**Disclaimer:**

**This document is prepared as an informational resource for physicians and is intended to be a starting point for a conversation with your lawyer about how you may be able to develop a contract specific to your individual circumstance.**

**Physicians** are required to contact their own personal legal counsel for independent legal advice with respect to the use of these templates. For more information on law firms with preferred rates for physician members, please log into [Club MD](https://www.doctorsofbc.ca/your-benefits/discount-programs/club-md). These templates do not constitute legal advice.  Doctors of BC does not provide legal advice to members who are considering using the templates and is not liable in any way for their use.

Members should not agree and sign the templates based upon information contained in this document without first consulting appropriate professional advisors. Members are also encouraged to ensure they are aware of and advised on applicable policies, guidelines, and regulatory and legislative requirements that may be relevant to their obligations.

COST-SHARING AGREEMENT

[**Clinic Name Agreement**]

THIS AGREEMENT made with effect from the day of , 20XX (“**Effective Date**”)

**BETWEEN/AMONG**:

[NAME OF CORPORATION], a corporation incorporated under the laws of British Columbia, having its registered office [ADDRESS]

(“ ”)

**AND**

[NAME OF CORPORATION]., a corporation incorporated under the laws of British Columbia, having its registered office [ADDRESS]

(“ ”)

**AND**

[NAME OF DOCTOR], of [ADDRESS]

(“ ”)

(collectively referred to as the “Parties” and individually the “Party”)

WHEREAS:

1. Each of the [name of individual doctors] is a physician, licensed and registered to practice in the Province of British Columbia by the College of Physicians and Surgeons of British Columbia;
2. The Physicians are sole voting shareholders of their respective medical corporations;
3. [NAME OF MEDICAL CORPORATIONS] and the Physicians have agreed to share professional premises located at [address], where they each carry on their own separate medical practices in British Columbia under the clinic name [clinic name] on the terms set forth in this Cost Sharing Agreement;

**NOW THEREFORE** in consideration of the premises and of the mutual trust and confidence between the Parties, each of the Parties covenant and agree with the others as follows:

DEFINITIONS

1. In this Agreement the following terms shall have the following meanings:
   1. “**Accountant**” means the professional chartered accountant or professional charted accounting firm appointed by the Medical Corporations;
   2. “**Annual Report**” means the report prepared annually by the Manager that provides details on the income and expenses of the Clinic for the past fiscal year, projected income and expense figures for the following fiscal year, Overhead Costs, sources of income managed by the Clinic, and any other expenses paid out by the Clinic;
   3. “**Billings**” means fee-for service, uninsured services and encounter coding;
   4. “**Business Day**” means a day that is not a Saturday, Sunday or statutory holiday in British Columbia;
   5. “**Clinic**” means [name], or such other name under which the Medical Corporations and Physicians choose to use to designate their place of business;
   6. “**Clinic Records**” means all information about the Medical Corporations and the Physicians kept at the Clinic that are reasonably necessary for the administration of this Agreement;
   7. “**Clinical Operations Fund”** means a bank account in the name of the Clinic, to be used for the following;
      1. To deposit all cheques received by the Clinic;
      2. To make payments to the Medical Corporations and Physicians; and
      3. To pay the Shared Expenses.
   8. “**College**” means the College of Physicians and Surgeons British Columbia;
   9. “**Contracted Services**” means the primary care provided by a Medical Corporation or Physician through a provincially standardized service contract as an independent provider developed by the Ministry of Health and administered by a regional health authority;
   10. “**Employee Costs**” means the aggregate costs of all salaries and benefits for employees of the Medical Corporations who are employed at the Clinic;
   11. “**Extraordinary Meeting**” as defined under Section 14;
   12. “**Fee for Service**” means a single service that is provide for a one-time fee offered by a health care provider;
   13. “**General Business Meeting”** as defined under Section 15;
   14. “**Individual Expenses**” means:
       1. Any and all costs associated with the specialized equipment and supplies used by a particular Medical Corporation or Physician but not by all Medical Corporations or Physicians generally;
       2. All premiums for professional liability and personal liability insurance;
       3. All costs of individual promotion and entertainment except those agreed to be shared by the Medical Corporations and paid as Share Expenses; and
       4. All legal and accounting costs incurred by a Professional Corporation or a Physician for its or his or her own purposes;
   15. “**Insured Services**” means MSP, ICBC and WorksafeBC insured patient care services provided by a Physician to a patient
   16. “**Interest**” means each Medical Corporations and/or Physician’s interest in the following:
       1. The equipment leased or used at the Clinic;
       2. The lease for the Clinic;
       3. The Clinic’s goodwill;

