

January 5, 2012

Karen Perkin
Vice President
Acute and Ambulatory, Professional Practice and Chief Nurse Executive
St. Joseph's Health Care London

Personal and Confidential

Dear Karen:

With the recent proactive disclosure of executive contracts, we have received feedback prompting us to review the eligible expenses under our current executive benefit plan for expenses related to fitness within the Flexible Spending Account.

As a result, effective February 1, 2012, employee exercise programs (including aerobic classes, personal trainer, memberships at gym – GoodLife, The Athletic Club, YMCA etc.) will no longer be an eligible expense under the Flexible Spending Account.

As a result of these changes, we would like to give you an opportunity to review your current allocation for the 2012 calendar year and reallocate dollars from your flexible spending account to your Health Care Spending Account. I have attached a Flexible Spending Account allocation form and would ask that if you choose to change your allocation given the above information that you complete and send to Stacey Weir, Director, Human Resources, RMHC London by **January 31, 2012**. If we do not receive a reallocation form by that date, it will be assumed that you do not wish to amend your allocation. Any claims for eligible expenses prior to this change are to be submitted and received by Stacey Weir **on or before January 26th**.

If you have any questions please do not hesitate to contact me.

Sincerely,

Karen Stone
Vice-President, Human Resources &
Organizational Development

CC: Dr. G. Kernaghan
HR File

K. Perkin
by email



To: Executive employees –St. Joseph's Health Care, London
From: Stacey Weir, Director, Total Compensation, Human Resources
Date: August 3, 2011
Re: **Perquisites Directive**

Further to previous email communication on July 18, 2011, I am writing to provide you an update on changes to the flexible spending account as well as clarify your car allowance benefit. If you recall, the Management Board of Cabinet recently introduced a Perquisites Directive under the Broader Public Sector Accountability Act, 2010 that came into effect August 2, 2011. In order to ensure St. Joseph's Health Care, London is compliant with this directive, changes to the Flexible Spending Account plan design are required.

Effective August 2, 2011, the following Flexible Spending Account expenses will be allowable for reimbursement:

Exercise Programs for employee **only**

- Includes aerobics classes, personal trainer, membership at gym (GoodLife, The Athletic Club, YMCA, etc.)
- Excludes fitness equipment, sports leagues, tennis lessons, golf, curling, tennis, squash, social club memberships, etc.

Professional fees/dues for employee only

Professional Development expenses for employee only

Home and Mobile Internet service expenses

Nutrition Support expenses for employee **only**

- Includes fees for recognized programs such as weight watchers, jenny craig, etc.
- Excludes the cost of food or vitamins, cookbooks, cooking utensils

Smoking Cessation expenses for employee **only**

As a result of these changes you will be given the opportunity to re-allocate dollars currently in your flexible spending account to your Health Care Spending Account. A re-allocation form is attached and can be submitted to me directly in Human Resources, RMHC, London by August 31, 2011. If a re-allocation form is not received by this date, it will be assumed that you do not wish to amend your allocation.

For expenses that have been incurred prior to August 2nd and may have been eligible with the previous plan, you will have until August 31, 2011 to submit to myself for reimbursement.

Car Allowance

In order to provide further clarification on your car allowance benefit, please be advised this benefit is intended to cover all local mileage and parking expenses you may incur (inclusive of travel to RMHC, St. Thomas). Should you travel out of town and use your own vehicle, rental car or public transit you will be eligible for reimbursement of those additional travel expenses (including mileage and parking).

If you have questions regarding the above, please contact me directly at ext. 42779.

CC: HR file

Office of the President

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www.sjhc.london.on.ca



March 30, 2011

Personal & Confidential

Ms. Karen Perkin
Vice President, Professional Practice & Chief Nursing Executive
St. Joseph's Health Care, London

Dear Karen:

This letter replaces the letter to you dated March 28, 2011 and confirms our discussion regarding the new leadership structure for St. Joseph's. I'm delighted to confirm your appointment to the role of Vice President, St. Joseph's Hospital, Professional Practice and Chief Nurse Executive effective April 1, 2011.

