



## **EMPLOYMENT CONTRACT**

**THIS AGREEMENT** made effective the 7th day of May, 2012

**BETWEEN:**

**ALBERTA HEALTH SERVICES**  
(also referred to as "AHS" or "the Employer")

- and -

**ALLAUDIN MERALI**  
(also referred to as "the Employee")

**WHEREAS** Alberta Health Services is responsible for the provision of health services throughout Alberta.

**AND WHEREAS** AHS has agreed to retain the services of Allaudin Merali in the capacity of Executive Vice President and Chief Financial Officer.

**AND WHEREAS** the parties have agreed to enter into a contract of employment and the execution of this agreement was contemplated by the parties to formalize the terms and conditions of his employment relationship.

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

### **TERM**

1. The Employer agrees to employ the Employee for an indefinite term commencing May 7, 2012. This agreement and his employment will therefore continue until terminated under the provisions of paragraphs 27, 28, 32 or 33 herein.

### **POSITION AND DUTIES**

2. The Employee will be employed in the position of Executive Vice President and Chief Financial Officer and reports to and accepts instructions from the President and Chief Executive Officer or his designate.
3. It is recognized by both parties that this position is a managerial position, which from time to time and as necessary will require the Employee's services beyond normal working hours without additional compensation, overtime pay or time in lieu thereof.



4. The Employee shall, at all times, faithfully, industriously and to the best of his ability perform all duties and functions required of him/her by the President and Chief Executive Officer or his designate, in a professional manner and to the satisfaction of the Employer. The Employee shall provide timely and good quality work, always acting in a competent, trustworthy and loyal fashion.
5. The Employee's duties are set out in the Position Description attached as "Schedule A" to this agreement. The duties referenced in Schedule A may be changed by the President and Chief Executive Officer and the Board of AHS as it deems necessary from time to time.
6. The Employee agrees to operate within the policies, practices and procedures established by the Employer, as changed or amended from time to time, except where they contradict the express terms of this agreement.
7. Except as agreed by the Employer and the Employee in writing, he/she will devote his full working time and attention to the business and affairs of AHS and, in particular, to the carrying out of his employment duties and obligations.
8. The Employee agrees to avoid any external commitments that interfere with his obligations to the Employer or that constitute a potential, perceived or real conflict of interest. The Employee further agrees to refrain from publicly taking positions in conflict with those of the Employer.

#### **COMPENSATION**

9. The Employee will receive an annual base salary of \$531,250, less lawful deductions at source. The salary will be paid in accordance with the Employer's customary practices.
10. The Employee's base salary will be reviewed annually in accordance with AHS Total Compensation Program.
11. A portion of the Employee's annual base salary, up to a maximum of 25% of his annual base salary, is dependent upon successful achievement of annual performance targets. This portion is said to be "Pay at Risk" depending on the degree to which performance expectations have been met. The "Pay at Risk" will be withheld until the end of the fiscal year, at which time it will be payable in accordance with paragraph 12.
12. The Employee will be rated against his annual performance targets and the President and Chief Executive Officer will approve the "Pay at Risk" amount. This amount will be paid to the Employee in the form of a lump sum, within thirty (30) calendar days of the receipt of an unqualified opinion from the Auditor General of Alberta on the Employer's financial statements for the prior fiscal year.



13. Performance targets will be established annually and mutually agreed to by the President and Chief Executive Officer, the Board of AHS, and the Employee.
14. For the first year of employment, the Employee's annual performance targets will be established and agreed upon with the President and Chief Executive Officer within the first 30 days of employment. The Employee is only entitled to earn a proportionate lump sum amount of "Pay at Risk" for the months worked within that fiscal year.
15. Upon cessation of the employment relationship under clause 27, the Employee is not entitled to any proportionate amount of "Pay at Risk" based on the prior year performance. In other circumstances of termination, the Employee is entitled to a proportionate amount of "Pay at Risk" for the months worked within that fiscal year, based on the prior year's "Pay at Risk" amount.