And includes each Medical Corporation’s or Physician’s Practice and rights under this Agreement, but does not include any items of personal property that have been acquired by a Medical Corporation or a Physician at its or his or her own personal costs and that is used exclusively by that person or entity;

* 1. “**Lease**” means the lease between [parties] as tenants [name of landlord] (as landlord) dated [date] and all amendments thereto.
  2. **“Locum Physician”** means a qualified physician who is subcontracted by the Clinic, Physician or Medical Corporation to provide coverage services from time to time as may be required and who is not a party to this Agreement;
  3. **“Manager”** means the Physician as may be appointed by the majority of the Physicians;
  4. “**Medical Corporation**” means a medical corporation holding a valid permit issued by the College that can provide health profession services to the public as a business;
  5. “**Medical Services Plan or** **MSP**” means the provincial public heath insurance available to eligible residences of British Columbia;
  6. **“Non-Member Locum Physician”** means a qualified physician who is subcontracted by the Clinic to provide coverage services for the Physicians from time to time as may be required and who is not a party to this Agreement;.
  7. “**Overhead Costs**” means
     1. rent and other charges required to be paid under the Lease;
     2. leasehold improvements to the Premises that have been approved by the Parties;
     3. office equipment and supplies that are generally used by all the Parties including but not limited to gloves, gowns, needles, syringes, eye rinses. Etc/;
     4. telephone charges, waiting room subscriptions and like costs of running and maintaining the Premises;
     5. utilities such as janitorial services, laundry and electricity for the Premises;
     6. general comprehensive, insurance covering all jointly owned personal property on the Premises and third party liability arising out of the occupation and use of the Premises by the Parties (but not including professional liability insurance;
     7. bank charges for operation of the Clinic Operations Fund;
     8. legal and accounting expenses incurred for the management of the Premises or the administration of this Agreement for the general benefit of the Parties;
     9. general administrative services performed for all the Parties; and
     10. joint promotion and entertainment expenses that have been approved by the Parties.
  8. “**Physician**” or “**Physicians**” means the undersigned physicians individually, and any other qualified Physicians who become a party to this Agreement in a similar capacity pursuant to the terms of this Agreement;
  9. “**Practice**” means the separate practice of medicine carried on by each Medical Corporation and/or Physician (including all patient list and records of each Medical Corporation and/or Physician);
  10. “**Premises**” means the premises located at [location];
  11. “**Qualified Physician”** means an individual who:
      1. Is a member in good standing of the College and has paid insurance against errors and omission in an amount on a per claim basis not less than the required by the College;
      2. Is a participant in a recognized Maintenance of Competence (MOC) program;
      3. has the relevant experience in the practice of medicine; and
      4. is not an undisclosed bankrupt; and

includes a medical corporation in which all the voting shares of which are owned by an individual who has consent from the College to practice medicine as a member of a corporation.

* 1. “**Reserve Amount**” means an amount not to exceed [$], as determined by the Manager, to be retained in the Clinic Reserve Fund as a reserve to cover any Shared Expenses that may arise from time to time;
  2. “**Shared Expenses**” means Employee Costs, Overhead Expenses and any other costs the Parties agree to from time to time to share equally;
  3. **“Treasurer”** means the Physician elected by the Partnership to serve as the Clinic’s Treasurer;
  4. **“Uninsured Services”** means the medical services not covered by MSP or other insurers as defined by the British Columbia Government and Doctors of BC.

NOT A PARTNERSHIP

1. The Parties hereby agree to be associated solely for the purpose of providing their respective professional medical services to the Clinic. The Parties shall have no responsibility to the others except as specifically set forth in this Agreement. In no event shall the relationship between the Parties be construed as a partnership, agent, employee or any other relationship which would impose personal liability on one Medical Corporation or Physician for the acts of another in their professional capacity as a physician or otherwise. The Medical Corporations and the Physicians each own their respective Practices, all goodwill attached thereto and equipment used therein.

**NO AGENCY**

1. Except as specifically provided for in this Agreement, the Professional Corporations or Physicians shall not act as agents for or assume any obligations or responsibilities on behalf of any of the others or pledge any of the assets of any of the others except with the prior written consent of such others.