Your compensation structure outlined in your executive employment agreement dated March 1, 2010 will be revised effective April 1, 2011 to include the following amendments:

1. Your annual base salary will be increased to \$174,759.
2. You will be eligible to earn annual performance based compensation of up to 3% of base salary (\$5,241) based on corporate performance measured under the annual quality improvement plan (QIP).
3. Extended Health Care, semi-private hospitalization and dental benefits consistent with the St. Joseph's executive benefit plan.
4. Executive flexible benefit spending account of \$8,000 per calendar year that includes flexible healthcare spending account provisions as described in the executive flexible benefit spending account plan document.
5. Paid sick leave, short term disability and long term disability insurance on your base salary in accordance with the St. Joseph's executive benefits plan.
6. Life insurance and accidental death and dismemberment coverage each in the amount of \$500,000, payable to the executive's beneficiary.

\$89.62/hr

As you are aware, the *Excellent Care for All Act, Bill 46* became law on June 28, 2010 requiring public hospitals to develop annual quality improvement plans (QIP) linking a portion of executive compensation to the achievement of performance improvement targets set out in the annual QIP. In order to comply with this legislation, St. Joseph's has established a QIP which will come into effect April 1, 2011. Eligibility for the portion above noted as performance based compensation is not guaranteed. Should performance result in a payment, it is expected it will be paid to you as a lump sum in May 2012 subject to any applicable statutory deductions and will be considered pensionable.

Attached is a copy of the 2011/2012 QIP and the respective performance targets.

Karen, should you wish to discuss these changes further, please do not hesitate to contact me.

Sincerely,

Gillian Kernaghan, MD, CCFP, FCFP
President and Chief Executive Officer

CC: HR file

EXECUTIVE EMPLOYMENT AGREEMENT

AGREEMENT made the 1st day of March, 2010.

B E T W E E N:

ST. JOSEPH'S HEALTH CARE LONDON, a corporation without share capital duly incorporated under the laws of the Province of Ontario, having its head office at the City of London, in the County of Middlesex, in the said Province, hereinafter referred to as "St. Joseph's"

OF THE FIRST PART

- and -

Karen Perkin, hereinafter referred to as the "Executive"

OF THE SECOND PART

WHEREAS St. Joseph's is engaged in the operation, maintenance, and management of a public hospital in the County of Middlesex;

AND WHEREAS St. Joseph's has created a Vice President, Professional Practice and Chief Nursing Executive role (the "position") subject to the terms and conditions of this Executive Employment Agreement (the "Agreement");

AND WHEREAS the Executive possesses certain skills and qualifications in the areas of Professional Practice and Nursing;

AND WHEREAS St. Joseph's and the Executive have agreed to enter into an employment relationship for the mutual benefit of St. Joseph's, and the Executive in accordance with the terms and conditions set out in this Agreement:

NOW THEREFORE THIS AGREEMENT WITNESS that in consideration of the promises and mutual covenants herein contained, the parties hereto covenant and agree as follows:

1.0 ENGAGEMENT AND TERM

1.1 St. Joseph's hereby confirms the engagement of the Executive in the position of Vice-President, Professional Practice and Chief Nursing Executive and the Executive hereby accepts the said employment effective April 1, 2010.

1.2 The term of employment with St. Joseph's shall expire upon the Executive's resignation, retirement or termination of employment in accordance with the provisions of this Agreement.

2.0 DUTIES AND RESPONSIBILITIES

2.1 The Executive, while employed by St. Joseph's, shall have the power and authority to manage her assigned portfolio within the context of the role outline, and directly in concert with the other members of the Senior Leadership Team and the operation of St. Joseph's. The Executive shall obey and carry out all lawful direction given by St. Joseph's and shall obey and carry out the by-laws, rules and regulations and constituting documents of the organization as may be in place from time to time.

