

This Employment Agreement ("Agreement") is made effective as of 1:00 p.m. on June 3, 2016

Between:

ALBERTA HEALTH SERVICES
(hereinafter called "AHS")

- and -

VERNA YIU
(hereinafter called the "Executive")

EMPLOYMENT AGREEMENT

WHEREAS AHS is established pursuant to the *Regional Health 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 five (5) years commencing at 1:00 p.m. on June 3, 2016 and expiring at 4:00 p.m. on June 2, 2021 (the "Term"), unless otherwise terminated or extended pursuant to 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 may assign from time to time, in its sole discretion (the "Duties"). The AHS Board may add to or remove from the Duties, in its sole discretion. Duties are understood to be those in the provision of health services throughout Alberta, including implementing 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.
- 2.3 During this Agreement, the Executive will:
- (a) serve AHS and 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;
 - (d) devote the Executive's full time, energy and ability, as required by the AHS Board, to the furtherance of the business and operational success of AHS, with the exception of intermittent clinical practice of the Executive provided this does not interfere with the Executive's Duties and availability to perform her Duties and that she does not receive any compensation for her services, except for work performed after regular office/business hours on evenings and weekends;
 - (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 Board Chair or her designate as the Board Chair may assign from time to time. The AHS Board has the full authority to supervise the Executive, including, without limitation, providing direction, approving vacation time and establishing duties and responsibilities.

4. Compensation, Benefits and Expense Reimbursement

- 4.1 The Executive will be paid an annual base salary of FIVE HUNDRED AND SEVENTY-THREE THOUSAND, EIGHT HUNDRED AND FORTY-ONE DOLLARS (\$573,841.00), less statutory deductions, which will be paid in accordance with the usual pay practices of AHS. The Executive 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 is 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 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 AHS Board Chair, and will be based on operational needs.
- 4.4 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 AHS Board will provide the Executive with pay in lieu of the notice for the portion of the period of resignation it has waived. No other notice, pay in lieu of notice or severance pay shall be provided to the Executive in the event of termination in accordance with 5.2 of this Agreement.

- 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 Employee for just cause, in which case the Executive is entitled to only earned salary to the date of termination;
- (b) without notice or pay in lieu of notice in the event of the death of the Employee, in which case the Executive is entitled to only earned salary 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;
- (e) without just cause upon AHS providing the Executive notice of termination or severance pay during the first year of the Term equal to one (1) month annual base salary for each completed month of service or, after completion of one (1) year of service of the Term, twelve (12) months annual base salary (the "severance payment"). Receipt of the severance payment will be conditional upon the Executive having executed a Release in substantially the same form as Schedule "A" attached hereto, 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. The severance payment will be subject to statutory deductions and will be paid to the Executive in monthly installments in arrears. 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, including any income received in accordance with section 5.5 of this Agreement. It is understood that any reduction in severance pay as a result of mitigation earnings will not reduce the minimum pay in lieu of notice required pursuant to the *Employment Standards Code* (Alberta), as amended. 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. AHS shall not be liable to provide notice, pay in lieu of notice or severance pay in excess of that provided in this clause.

5.4 The Executive is not entitled to any compensation resulting from the termination of this Agreement, except as is specifically provided for in this Agreement. The Executive's entitlement to salary and benefits will cease effective the date of termination, however caused.

5.5 In the event of the Executive's termination of employment pursuant to section 5.3(e) of this Agreement, the Executive may be entitled to a payment in accordance with AHS' policy to support re-entry into clinical practice, in accordance with the terms of the policy in place at the time of the Executive's termination of employment. Amounts paid in accordance with this section 5.5 shall offset any severance payment due in accordance with 5.3(e), except

for the minimum pay in lieu of notice of termination required pursuant to the *Employment Standards Code (Alberta)*, as amended.

6. Statement of Non-Obligation

- 6.1 The Executive is not a party to any agreement or under any obligation to any other person or corporation respecting confidential or proprietary information, with the exception of her clinical practice in Article 2.3(d). 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 all intellectual property of AHS, including inventions, product designs, concepts, design drawings, software code, patents, works protected by copyrights and other intellectual property rights, trade-marks, trade names, 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.
- 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 purpose of making a determination under Article 5.3(c) of this Agreement;
- (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:

- (a) that through employment with AHS, the Executive will become aware of personal information which is collected, used or disclosed by AHS;
- (b) not to, 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;
- (c) not to 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
- (d) that the Executive will 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 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 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 parties acknowledge and confirm that they have been independently advised by counsel in respect of the provisions of this Agreement, or having had the opportunity to seek independent advice.
- 11.5 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. Whenever possible, each provision of this Agreement is to be interpreted in such a manner as to be effective and valid under Alberta law. However, if any provision of this Agreement is held to be prohibited by or invalid under Alberta law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating or rendering unenforceable the remainder of such provision or the remaining provisions of this Agreement. The parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
- 11.8 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.

SIGNED at Edmonton, Alberta, this 3rd day of June, 2016.