**NO BORROWING OR DEBT**

1. The Parties shall not borrow money or incur any indebtedness or behalf of or pledge the credit of any of the others except with the prior written consent of such others.

**INDEMNITY**

1. Each of the Medical Corporations and each of the Physicians covenants to indemnify and save the others harmless from all losses, damages, expenses, actions, causes of actions and other liabilities or obligations of any kind resulting from any breach by it, him, her or the Medical Corporation of which he or she is the principal of any covenant under this Agreement.

COVENANTS OF THE PARTIES

1. The Parties each covenant and agree as follows:
   1. To maintain and provide proof annually to the Clinic that they or any Locum Physician sub-contracted by them holds a valid license to practice medicine in the Province of British Columbia and holds current membership in the Canadian Medical Protective Partnership commensurate with the nature of their practice;
   2. That they shall each pay the Individual Expenses incurred by them, including, but not limited to, Canadian Medical Protective Association membership, licensing fees and society memberships;
   3. That they shall each be responsible for obtaining and maintaining adequate disability or medical insurance to deal with the financial needs of the principals of the Medical Corporation or the Physician in question in the event of disability due to illness, injury or death;
   4. That they are each responsible for the follow up of all patient care, patient medical records, test reports, consults and referrals;
   5. That the entitlement of the Parties to the monies payable to the Clinic shall be determined specifically in accordance with the terms of this Agreement;
   6. To execute, on an annual basis, any renewal agreements or ratification agreements that are required by this Agreement to confirm the validity and effectiveness of this Agreement
   7. To regularly attend and participate in any General Business Meetings and Extraordinary Meetings, if so required;
   8. To provide detailed contact information, including, but not limited to, business and home addresses, electronic mail and other forms of electronic messaging addresses, and telephone numbers to the Clinic and to each other for the purposes of communication and correspondence; and
   9. To observe and perform their professional obligations in accordance with the terms of this Agreement.

MEDICAL CORPORATIONS

1. If a Medical Corporation is a party to this Agreement, it shall be registered as an employer with WorkSafeBC and shall purchase and maintain in good standing WorkSafeBC insurance coverage for any employees employed by the Medical Corporation.
2. Each Medical Corporation shall be responsible for ensuring its respective employees are trained and are aware of any Clinic policies and procedures and that the employees shall comply with Personal Information Protection Act (PIPA) and any applicable privacy laws and regulations when dealing with the Personal Information.
3. Each Medical Corporation may in its sole discretion claim capital cost allowance in respect of its interest in the assets owned by the Clinic as tenants-in-common as permitted by the *Income Tax Act* (Canada).

CLINIC PREMISES

1. The Parties agree the Premises shall have:
   1. The usual equipment, materials, examination rooms and drugs which are necessary or desirable to provide care to patients;
   2. Up-to-date emergency medications and equipment as mandated by the College; and
   3. Reception and support staff at a sufficient level to maintain efficient Clinic workflow and patient safety.

FEES AND PAYMENT

1. The Billings, fees and payments payable to the Parties shall be in accordance with Appendix “A”, as may be amended by the Parties from time to time.