2.2 Unless prevented by ill health or sufficient cause as described in paragraph 2.6 or 2.7, the Executive shall, during the term of employment, devote the whole of her work-time and attention to the business of the organization and shall not, without prior written consent of the organization, engage in any other business or employment. It is recognized that a normal part of the Executive's employment includes representing the organization on task groups or committees, or being a voluntary member of one or more boards of directors or committees of other healthcare related organizations or community associations.

2.3 The Executive shall well and faithfully serve St. Joseph's and shall use her best efforts to promote the interests thereof of the organization and shall not disclose the private affairs of the organization or any related or associated corporations or any secrets in the organization's possession or any related or associated corporations or confidential personal information during her employment pursuant to this Agreement or at any time thereafter, except for information that is already public or when required by law or court order.

2.4 The Executive will have a direct reporting relationship to the President and Chief Executive Officer, St. Joseph's.

2.5 As a member of the St. Joseph's Senior Leadership Team, the Executive is required to periodically perform executive-on-call duties that include assuming additional corporate leadership responsibilities during an emergency or other unusual circumstance. While performing executive-on-call duties, the Executive is required to be available to provide on-

site leadership to St. Joseph's on a 24hour/7 day basis.

2.6 At the request of the Executive, the President and Chief Executive Officer, St. Joseph's may grant a temporary reduction in the Executive's workload or a short-term paid or unpaid leave depending on the circumstances. Reasons for a such a change include but are not limited to: an urgent family emergency or personal matter. Reasonable effort will be made to accommodate the Executive in such matters and grant the requested change. Normally the Executive's benefits are maintained during such a temporary change in working conditions.

2.7 At the request of the Executive, the President and Chief Executive Officer, St. Joseph's may approve the Executive accepting a short-term special assignment to perform work for another organization for which the Executive may receive additional compensation. Such approval is contingent on such an assignment not impairing the ability of the Executive to fulfil her obligations to St. Joseph's, or create a conflict of interest.

3.0 EMPLOYMENT REMUNERATION

During the term of employment of the Executive, St. Joseph's agrees to provide the Executive with the following remuneration:

✓ 3.1 Effective April 1, 2010 an annual base salary of \$150,000 will be paid bi-weekly, subject to any and all necessary withholdings and payroll deductions as required by applicable laws. Increases to the Executive's salary shall be based on an annual review of the Executive's performance and approved in writing by the President and Chief Executive Officer, St. Joseph's.

3.2 Employment benefits are established by St. Joseph's and as may be amended or revised from time to time by St. Joseph's. At present, the employment benefits include the following:

✓ 1. Automobile allowance of \$1,000 per month. Because of this benefit the Executive is not eligible for reimbursement of automobile travel in his vehicle or local hospital parking expenses.

2. Extended Health Care, Semi-Private Hospitalization, and Dental benefits and Flexible healthcare spending account provisions as described in the St. Joseph's non-union Management benefits plan.
ME ✓
 3. Membership in the Hospitals of Ontario Pension Plan (HOOPP) per the terms and conditions of HOOPP.
✓
 4. Long-term disability insurance in accordance with the St. Joseph's management benefit plan.
✓
 5. Paid sick leave and short-term disability coverage in accordance with the St. Joseph's management benefit plan.
✓
 6. Life insurance coverage in accordance with the Management Benefit plan, payable to the Executive's designated beneficiary.
ME ✓
 7. Paid time off for the twelve (12) legal and hospital recognized public holidays.
OK ✓
 8. Each calendar year, the executive will be entitled to six (6) weeks paid vacation. Increases to paid vacation are based on years of service and in accordance with the vacation policy for the St. Joseph's management benefit plan.
OK ✓
 9. Out-of-province and country business and personal comprehensive travel insurance in accordance with the Management Benefit plan.
ME ✓
 10. The Executive is required to take regular vacation breaks from work, and not to accumulate a balance of unused vacation time in excess of six (6) weeks or thirty (30) workdays at any time. Vacation is taken at a time mutually agreed to by the Executive and the President and Chief Executive Officer, St. Joseph's.
 11. It is understood that St. Joseph's responsibility for any voluntary insurance, pension or benefit plans is limited to the contribution of St. Joseph's agreed share of premiums and St. Joseph's is not the insurer of any benefits provided pursuant to such plans.
- 3.3 St. Joseph's agrees to pay all reasonable business related expenses. Such expenses incurred during the conduct of St. Joseph's business will be subject to approval by St. Joseph's.
- 3.4 It is a business requirement that the Executive be able to travel to any of the facilities and sites operated by St. Joseph's , travel out of the London area, and to be in contact with the organization while on-call, during declared emergencies or unusual situations that may