ALBERTA HEALTH SERVICES

Per: 
LINDA HUGHES
Chair, AHS Board


Dr. Vern Yiu


[name of witness])

[address])
)

Schedule "A"**Final Release, Confidentiality and Indemnity Agreement**

I, *, in consideration of the sum of \$* (* hundred and * thousand, * hundred dollars and * cents) less amounts required to be withheld by law, the receipt of which is hereby acknowledged, do hereby remise, release and forever discharge **ALBERTA HEALTH SERVICES and ALBERTA HEALTH SERVICES BOARD**, its predecessors, successors, subsidiaries and assigns, and its respective officers, employees and agents (hereinafter referred to as the Releasees) from all actions, complaints, causes of actions, contracts and covenants, whether express or implied, claims and demands for damages, costs, interest, loss or injury of every nature and kind whatsoever and howsoever arising, which I have had, may now have, or may hereinafter have, arising from any circumstances, cause, matter or thing whatsoever existing up to and inclusive of the date of this release, in any way connected with my employment with the said Releasees, including but not limited to the termination of my employment, the loss of any medical, insurance, short-term and long-term insurance coverage, pension, claims or benefits contributed to or sponsored by the said Releasees (including should I become disabled following my termination, any claims for insurance or other benefits, or loss of benefits), and all costs of seeking alternate employment.

FOR SAID CONSIDERATION I further covenant and agree to save harmless and indemnify the said Releasees from and against any and all claims and demands made by the Canada Revenue Agency requiring the Releasees to pay income tax, penalties or charges under the *Income Tax Act* (Canada) or the *Income Tax Act (Alberta)*, and from and against any and all claims and demands made by Service Canada with respect to any amounts which may, in the future, be found to be payable or repayable by the Releasees under the *Employment Insurance Act* (Canada) or the Canada Pension Plan.

I ACKNOWLEDGE receipt of all wages, overtime pay, vacation pay, general holiday pay, pay in lieu of notice of termination and all other amounts that I am entitled to by virtue of the *Employment Standards Code* and other applicable employment standards legislation and agree that I shall not commence any claim, demand or complaint against the Releasees in regard to such legislation. I further release the Releasees of any liability for any claims arising from any circumstance, cause, matter, or thing whatsoever existing up to and inclusive of the date of this release that I have had, have or may hereinafter have under the *Alberta Human Rights Act* and other applicable human rights legislation and agree that I shall not commence any claim, demand, or complaint against the Releasees in regard to such legislation. In the event that I

hereafter commence or threaten to commence any such claims, demands or complaints against the Releasees under either types of legislation, this Release may be raised as an estoppel and complete bar to any such action, claim, demand, complaint or proceeding.

FOR SAID CONSIDERATION I further covenant not to disclose the terms of this Release to members of the public, including the employees and former employees of Alberta Health Services, excepting only any necessary communication with my legal and financial advisors on the express condition that said advisors maintain the confidentiality thereof, or any disclosure which is required by law. The monetary terms of this Release may be required to be disclosed pursuant to *The Public Sector Compensation Transparency Act* ("The Act"). In the event of such disclosure, as required by law, the parties are still subject to the same confidentiality obligations as stated above, except to the extent that disclosure is required by the Act.

I ACKNOWLEDGE that during my employment with the Releasees, I have had access to certain confidential and proprietary information, the disclosure of which could seriously harm the business interests of the Releasees or Releasees' business partners, customers, clients or service providers. I therefore agree, in addition to any other conditions of confidentiality to which I have agreed:

- (a) not to disclose or release any confidential or proprietary information of the Releasees, Releasees' business partners, customers, clients or service providers;
- (b) that I have taken, and will continue to take in the future, appropriate precautions to safeguard the confidential and proprietary information of the Releasees; and
- (c) that I have not been released from and will abide by any and all obligations of confidentiality that I have to the Releasees or Releasees' business partners, clients or service providers, whether under contract or imposed by law.

I ACKNOWLEDGE AND FURTHER COVENANT:

- (a) that I have not removed any records, in any form, including electronic records, belonging to the Releasees, its clients, or others doing business with the Releasees; and
- (b) to return to the Releasees any such records now in my possession.

I FURTHER COVENANT AND AGREE that I will not disparage the Releasees or its businesses or act in a manner which would be to the detriment or prejudice of the Releasees or its management and officers.

IT IS UNDERSTOOD AND AGREED that the payment set out in paragraph 1 of this Release, is not deemed any admission whatsoever of liability on the part of the Releasees.

IT IS FURTHER UNDERSTOOD AND AGREED that I have had the opportunity to obtain independent legal advice in respect of the contents of the within Release and waive all further rights in that respect. I fully understand this Release and the terms of the settlement. I have not been influenced by any representation or statements made by or on behalf of AHS. I hereby freely, voluntarily and without duress accept and agree to be bound by the said terms for the purpose of making full and final compromise, adjustment and settlement of all claims as aforesaid.

DATED this _____ day of _____, 201_.

Witness Signature

Printed Name and Address of Witness