ORGANIZATIONAL STRUCTURE

1. The Parties agree and acknowledge that the Clinic requires assignment of roles in order to facilitate its operations and to provide the medical services to patients.
2. The Parties agree to the following:
   1. The day-to-day administration, the organization of regular meetings of the Clinic (not including the Practices) and the chairing of any meeting of the Clinic, shall be performed by a Physician nominated from among the Parties, and elected by a three-quarters vote of the Parties (the “Manager”):
      1. The Manager, or their representative, shall manage the operations of the Clinic including, but not limited to, human resources, recruiting and training support staff and maintaining Clinic Records;
      2. The Manager shall, within seven (7) days of each month end, report to the Medical Corporations and Physicians in writing, of any significant issues or concerns that include, but are not limited to, Clinic affairs, organizational structure, accounting, distribution of payments, and the operations of the Clinic;
      3. The Manager shall schedule and organize General Business Meetings and Extraordinary Meetings and provide copies of the meeting minutes to the Parties within fifteen (15) days of the last meeting;
      4. The Manager shall, within thirty (30) days of the end of the fiscal year of the Clinic, provide and present the Annual Report to the Medical Corporations and the Physicians at the Annual General Meeting;
      5. The Manager shall be permitted to delegate some or all of the above tasks to qualified individuals.
      6. The Manager shall be paid compensation as agreed to in writing among the Parties.
   2. The financial record-keeping, accounting, and distribution of the payment of monies received by the Clinic shall be performed by a Physician nominated from among the Parties, and elected by a three-quarters vote by the Parties (the “Treasurer”):
      1. The Treasurer shall oversee the disbursement of payments to the Medical Corporations, Physicians and Locum Physicians for providing their respective services to the Clinic, and shall ensure the accuracy of such payments;
      2. The Treasurer shall be responsible for ascertaining the balance and status of the accounts, including the Clinical Operations Fund, held by the Clinic;
      3. The Treasurer shall oversee the accounting and financial record keeping of the Clinic;
      4. The Treasurer shall pay Shared Expenses incurred by the Clinic;
      5. The Treasurer shall execute and file with any governmental body any document required to be filed concerning or in connection with the Clinic (not including the Practices);
      6. The Treasurer shall provide annual reports and such other reports as may be required to the Parties for the purposes of filing their individual income tax returns; and
      7. The Treasurer shall be permitted to delegate some or all of the above tasks to qualified individuals, including Accountants.
      8. The Treasurer shall be paid compensation as agreed to in writing among the parties.
   3. The scheduling of Physicians and Locum Physicians to provide the services to the Clinic shall be performed by either a Physician nominated from among the Parties, and elected by a three-quarters vote by the Parties or a person selected by the Manager and approved by a three quarters vote by the Parties (the “Scheduler”):
      1. The Scheduler shall be responsible for creating a schedule that meets the needs and workflow of the Clinic (the “Clinic Schedule”);
      2. The Scheduler shall develop a procedure for delivering and updating the Clinic Schedule as may be required from time to time; and
      3. The Clinic Schedule shall be scheduled with attention to the needs of the Clinic as well as the individual needs of the Physicians, in a matter that is transparent, fair, and equitable, to maintain the well-being of the Physicians and patient safety.

ADMINISTRATION OF MEETINGS

1. In regard to the administration of the general business meetings of the Clinic (“General Business Meeting”) the Parties agree as follows:
   1. The General Business Meetings shall occur (monthly, quarterly, semi-annually, annually) upon notice from the Manager and shall be scheduled on days and times that is as much as possible, minimally disruptive to the operations of the Clinic;
   2. The purpose of the General Business Meeting shall include, but shall not be limited to, issues related to the Medical Corporations and Physicians, distribution and management of monies of the Clinic, and other activities relevant to the Clinic ;
   3. One General Business Meeting a year shall be designated as an annual general meeting (“**Annual General Meeting**”) to allow for presentation and discussion of the Annual Report, in addition to any other business meeting items;
   4. Prior to any General Business Meeting, an agenda, minutes from previous General Business Meetings, and other documents for discussion or review relating to agenda items, shall be sent by electronic or conventional means by the Manager to the Parties at least three (3) days before the upcoming General Business Meeting;
   5. Each Party shall have one vote each at the General Business Meeting;
   6. A quorum at a General Business Meeting shall be a majority of Parties present in person or by proxy representing a majority of the total votes of the Parties. If there is a lack of quorum, the General Business General meting shall not be adjourned but rather no voting motion may be moved or discussed during the General Business Meeting;
   7. The Manager shall act as Chair of every General Business Meeting, unless he or she identifies another Physician to act in this capacity because of absence or conflict of interest;
   8. The Chair may act as or may designate a Physician as the recording secretary to take attendance, minutes, voting returns, and recording duties as needed, for the meeting;
   9. Motions moved at a General Business Meeting shall pass if approved by a simple majority of votes cast. Votes for or against a motion shall not be recorded unless the motion specifically requires identification of the vote distribution;
   10. A Party may designate a proxy to vote for them in the event they shall not be present at a meeting. The designation of a proxy must be in a form satisfactory to the Manager, and must be recorded in the minutes. A proxy vote may be cast ahead of the discussion of a motion by a Physician, and must be provided in writing to the Manager prior to the commencement of any meeting. Except in motions requiring a secret ballot, proxy votes cast for or against a motion shall be recorded;
   11. At each General Business Meeting, meeting minutes shall be kept, all accepted or rejected motions being noted, and proxy votes identified; and
   12. On occasion, the Manager may request that the Parties discuss and vote on a motion that is proposed outside of General Business Meeting, In such instances, the Manager shall be required to notify all the Parties of the motion raised, and provide a deadline for discussion and voting. The secretary shall be required to keep copies of the discussion and voting on the motions. The summary of the discussion and the results of voting shall be presented at the subsequent General Business Meeting and shall be incorporated as “off-line minutes” on the motion. Any motion may be considered for movement and discussion outside of a General Business Meeting, at the discretion of the Manager. Voting requirements for approval for such a motion are the same.
2. In regard to the administration of extraordinary or urgent business meetings of the Clinic (“Extraordinary Meeting”) the Parties agree as follows:
   1. Such Extraordinary Meeting may be convened by the Manager at any time following the request of any Party if a crisis requiring a meeting of the Parties exists or as otherwise required;
   2. Notice of the Extraordinary Meeting shall provide the meeting date and time; and
   3. Meeting minutes of the Extraordinary Meeting shall be kept, all accepted or rejected motions being noted, and all proxy votes shall identified.