#### **BENEFITS**

16. The Employee shall participate in, and be entitled to, employment benefits consistent with the benefit package in effect for the Employer's management staff. Such benefits will include up to five (5) paid Personal Leave Days (38.75 hours) per year (April 1<sup>st</sup> to March 31<sup>st</sup>) in recognition of additional time contributed and flexible schedules of work. These days cannot be carried over from year to year or paid out. For the first year of employment, the Employee is eligible to use a proportionate amount of Personal Leave Days for the months worked within that fiscal year.
17. The scope of the benefit coverage shall be as determined by the Employer from time to time. The Employer expressly reserves the right to change carriers, plans or policies, or amend or terminate coverage, as it deems appropriate. Where coverage is in force, the Employer's obligations do not extend to guaranteeing payment of claims under any particular plan or policy. The provisions of the policies and plans shall govern with respect to eligibility, plan administration and benefits provided.
18. The Employee will have an annual professional development allowance of \$10,000.00 available to be used for the payment of personal education courses, seminars and other professional development activities paid at the rate of \$833.33 monthly.
19. The Employee will have a further annual allowance of \$ 10,000.00 available to be used for personal, financial and tax advice, club memberships and other similar purposes, payable at a rate of \$ 833.33 monthly.



### **VACATION**

20. The Employee is entitled 6 weeks of paid annual vacation.
21. The timing of the annual vacation will be as mutually agreed in advance between the Employee and the President and Chief Executive Officer and the Board of AHS, but in the event agreement cannot be reached, the Employer retains the right to unilaterally establish the vacation period or periods.
22. There will be no carry-over of vacation entitlements from year to year unless prior authorization in writing has been obtained from the Employer.
23. Upon cessation of the employment relationship for any reason the Employee is entitled only to payout of any accrued, but untaken, vacation entitlement.

### **AUTOMOBILE**

24. The Employee is entitled to an annual taxable vehicle allowance of \$12,000.00, payable at a rate of \$ 1,000.00 monthly.
25. All expenses concerning the ownership, operation and maintenance of the vehicle, whether leased or owned, shall be the responsibility of the Employee.

### **BUSINESS EXPENSES**

26. The Employee is entitled to reimbursement of business expenses incurred while on authorized AHS business, provided such claims are supported by relevant receipts and documentation, are submitted in a timely fashion and comply with applicable AHS policies and budgetary limits.

### **TERMINATION**

27. The Employer may terminate this agreement and the Employee's employment at any time for just cause. In such circumstances, the Employee is entitled to only his earned salary and other accrued entitlements to the date of termination less any appropriate deductions and sets-offs. Upon such payment, the Employee shall have no further claim against the Employer for the termination.
28. The Employer may terminate this agreement and the Employee's employment at any time without just cause. In such circumstances, the Employee shall receive his/her earned salary and other accrued entitlements to the date of termination less any appropriate deductions and sets-offs. In addition, the Employer will pay the Employee termination (severance) pay equal to 12 months base salary at the rate in effect at the date of termination. Such severance shall be paid in 12 equal monthly installments in arrears to commence upon receipt of an executed Release in a form satisfactory to AHS. "Pay at Risk" will be excluded from salary for the purposes of calculating termination (severance) pay entitlements under paragraphs 30 and 31.