arise at any time. Because of the requirement to carry out hospital business at all sites, be accessible when working away from London, and to respond to hospital emergencies, the Executive will be provided with: either two St. Joseph's standard desktop computers (at work and home) or a standard laptop computer; a blackberry; and a standard pager.

4.0 RETIREMENT

4.1 At any time after the age of fifty-five (55) [HOOPP Early Retirement Provisions], the Executive may voluntarily choose to retire under the HOOPP Provisions. If practical, the Executive will provide the President and Chief Executive Officer, St. Joseph's with at least six (6) months written notice prior to the proposed retirement date.

4.2 St. Joseph's retains the right to search for a replacement during the period when the Executive has announced her retirement and to employ her replacement prior to the Executive's retirement date. Under such a circumstance the Executive would cease performing her normal job duties on a date designated by the President and Chief Executive Officer, St. Joseph's. The Executive would maintain her employment remuneration as specified in section 3.0 until her announced date of retirement.

4.3 Should the Executive retire under paragraphs 4.1, a limited benefit package will be offered and includes: Semi Private Hospitalization, Extended Health, Dental benefits and a flat amount of \$100,000 Life Insurance. This benefit package will continue to be provided up to the age of sixty-five (65), provided the Executive pays 100% of the premium cost of such benefits, however, shall cease if the Executive becomes re-employed and eligible for benefit coverage elsewhere.

5.0 TERMINATION

This Agreement and the employment of the Executive may be terminated as specified in paragraphs 5.1 through 5.4.

5.1 Mutual consent in writing after discussion between the Executive and the President and Chief Executive Officer, St. Joseph's.

5.2 The Executive may voluntarily resign her employment by giving to St. Joseph's sixty

(60) days notice in writing or such lesser notice as the parties may mutually agree.

5.3 Without limiting or otherwise effecting any of the remedies which St. Joseph's may have hereunder, St. Joseph's may terminate the employment of the Executive without notice, for cause. For the purposes of this sub-paragraph, "cause" shall include, but is not limited to:

- (i) an unjustified failure of the Executive to make herself available on a full-time basis except for periods of absence otherwise contemplated by this Agreement;
- (ii) serious misconduct by the Executive;
- (iii) any violation of a material provision of this Agreement detrimental to the said organization or any negligent violation of the rules and regulations of the organization as may be in place from time to time.

5.4 St. Joseph's may terminate the employment of the Executive without cause, at any time, by notice in writing to the Executive. In the event of termination by St. Joseph's without cause, the Executive will receive in lieu of notice thereof the following:

- (i) Payment of four (4) weeks base salary for each full year of continuous employment with St. Joseph's from the start date of employment with St. Joseph's pro-rated to the date of termination, with a minimum payment of fifty-two (52) weeks base salary to a maximum payment of one hundred and four (104) weeks base salary less any withholding taxes and other required deductions ("Pay-in-Lieu of Notice Period"). Any Pay-in-Lieu of Notice Period payment may be paid by St. Joseph's, in its sole discretion, either by way of salary continuation, by way of a lump sum payment or any combination of the foregoing.
- (ii) Continuation of regular Hospitalization, Extended Health, Dental and Flexible Spending Account benefits as provided in the management benefit plan, save and except Short-term and Long-term Disability and Life

Insurances, until the earlier of: (a) the last date in the Pay-in-Lieu of Notice Period; or (b) the date that the Executive otherwise obtains replacement coverage from new employment with another organization/entity.