ADMINISTRATION OF MONIES

1. The Parties recognizes the Overhead Costs to the Clinic in meeting its responsibilities and requirements. In this regard, the Parties shall contribute to the Clinical Operations Fund the Reserve Amount. The Reserve Amount may be increased or decreased from time to time with the approval of the majority of the Parties at a General Business Meeting.
2. In the event that the Reserve Amount is insufficient to meet the ongoing obligations of the Clinic, the Parties agree to contribute additional monies to the Clinic Operations Fund, in an amount to be determined by the Parties.
3. The Treasurer may use the Clinical Operations Fund for the following purposes:
   1. To pay the services rendered by the Parties elected to the positions of Manager, Treasurer, and Scheduler, in the fulfillment of the duties assigned to each of those positions, and any additional goods or services required by them to fulfill such duties;
   2. To pay the services rendered by representatives delegated duties by the Manager, the Treasurer and the Scheduler, and any additional goods or services required by them to fulfill these duties;
   3. To pay the services rendered by the Medical Corporations, Physicians, Locum Physicians or individuals delegated in the fulfillment of duties to the Clinic;
   4. To pay Shared Expenses that are due and payable; and
   5. To pay any other expenses and costs necessary for the operation of the Clinic.
4. The Treasurer or a representative appointed by the Treasurer shall operate the Clinical Operations Fund and shall deposit all cheques and payments received by the Clinic into the Clinical Operations Fund within fifteen (15) days of the end of each month.
5. The Treasurer and one Physician, who shall be appointed as an authorized signatory, shall have the authority to issue cheques in the name of the Clinic up to and including $10,000. Any cheques over the amount of $10,000 shall be approved by the Parties.

INSURANCE

1. Each Medical Corporation or Physician shall obtain its own professional liability and personal disability insurance. All other and further insurance, including general and third party liability insurance, as may be required for the Clinic as determined at the Parties’ discretion, shall be obtained by the Parties and shall be treated as a Shared Expense.

RETIREMENT OF PHYSICIAN

1. In the event of the retirement of a principal of a Medical Corporation or a Physician (the “Retiree”), the Retiree shall sell their Interest to the other parties (the “Purchasers”) and the Purchasers shall have the option to purchase such Interest for the purchase price and on the terms and conditions set out therein.
2. In the event the Retiree and the Purchasers are unable to reach an agreement on the purchase and sale of the Retiree’s Interest, the Retiree shall sell their Interest to a Qualified Physician, provided the Qualified Physician has the required qualifications, experience skill, compatibility and age and is approved by a majority of the Parties at a General Business Meeting; which approval shall not be unreasonably withheld. The Qualified Physician shall execute an instrument by which the Qualified Physician becomes a party to this Agreement and is bound by all the obligations, restrictions and covenants herein.

