



London Health
Sciences Centre



ST JOSEPH'S

March 28, 2011

Personal & Confidential

Dr. David Hill
Integrated Vice President Research and Scientific Director
Lawson Health Research Institute

Re: Excellent Care for All Act (ECFAA) and Performance Based Executive Compensation

Dear David:

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 and LHSC have each established their respective QIP which will each come into effect April 1, 2011 and will result in 3% of your current annual salary becoming "at risk" related to the annual QIP indicators.

Given your role as an Integrated Vice President, targets established in both the St. Joseph's QIP and the LHSC QIP will be considered when determining what portion of the 3% will be payable to you following evaluation of corporate performance in 2012. The current cost sharing agreement between the two organizations for your position will be used to determine how the overall 3% is split between each organization. This means a percentage of your pay at risk is related to QIP achievement at St. Joseph's and a percentage of the pay at risk is related to QIP achievement at LHSC.

Today, your annual base salary is \$238,670. Given the above changes, effective April 1, 2011, your annual base salary will reduce to \$231,718 and payment of any portion of the remaining \$6,952 (3%) will be dependent on the corporate performance within each QIP. 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. Additionally, you should further be advised that this change in base salary will impact your long term disability (LTD) coverage. Beginning April 1, 2011, insurance for LTD will be based on the base salary amount of \$231,718. The compensation tied to performance will not be insured.

\$118.83/hr

Page 2 of 2

Attached is a copy of the 2011/2012 QIP plans for each hospital and the respective performance targets.

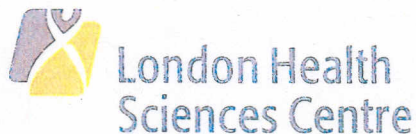
David, should you wish to discuss these changes further, please do not hesitate to contact either one of us.

Sincerely,

Gillian Kernaghan, MD, CCFP, FCFP
President and Chief Executive Officer
St. Joseph's Health Care, London

Bonnie Adamson, MScN, FCCHSE, FACHE
President and Chief Executive Officer
London Health Sciences Centre

CC: HR file



Office of the President
268 Grosvenor Street
London, Ontario, Canada N6A 4V2
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June 3, 2009

David Hill
Integrated Vice President
Senior Administration

Dear David:

I am pleased to advise you that based on my recommendations, the Joint Services Committee has approved a 1.5% annual adjustment to our executive compensation, retroactive to April 1st, 2009. Effective April 1st, your new annualized salary will be \$238,697. There will be no changes in your benefits at this time.

I would like to take this opportunity to thank you for your ongoing dedication and support as we pursue our strategic directions for London Hospitals.

This annual adjustment will be paid to you retroactively on your pay deposit of June 11, 2009. Should you have any questions, please contact Karen Stone who will be available for individual consultation.

Sincerely,

Cliff Nórdal, FRCCHSE
President and Chief Executive Officer
London Health Sciences Centre
and
President and Chief Executive Officer
St. Joseph's Health Care, London

cc: Employee File

April 28, 2008

PERSONAL & CONFIDENTIAL

Dr. David Hill
IVP, Research & Chief Scientific Director, LHRI
Room F4-106
Lawson Research Institute
St. Joseph's Hospital

Dear David:

This letter supercedes your letter dated April 22, 2008 and acknowledges that there was an error in that letter related to your salary information.

This letter will confirm your current base salary will be adjusted by 3% effective April 1, 2008. In addition, the Joint Services Committee of the Boards has agreed to review the current compensation structure for Vice President roles inclusive of a market review. I have asked both Senior Directors of HR to lead this work and prepare a report for the Joint Services Committee by the end of September 2008.

Secondly, I want to communicate some changes with respect to HOOPP. As you are aware, it is the organization's practice to pay both the hospital and employee contributions to HOOPP on your behalf. After examining this practice, we are aware that this is not typical hospital sector practice.

As a result, we will be changing our current practice to reflect the shared HOOPP contribution practice. Effective April 1, 2008, the hospital will continue to pay the employer portion of the HOOPP contribution and you will begin paying the employee portion of the contribution.

