others, at any time during employment with AHS, is and shall remain the exclusive property of AHS. AHS further recognizes, acknowledges and agrees that, to enable AHS to conduct business activities with partners, joint venturers or others, such parties may furnish to the Executive confidential information concerning their property, methods of operation, potential development or exploration opportunities or other data, and that the goodwill and successful business relationships afforded to AHS depends on AHS executives preserving the confidentiality of such information, and that such information shall be treated as Confidential Information of AHS for all purposes under this Agreement.

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- 7.3 The Executive further recognizes and acknowledges that the Intellectual Property of AHS, including, without limitation, that which the Executive conceives or develops, either alone or with others, at any time during employment with AHS, is and shall remain the exclusive property of AHS, and the Executive hereby assigns all rights in such Intellectual Property to AHS. The Executive further agrees that, upon request by AHS, the Executive shall, without further compensation, execute and deliver to AHS such additional documents, assignments or instruments as may be reasonably required in order to record the foregoing assignment.
- 7.4 The Executive agrees that, except as directed by AHS, the Executive will not at any time, whether during or after employment with AHS, use or disclose to any person for any purpose other than for the benefit of AHS, any Confidential Information, or permit any person to use, examine and/or make copies of any documents, files, data, or other information sources which contain or are derived from the Confidential Information whether prepared by the Executive or otherwise coming into AHS possession or control, without the prior written permission of AHS.
- 7.5 The Executive agrees that upon request by AHS and in any event upon termination of employment, the Executive shall turn over to AHS all Confidential Information in the Executive's possession or under the Executive's control which was created pursuant to, is connected with or derived from the Executive's services to AHS, or which is related in any manner to AHS business activities or research and development efforts, whether or not such materials are in the Executive's possession as of the date of this Agreement.
- 7.6 The Executive's obligation of confidentiality does not apply to:
- (a) Information known to the Executive prior to the Executive's employment with AHS;
 - (b) Information which is within the public domain or which shall have come in the public domain in the future through no fault or breach of confidence by the Executive; or
 - (c) Information which has become known or available to the Executive from sources other than through AHS or through the Executive's employment with AHS;

8. Business Records

- 8.1 The Executive agrees to promptly deliver to AHS, upon termination of the Executive's employment, or at any other time when the AHS Board so requests, all documents relating to the business and operations of AHS, including, without limitation: all documents related to Intellectual Property, any other reports and related data, such including but not restricted to all summaries, memoranda and opinions relating to the foregoing, contract files, notes, records, drawings, manuals, correspondence, financial and accounting information, contact lists, statistical data and compilations, agreements, contacts, manuals or any other documents relating to the business of AHS or AHS Intellectual Property (collectively, the "Business Records"), and all copies thereof and therefrom.
- 8.2 The Executive confirms that all of the Business Records which are required to be delivered to AHS pursuant to Section 8.1 constitute the exclusive property of AHS.

8.3 The obligation of confidentiality set forth in Article 7 shall continue notwithstanding the Executive's delivery of any such documents to AHS.

8.4 Notwithstanding the foregoing provisions of this Article 8 or any other provision of this Agreement, the Executive shall be entitled to retain any written materials which fall within the scope of Article 7.6 (a) to (c).

9. Fiduciary

9.1 The Executive acknowledges that the Executive is in a fiduciary relationship and position of trust with AHS.

10. Freedom of Information and Protection of Privacy Act (FOIPP)

10.1 The Executive acknowledges that any personal information (as such term is defined in FOIPP) concerning AHS officers, directors, employees, clients, patients, or other individuals about whom AHS holds information may be subject to the requirements of FOIPP, and other laws governing privacy.