DEATH OF PHYSICIAN

1. In the event of the death of a principal of a Medical Corporation or a Physician (the “Deceased”), the personal representative of the Deceased (the “Vendor”), shall sell the Deceased’s Interest to the other parties (the “Purchasers”) and the Purchasers shall purchase such Interest for the purchase price and on the terms and conditions set out therein.
2. The purchase price of the Interest shall be at the fair market value of the Interest (calculated immediately prior to the death of the Deceased), as agreed between the personal representatives of the Deceased and the Purchasers.
3. Upon the death of the Deceased, the purchase and sale of the Interest of the Vendor shall be completed on the later of:
   1. Receipt of probate by the Deceased’s executor; and
   2. 120 days after the death of the Deceased

provided the Purchasers shall have simultaneously received from the personal representatives of the Deceased, all releases and acknowledgements of payments of debts owed by the Clinic to the Deceased, together with all such legal instruments as may be necessary or required to transfer to the Purchasers all of the interest of the personal representatives of the Deceased Shareholder in such Interest.

1. In the event the Vendor and the Purchasers are unable to reach an agreement on the purchase and sale of the Deceased’s Interest, the Vendor and the Purchasers shall sell the Deceased’s Interest to a third party at the fair market value of the Interest (calculated immediately prior to the death of the Deceased). The completion of the purchase and sale shall be completed on the later of
   1. Receipt of probate by the Deceased’s executor; and
   2. 120 days after the death of the Deceased.

RESTRICTION ON TRANSFER OF INTEREST

1. The Parties shall not sell, assign, transfer, pledge, mortgage, charge, create a security interest in, hypothecate, enter into any agreement or option to or otherwise dispose of, encumber or deal with their respective Interests except in accordance with the terms of this Agreement.
2. Except as otherwise expressly permitted in this Agreement, if a Party (the “Offeror”) wishes to transfer all its Interest (the “Offered Interest”) to a person who is a Qualified Physician then the following procedure shall apply:
   1. the Offeror shall give written notice (a “Sale Notice”) to the other Parties (the “Offerees”) that the Offeror intends to sell the Offered Interest, the name of the Qualified Physician (the “Third Party”) to whom the Offeror proposes to sell the Offered Interest and the price at which the Offeror proposes to sell the Offered Interest to the Third Party (the “Offered Price”);
   2. notwithstanding its terms, the Sale Notice shall constitute an irrevocable offer (a ''Sale Offer") by the Offeror to sell the Offered Interest to the Offerees for the Offered Price;
   3. the Offerees may accept the Sale Offer at any time within 90 days of receipt of the Sale Notice (the “Acceptance Period”) by written notice thereof to the Offerer;
   4. if the Offerees do not accept the Sale Offer within the Acceptance Period and agree to purchase 100% of the Offered Interest then the Offeror may, within 90 days of the end of the Acceptance Period, sell the Offered Interest to the Third Party, but not to any other person, provided that:
      1. the Third Party agrees to execute an instrument by which the Third Party becomes a party to this Agreement and is bound by all the obligations, restrictions and covenants herein; and
      2. the Offerees, acting reasonably but taking into consideration factors such as the qualifications, experience, skill, compatibility and age of the Third Party (or, if the Third Party is a corporation, the Physician or Physicians who control it), do not object to the sale of the Offered Interest to the Third Party.
3. Notwithstanding the above, the Parties may recruit additional Qualified Physicians to join the Clinic, provided the Qualified Physician has the required qualifications, experience skill, compatibility and age and is approved by a majority of the Parties at a General Business Meeting. Prior to the addition of any Qualified Physicians, the Parties shall determine at a General Business Meeting if the Clinic’s existing legal and financial obligations, insurance coverage, and support staff are sufficient to support the needs and requirements of the additional Qualified Physician. If the Parties determine the Clinic can provide the additional support and approve of the Qualified Physician, the Qualified Physician may be added as a party to this Agreement, provided the Qualified Physician agrees to execute an instrument by which the Qualified Physician becomes a party to this Agreement and is bound by all the obligations, restrictions and covenants herein.