29. In the event of termination under paragraph 28 the Employee shall also be paid 15% of the severance in lieu of all other benefits.
30. In the event of termination under paragraph 28, the Employee acknowledges his legal duty to mitigate his/her damages by diligently seeking alternate employment. Upon obtaining alternate employment, the payments under paragraphs 28 and 29 will cease and the Employee will be paid a lump sum equal to one-half of any payments then remaining under paragraphs 28 and 29.
31. The parties expressly acknowledge that the payment set out in paragraph 28 and 29 above constitutes the agreed-upon payment in lieu of reasonable notice when the Employee is terminated without just cause. Upon such payment, the Employee shall have no further claim against the Employer for the termination.
32. The Employee may terminate this agreement and his employment upon first giving a minimum of three months written notice. Upon such termination, the Employer will have no further obligations to the Employee.
33. This agreement, the Employee's employment and all obligations of the Employer to the Employee will also cease upon:
  - a) The Employee's death;
  - b) The Employee's permanent incapacity to perform the essential functions of the position, as determined by the Employer and a duly qualified physician selected by the Employer;
  - c) Dissolution or disestablishment of the Employer, triggering severance under paragraphs 28 and 29, unless the operations of the Employer are carried on by a successor entity and this agreement is assigned to that successor entity;
  - d) Frustration of the employment relationship; or
  - e) Mutual agreement in writing.
34. The Employee acknowledges that he/she is in a fiduciary relationship and position of trust with AHS. The Employee further acknowledges that through the employment responsibilities, he will acquire confidential information and data concerning the operations of the Employer.
35. The Employee further acknowledges that the disclosure of such confidential information would be detrimental to the legitimate interests of AHS and that AHS is therefore entitled to protect its proprietary interest in such confidential information.
36. The obligations of confidentiality and non-disclosure shall continue in effect indefinitely. In the event of the Employee's breach or threatened breach, the Employer shall be entitled to all legal remedies including seeking both temporary and permanent injunctive relief.





37. The Employee therefore agrees that he will not, during his/her employment with AHS, or thereafter, divulge, communicate or otherwise disclose to any person or body any such confidential information or use such confidential information for purposes inconsistent with the interests of AHS.
38. This confidentiality obligation does not apply to:
  - a) information within the public domain;
  - b) information disclosed in compliance with any applicable statute or regulation, or as compelled by a governing court or quasi-judicial body;
  - c) information disclosed where authorized by the Employer;
  - d) information whose disclosure or use is legitimately required to fulfill the Employee's employment duties on behalf of the AHS; or
  - e) information disclosed to the Employee's financial and legal advisors in the seeking of advice for the purposes of protecting or advancing his/her personal rights in conflict with the Employer, on the express condition that said advisors maintain the confidentiality thereof.

#### **SERP**

39. Nothing under this agreement changes the rights of the Employee to receive current SERP payments, except that the Employee agrees to defer the receipt of his remaining payments during the period under contract with the Employer. This deferral represents amounts that would have been normally paid during the contract period and shall be paid at the termination of this contract or at a date mutually agreed thereafter. SERP payments will resume at this agreed upon date, including an adjustment for COLA (as per the former Capital Health SERP plan text) that would have accumulated during this period of employment with AHS.

#### **GENERAL**

40. This agreement constitutes the entire agreement between the Employee and AHS concerning his/her employment relationship. It supersedes any and all other agreements or contracts, whether verbal or written, between the parties. The Employee further acknowledges that there are no promises or representations made to him apart from obligations of the Employer expressly set out in this agreement.
41. This agreement was negotiated freely and voluntarily and the Employee acknowledges that he has had a reasonable opportunity to seek independent legal advice with respect to this agreement and its terms.



42. The Employee agrees to immediately return to the Employer, upon cessation of the employment relationship for any reason, all business documents, records, files, computer disks, software products, equipment and all other property of the Employer, including copies of any items.
43. This agreement may be amended at any time by mutual agreement of the parties in writing.
44. The invalidity, or unenforceability, of any term of this agreement shall be severable from, and shall not affect enforceability of, the remainder of this agreement.
45. This agreement shall be interpreted and governed by the laws in force in the Province of Alberta. The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
46. This agreement may be executed in counterparts, each of which is deemed to be an original but all of which taken together shall constitute one agreement, notwithstanding that both parties are not signatory to the same counterpart.

SIGNED at Edmonton, Alberta, this 4<sup>th</sup> day of April 2012.

ALBERTA HEALTH SERVICES

Per: CJH

SIGNED in the presence of:

[Signature]  
Witness' signature

Maudini Meral  
Senior Executive's Signature



## Appendix A:

### *Responsibilities*

As the administrative head of the portfolio, the EVP & CFO is responsible and accountable for:

- financial planning and control,
- capital planning & management;
- information services,
- contracting, procurement and supply management; and
- legal & privacy functions.