To ensure a relatively neutral transition cost to you, the hospital will increase your salary by the amount of the "employee portion" of the contribution previously made by the hospital on your behalf. There is a slight negative impact on your net pay given the changes to the base pay calculation, however the enhanced benefit at retirement provides an offset for this reduction.

If you have any questions on the calculation or application of the changes, please call Karen Stone, who will make herself available for individual consultation.

Sincerely,

Cliff Nordal
President and Chief Executive Officer, London Health Sciences Centre and
President and Chief Executive Officer, St. Joseph's Health Care, London

cc: Personnel File ✓

*P.S. I understand that Karen has
already connected with you.*

SUMMARY OF YOUR NEW SALARY SITUATION:

Current Salary	3% April 1, 2008 Increase	April 1, 2008 New Salary	2008 HOOPP Conversion	Final Salary	Fringe Benefits (Taxable)
\$210,000.00	\$6,300.00	216,300.00	\$18,866.90	\$235,166.90	\$20,000.00

EXAMPLE OF IMPACT ON RETIREMENT BENEFIT DUE TO CHANGE IN PRACTICE:

Estimated Impact on HOOPP Annual Retirement Pension
Retirement Date: January 1, 2013

	Salary	Basic Pension	Bridge Benefit	Total Pension	Difference
Current Calculation	\$200,000	\$124,506	\$6,735	\$131,241	
New Calculation	\$217,395	\$135,912	\$6,735	\$142,647	\$11,406

Assumptions:

1. 3% annual increase
2. Average YMPE \$44,900
3. 30 years service
4. Age 60 on retirement

Salary effective Jan 26/07
per Lamy.

copy - Tracy
Hill
March 15/07

EXECUTIVE EMPLOYMENT CONTRACT

AGREEMENT made this 26 day of January, 2007

BETWEEN:

St. Joseph's Health Centre, a Non-Share Capital Corporation duly incorporated under the laws of the Province of Ontario, having its head office at the City of London, in the County of Middlesex (hereinafter "the Hospital")

OF THE FIRST PART

- and -

DAVID HILL
(hereinafter "the Employee")

OF THE SECOND PART

WHEREAS the Hospital is engaged in the management, operation and maintenance of a public hospital in the City of London;

AND WHEREAS the Hospital and London Health Sciences Centre (LHSC) have embarked upon a trial joint appointment initiative to share certain leadership positions;

AND WHEREAS the Employee has been selected and has agreed to accept a position described and referred to herein as one of the joint appointments, aforesaid;

AND WHEREAS the Hospital and the Employee have agreed to continue their employment relationship for the mutual benefit of the Hospital, LHSC, and the Employee in accordance with the terms and conditions set out in this agreement:

NOW THEREFORE IT IS AGREED THAT the terms and conditions of such employment relationship shall be as follows:

I: APPOINTMENT

The Hospital hereby agrees to employ the Employee as Scientific Director of Lawson Health Research Institute (LHRI) and Integrated Vice President of Research for London Health Sciences Centre (LHSC) and St. Joseph's Health Care, London (SJHC) and the Employee hereby agrees to accept such employment and to perform such duties and exercise such powers as may be prescribed or specified herein or as reasonably prescribed or specified from time to time by the Hospital and LHSC. The term of this employment shall continue on an indefinite basis until terminated in accordance with the provisions of this agreement.

cc: L. Walls

II. DUTIES & RESPONSIBILITIES

1. The Employee shall be employed by the Hospital to perform the duties and responsibilities of Scientific Director of Lawson Health Research Institute (LHRI) and Integrated Vice President of Research for London Health Sciences Centre (LHSC) and St. Joseph's Health Care, London (SJHC) for the Hospital and LHSC and shall have power and authority to manage and direct the assigned operations of the said organizations. The Employee shall well and faithfully perform and carry out all lawful direction given by the Hospital and LHSC and shall at all times comply with the by-laws, rules and regulations of both hospitals as amended from time to time.
2. During the term of this agreement, the Employee shall devote the whole of his time, attention and ability to the performance of his duties and responsibilities and shall not accept employment, or engage in self-employment, with any other individual, firm, corporation or agency of government at any time during the term of this agreement which may interfere or conflict with his duties as provided for herein. For the duration of the trial joint appointment, the Employee shall discharge his duties and responsibilities in a manner consistent with the expectations outlined in Appendix I hereto, which appendix shall form part of this agreement.