PATIENTS AND PATIENT FILES

1. All patients with whom a party has provided medical services and care to are and shall remain the patient of that particular party.
2. The Parties agree and acknowledge that protecting and keeping patients’ personal health information, which may include, but are not limited to, the physical, mental and emotional status of an individual, information that can identify an individual and information about an identifiable individual (collectively the “**Personal Information”**)confidential, private and secure is a priority and agrees to comply with British Columbia’s Personal Information Protection Act (PIPA) in the collection, use and disclosure of the Personal Information.
3. The Parties shall implement the necessary administrative, physical and technical measures and practices necessary to safeguard the Personal Information and shall establish internal privacy policies and procedures that are in compliance with PIPA and applicable privacy laws and regulations, as may be updated from time to time.
4. The Parties acknowledges and agrees that all information, data, discs, memory devices, files, charts, records and any other material or any medium (including but not limited to paper-based, electronic, cloud-storage) in a Party’s possession and control, whether or not containing any Personal Information are and shall remain the property of that Party and that Party shall have sole custody and control of the Personal Information.
5. In the event that a Physician or a Medical Corporation ceases to be a party of this Agreement (the “Departing Party”), the Departing Party shall, prior to their departure from the Clinic:
   1. Draft and send out a letter, that has been reviewed and approved by the remaining Parties, to all of the Departing Party’s patients notifying them of the Departing Party’s departure from the Clinic and the departure date;
   2. Make arrangements either for the retention or transfer of any patient files pursuant to the policies and procedures of the College; and
   3. Make arrangements for the forwarding of all personal and patient related mail addressed to the Departing Party.
6. The Clinic shall cooperate with the Departing Party and provide reasonable commercial assistance to transfer the Departing Party’s patient files to the Departing Party.
7. Any fees or costs incurred by the Clinic in transferring a Departing Party’s patient files, which shall be reasonable, shall be paid by the Departing Physician.

TERM

1. The term of this Agreement shall begin on the Effective Date and shall continue until terminated in accordance with this Agreement.

TERMINATION

1. This Agreement shall terminate if:
   1. If the Clinic ceases to carry on business, or
   2. If all Parties mutually consent in writing to its termination.
2. The termination of this Agreement shall not affect the obligations of any of the Parties arising pursuant hereto prior to the date of termination.

DEFAULT AND TERMINATION

1. In the event:
   1. a Physician or a Medical Corporation ceases to be a Qualified Physician; or
   2. there is professional misconduct, as determined by the College, on the part of a Physician or the Medical Corporation; or
   3. a Physician or a Medical Corporation is convicted of a criminal offence; or
   4. a Physician or a Medical Corporation misses more than two payments for Shared Expenses for the Clinical Operations Fund; or
   5. a Physician or a Medical Corporation is in breach of a material covenant or term of this Agreement and such breach has not cured or satisfactory steps have not been taken to cure the breach within ninety (90) days of written notice thereof to the Physician or Medical Corporation whose action or inaction has caused the breach,

then the Parties (the “Non-Defaulters”) other than the Physician or the Medical Corporation described above (both the Physician and the related Medical Corporation are referred to herein as the “Defaulter”) may terminate all rights of the Defaulter under this Agreement in accordance with section 38.

1. If a Non-Defaulter gives written notice of termination of this Agreement to a Defaulter (a “Termination Notice”) then:
   1. the Defaulter shall cease to practice medicine at the Clinic within fifteen (15) Business Days of receipt of the Termination Notice;
   2. the Defaulter shall sell and the Non-Defaulters shall purchase the Interest of the Defaulter for a purchase price equal to 50% of the book value of the Defaulter’s proportionate interest therein, payable in six equal monthly instalment without interest commencing on the first Business Day of the calendar month after the month in which the Termination Notice was given;
   3. the Non-Defaulters shall provide the Defaulter with a full summary of all amounts due to or from the Defaulter as of the date of the Termination Notice and the Non-Defaulters shall forthwith pay all amounts due to the Defaulter or the Defaulter shall pay all amounts due to the Non-Defaulters, as the case may be;
   4. the Defaulter shall continue to be responsible to the Non-Defaulters with respect to all the Defaulter's obligations under this Agreement and, without limiting the generality of the foregoing, the covenants in section 25 shall continue to apply to the Defaulter; and
   5. the Non-Defaulters shall be entitle to pursue any legal or equitable remedies that may be available to them with respect to the actions or inactions of the Defaulter.

**CEASING TO BE A PARTY**

1. Upon a party ceasing to be a party of this Agreement, the Departing Party shall immediately return all keys, entry FOBS, passwords and access codes in their possession and control to the Clinic.
2. The Departing Party shall ensure all billings for work done has been completed in accordance with the billing procedures of the Clinic. Following the Departing Party’s satisfactory completion of all outstanding billing, the Treasurer shall pay to the Departing Party any fees and monies owed to them.
3. Any monies contributed by the Departing Party to the Clinical Operations Fund shall not be refundable to the Departing Party.
4. The departure of the Departing Party shall not affect the obligations and liabilities incurred by the Departing Party prior to the date of departure.