The EVP & CFO also provides administrative leadership to the Internal Audit & Enterprise Risk Management function.

The EVP & CFO ensures that business units and corporate support functions support an organization that is undertaking transformational change, large-scale integration, continuous improvement, process reengineering, and breakthrough thinking and innovation to deliver on its commitment to excellence and enhanced performance in delivering a quality, accessible and sustainable health care system.

The EVP & CFO shares responsibility with the rest of the AHS Executive Committee in:

- Developing the organizational strategy and the design and delivery of fully integrated programs and services required to achieve the vision, mission and business plan of AHS;
- Determining, leading and modeling integration and collaboration required to successfully deliver a quality, accessible and sustainable health system;
- Developing, measuring and integrating health services by providing executive leadership in strategic planning, operational leadership, relationship management, people management, change leadership, resource management and risk management frameworks;
- Advocating and fostering innovation and change required to address evolving patient, client and stakeholder needs;
- Ensuring the alignment and integration of portfolio policies and programs to reflect and support the direction of Alberta Health Services;
- Managing significant and complex issues and challenges related to service delivery, along with stakeholder expectations, through presentation and discussion of factors impacting organizational decisions and actions in partnerships with other Alberta Health Services portfolios and external stakeholders;





- Establishing positive and effective relationships and collaborating with leaders from other AHS portfolios to ensure the successful integration of health services; including managing strong relationships with Alberta Health and Wellness, and key stakeholders in the healthcare sector across Canada;
- Establishing positive and effective relationships and collaborating with community and other public sector leaders to ensure the successful delivery of client expectations; and
- Modeling Alberta Health Services values.
- As administrative head of the portfolio, the EVP & CFO is responsible and accountable for:
- Overseeing the integration and coordination of a diverse, multifaceted, complex corporate services delivery model for the province through the following departments:
  - Finance,
  - Capital Management
  - Information Technology
  - Contracting, Procurement & Supply Management
  - Legal & Privacy, and
  - The Office of the Chief Audit Executive
- Leading and championing the development and integration of an innovative embedded corporate services delivery model that supports the AHS Clinical Operations and the achievement of AHS' Tier 1 objectives;
- Providing strong leadership, stability, direction and control to the Financial and Corporate Services function and team as AHS transitions into a unified provincial structure, ensuring the successful integration of its finance and corporate services functions;
- Planning and control of multi-billion-dollar operating and capital expense budgets;
- Establishing effective management reporting and financial and performance reporting (*information from the EVP & CFO office will be critical to enabling decision-making across the organization*);
- Providing reports to Board of Directors and to Board Committees, and maintain ongoing communications with the Ministry of Health and Wellness;
- Providing the analytical basis for understanding AHS' performance as well as the economic rationale for capital expenditures and key program undertakings;



- Ensuring that financial reporting and compliance are carried out to the highest standards as defined by modern corporate governance principles, and ensuring that financial and operational management practices and processes are designed, integrated and managed to optimize effective planning and control of the overall enterprises;
- Planning, overseeing and approving the portfolio's effective use of financial, human and capital resources. Ensuring the human, fiscal, information and program resources are maximized and effectively managed to meet goals;
- Leading the development and implementation of consistent and effective approaches in technology, evidence-based practice and performance targets. This includes the integration and exploitation of working in an evidence-based, people focused environment;
- Leading the development, implementation and integration of consistent and effective people based business support service practices for AHS;
- Ensuring the portfolio's structure, systems and processes enable staff to effectively and efficiently implement programs and services;
- Leading, mentoring, coaching and developing an executive management team within the portfolio;
- Implementing Alberta Health Services policies and decisions, and ensuring activities are aligned with the Alberta Health Services strategic agenda;
- Providing strategic advice on policy issues and significant operational program decisions;
- Establishing positive and productive relationships with external stakeholders in the health delivery system to ensure the successful two-way communication of goals and expectations;
- Fostering leadership skills throughout the organization and ensuring that portfolio human resource management plans meet future needs.