10.2 The Executive hereby consents to the collection, use and disclosure of the Executive's personal information for purposes relating to the management and administration of the employment relationship, in order to facilitate the purposes of this Agreement, and in order to facilitate and promote AHS business and operations. The purposes of collection, use and disclosure are as required by law, and include:

- (a) Reporting purposes to the Minister of Health or other department of the Province of Alberta or anybody having authority over AHS, to the extent that such information is required to be reported;
- (b) As required by AHS to obtain and maintain business contracts;
- (c) In connection with obtaining employee benefits, or in obtaining insurance; or in connection with any outsourcing of information to third party suppliers of information processing services, including, without limitation, payroll, health benefits, insurance or pension plan benefits;
- (d) For AHS internal operational purposes;
- (e) For the purposes of managing, administering, or terminating the Executive's employment;
- (f) For any purpose required or permitted under FOIPP and other applicable legislation;
- (g) Monitoring the Executive's access to AHS electronic media services, including internet and e-mail, to ensure that the Executive's use of such services is appropriate and is in compliance with any policies AHS might establish from time to time; and

- (h) Any other purposes of which the Executive is given notice, and which AHS determines are related to the management and administration of the employment relationship.
- 10.3 The Executive acknowledges and agrees that through employment with AHS, the Executive will become aware of personal information which is collected, used or disclosed by AHS. The Executive agrees not to:
- (a) without AHS prior written consent, disclose or make available such personal information to any other person or entity except in the ordinary course of employment, or as required by AHS;
 - (b) sell, trade, barter, disclose or transfer personal information to any other party or use it for any other purpose other than the purposes permitted by this Agreement; and
- 10.4 The Executive agrees to follow all AHS rules and regulations with respect to personal information.

11. Miscellaneous

- 11.1 Any notice required to be given under this Agreement must be in writing and must be delivered either in person, by courier, or by registered mail. Service will be effective if served to the other party's last known address.
- 11.2 This Agreement, the Effective Date Agreement referenced in section 1.1, and any employment or other policies established by AHS from time to time, in its sole discretion, constitute the whole and only agreement with respect to the Executive's employment. The Executive has no claim against AHS with respect to any agreement, written or oral, made prior to the date of this Agreement. If the Executive alleges the existence of a subsequent agreement, that agreement will only be valid if it is in writing, and specifically states that it is intended to modify the terms of this Agreement.
- 11.3 The provisions of Articles 7, 8 and 9 shall survive the termination of this Agreement and the Executive's employment hereunder, for any reason.
- 11.4 The Executive acknowledges and confirms that the Executive has been independently advised by counsel in respect of the provisions of this Agreement, or having had the opportunity to seek independent advice, has waived that opportunity, and that the Executive has read, understands and agrees with all of the terms and conditions in this Agreement.
- 11.5 The Executive may not assign this Agreement. The Executive agrees that the AHS Board may assign this Agreement at any time, without prior notice, and that the benefits and obligations of this Agreement will pass to such assignee.
- 11.6 Any waiver by AHS of any act or omission of the Executive that would otherwise be a breach of this Agreement will not operate as or be construed as a waiver of any subsequent breach thereof, and will not prevent AHS from treating the act or omission as a current breach.
- 11.7 This Agreement was made in and is to be construed and interpreted in accordance with the laws of Alberta and the federal laws of Canada applicable therein. Whenever possible, each provision

of this Agreement is to be interpreted in such a manner as to be effective and valid under Alberta law. The parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

11.8 If any paragraph, subparagraph, or provision of this Agreement is determined to be unenforceable by a court or tribunal of competent jurisdiction, then such paragraph, subparagraph, or provision (as the case may be) shall be severable from the remainder of this Agreement and the remainder of this Agreement shall be unaffected thereby and shall remain in full force and effect.

11.9 This Agreement may be executed in counterparts, each of which is deemed to be an original and all of which together shall constitute one and the same instrument, notwithstanding that both parties are not signatory to the same counterpart. This Agreement and any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which will be deemed to be an original.

SIGNED at Edmonton, Alberta, this 7 day of December, **[DATE]**.

ALBERTA HEALTH SERVICES

Per: /s/
Lyle Oberg
Executive Chair, AHS Board

_____)	/s/
[name of witness])	_____
)	Athana Mentzelopoulos
)	
_____)	
[address])	
)	
_____)	