CONFIDENTIALITY

1. Each Medical Corporation and each Physician shall not, during the term of this Agreement and after termination thereof, for any reason (except where required by law), in any manner, either directly or indirectly, divulge, disclose or communicate to any person, firm or corporation, any patient list, patient information or other confidential information of the other Medical Corporations, other Physicians and the Clinic that it may acquire.

NON-SOLICITATION

1. If a Medical Corporation or a Physician ceases to practice at the Clinic then, subject to specific arrangements in writing between the Parties, that Medical Corporation or Physician shall not, for a period of two (2) years from the date on which the Medical Corporation or Physician ceases to practice at the Clinic:
   1. solicit, encourage or suggest to any employee or employees or agent or agents of the other Medical Corporations or Physicians that such employee or employees or agent or agents of any of them leave the employ of the other Medical Corporation or Physician or cease to act as its agent; or
   2. canvass or solicit business from any person who was a patient, client or customer of any of the other Medical Corporation Corporations and Physicians.

**ARBITRATION**

1. If any dispute, claim, question or difference arises with respect to the terms and conditions of this Agreement (a “**Dispute**”), the Parties shall use all reasonable commercial efforts to settle the Dispute. To this end, the Parties shall consult and negotiate with the other in good faith to reach a just and equitable solution satisfactory to all parties.
2. Should the parties fail to reach an agreement pursuant to section 46 within thirty (30) days of the notice of Dispute, then the Parties may refer or they may jointly refer the determination of same to a single arbitrator pursuant to the *Arbitration Act* (British Columbia), whose determination shall be final and binding upon the parties. The arbitrations shall take place in Vancouver and the arbitrator shall apply the rules of the BCICAC for domestic commercial arbitration subject to the agreement of the parties to substitute other rules or to add additional rules governing procedure.
3. The total number of arbitrators shall be one and the costs of the arbitration proceeding shall be shared equally. Each party shall bear their own separate costs for such matters as legal fees and disbursements; provided however the arbitrator shall have the discretion to award an amount as solicitor and client costs of the arbitration in the event the arbitrator determines that any party has not acted in good faith in relation to the arbitration.

GENERAL PROVISIONS

1. This Agreement shall endure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators and successors.
2. Any notice required or contemplated to be given by this Agreement shall be given in writing and may be delivered personally or sent by certified mail posted in British Columbia or by electronic mail, addressed to the parties hereto at the addresses provided to the Partnership. The time of the giving of such notice shall be, if delivered, when delivered, if postal mail, then on the third (3rd) business date after the date of mailing and if electronic mail, the date the electronic mail is sent. In the event of a postal strike, notice shall be hand delivered to the home address of the parties.
3. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes and replaces any and all prior agreements, representations or negotiations between the Company and the Contractor. The parties hereto agree that they have not relied upon any verbal statements, representations, warranties or undertakings in order to enter into this Agreement. This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto.
4. This Agreement shall be governed by and construed and enforced in accordance with the laws in force in the Province of British Columbia and the federal laws of Canada applicable therein.
5. If any part of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining provisions of the Agreement shall continue in full force and effect. If any tribunal or court of competent jurisdiction finds any provision hereof to be unenforceable, such provision shall be modified only to the extent necessary to render it enforceable and this Agreement shall be valid and enforceable and the parties hereto agree to be bound by and perform same as thus modified.
6. Time shall be of the essence hereof.
7. This Agreement may be executed in any number of counterparts, and may be delivered originally, by facsimile, or by PDF and each such original, facsimile copy, or PDF copy, when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.
8. The parties acknowledges that they have been advised to obtain independent legal advice with respect to the execution of this Agreement and that they have obtained such advice or has waived the need for such independent advice.

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be duly executed as of the date first above written.

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| **[MEDICAL CORPORATION NAME]**  Per: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Authorized Signatory | **[MEDICAL CORPORATION NAME]**  Per:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Authorized Signatory |
|  |  |
| **[MEDICAL CORPORATION NAME]**  Per: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Authorized Signatory |  |

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| --- |
| **[PHYSICIAN NAME]** |
|  |
| **[PHYSICIAN NAME]** |
|  |
| **[PHYSICIAN NAME]** |
|  |

**APPENDIX “A”**

FEES AND PAYMENTS