(iii) Continuation in the HOOPP pension plan until the earlier of: (a) the last date in the Pay-in-Lieu of Notice Period; or (b) the date the Executive commences work with another HOOPP member; or (c) the date the Executive joins another registered pension plan.

(iv) upon written request, the Executive will be entitled to Outplacement Services up to a maximum of \$8,000.

Sick leave entitlements, Life Insurances, Short-Term and Long -Term Disability and further accumulation of vacation leave credits will cease on the day of termination.

5.5 The Executive acknowledges and agrees that payments made to her under the provisions of sub-section 5.4 above shall be received in complete and full settlement of any and all actions, claims, benefits, rights or demands whatsoever, which the Executive has or may have and which may arise at common law or statute (including any claim for termination pay and severance pay under the provisions of the Employment Standards Act) against St. Joseph's, their successors or assigns in any way concerning the termination of employment.

6.0 CONFIDENTIALITY

6.1 The Executive acknowledges that she will have access to and will be entrusted with, during the course of her employment, confidential information and documents relating to individuals as well as to the present and future business of St. Joseph's, and the Executive acknowledges and agrees that the right to maintain the confidentiality of such information and documents to preserve the goodwill of the said organization constitutes proprietary rights which the said organization are entitled to protect. Accordingly, the Executive hereby covenants and agrees with the said organization and acknowledges that this covenant shall survive the termination of this Agreement, that she will not, either during the currency of this Agreement or any time thereafter, disclose any confidential information or documents of the said organization to any person, or use the same for purposes other than the purpose

of the said organization. The Executive acknowledges and agrees with St. Joseph's that the restrictions hereinbefore contained are reasonable in the circumstances and hereby waives all defences to the strict enforcement thereof.

7.0. ILLEGALITY

7.1 In the event that any covenant or provision of the within Agreement is determined to be void or unenforceable in whole or in part, it shall not effect or be deemed to effect or impair the validity of any other covenant or provision hereof and the remainder of the Agreement shall be in full force and effect.

8.0 NOTICE

8.1 The parties shall be deemed to have received notice if,

- (a) it is delivered to the Executive or to St. Joseph's as the case may be; or,
- (b) it is mailed addressed to that party, in the case of St. Joseph's or in the case of the Executive, at her last residential address known to St. Joseph's, and five (5) days have elapsed thereafter without a substantial and relevant postal disruption.

9.0 ASSIGNMENT

9.1 This Agreement shall not be assigned by either party without the prior written consent of the other party.

10.0 GOVERNING LAW

10.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. The Courts of the Province of Ontario shall have jurisdiction to hear and determine all disputes and claims relating to this Agreement.

11.0 ENTIRE AGREEMENT

11.1 This Agreement as well as applicable letters from the President and Chief Executive Officer St. Joseph's specifying changes to the Executive's salary, benefits, position or conditions of employment constitute the entire agreement between St. Joseph's and the Executive with respect to the employment of the Executive and cancels and supersedes all previous negotiations, understandings and agreements whether verbal or written. The parties

acknowledge that there are no representations, warranties, terms, conditions, or collateral agreements express or implied, between the parties other than as expressly set forth herein.

12.0 SUCCESSORS AND ASSIGNS

12.1 This Agreement shall ensure to the benefit of and be binding upon the parties hereto, their respective permitted heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as at the day and year first written.

U	Witness	}	<p>St. Joseph's Health Care, London</p> <hr/> <p>I have Authority to Bind the Corporation</p>
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Witness	}	<hr/> <p>Karen Perkin</p>
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