The employee will balance the requirements of his academic responsibilities with those as Scientific Director of Lawson Health Research Institute (LHRI) and Integrated Vice President of Research for London Health Sciences Centre (LHSC) and St. Joseph's Health Care, London (SJHC).

3. The Employee shall report directly to the President and CEO of the Hospital and the President and CEO of LHSC and shall accept such direction and responsibility as assigned by the hospitals in accordance with the trial joint appointment initiative. The Employee's duties and responsibilities thereunder shall be owed to both hospitals and the Employee shall use his best efforts at all times to promote the interests of both hospitals on an equal basis.

III. TERMINATION OF THE TRIAL JOINT APPOINTMENT INITIATIVE

1. 1. The Hospital and the Employee acknowledge that continuation of the trial joint appointment initiative shall be subject to the following:

- (a) At the completion of the transition period for implementation of the HSRC Directives for London, the Hospital and LHSC will consider which, if any, jointly-appointed positions should be continued;
- (b) Appointment to joint positions will be formally evaluated by the Hospital and LHSC;
- (c) The performance of the Employee in meeting expectations outlined in Appendix I hereto will be a factor in determining the continuation of the joint appointment initiative.

2. The Hospital and the Employee further acknowledge that the trial joint appointment initiative is terminable upon either of the following events:

- (a) by reason of the resignation or termination of employment of the President and CEO of either the Hospital or LHSC or other material change in senior personnel, as determined by their respective Boards of Directors; and
- (b) on 60 days' written notice, if, in the opinion of the President and CEO and Board of Directors of either the Hospital or LHSC, the trial joint appointment fails to meet the management requirements of their respective organizations.

3. In the event that the trial joint appointment initiative is discontinued or terminated in any of the circumstances described in sub-paragraphs 1 and 2, supra, the Employee shall revert to a position of reasonably comparable responsibility, and shall continue to discharge the duties and responsibilities associated with such position at the direction of the President and CEO of the Hospital.

4. The Hospital and the Employee agree that, in the event of discontinuance or termination of the trial joint appointment initiative, aforesaid, the Employee's reversion to a position as Vice-President, Research reporting to the President and CEO shall not be deemed or construed in any circumstances to amount to a termination of employment, and all of the provisions of this agreement shall remain in full force and effect, with necessary modifications to reflect the return to a reasonably comparable position. For clarity, this is as outlined in Section III, 3 above.

IV. TERMINATION OF EMPLOYMENT

This agreement may be terminated under the following conditions:

- (a) Mutual consent in writing;

- (b) In addition, without limiting or otherwise affecting any of the remedies which the Hospital may have hereunder, the Hospital may terminate the employment of the Employee without notice, for just cause. For the purposes of this sub-paragraph, "just cause" shall include, but is not limited to:
- (i) failure of the Employee to make himself available on a full-time basis except for periods of absence otherwise contemplated by this agreement;
 - (ii) serious misconduct by the Employee;
 - (iii) any violation of a material provision of this agreement detrimental to the Hospital.
- (c) The Employee may terminate his employment by giving to the Hospital thirty (30) days' notice in writing or such lesser notice as the parties may mutually agree;
- (d) The Hospital may terminate the employment of the Employee and no other cost, expense, benefit or liability will be owed save and except the notice amounts described below, which shall be deemed to be inclusive of any amounts payable pursuant to the *Employment Standards Act*. Such termination can occur at any time by the Hospital,
- (i) giving the Employee fifty-two (52) weeks minimum payment in lieu of notice and, further, giving the Employee an additional four (4) weeks' payment in lieu of notice for each full year of continuous employment with the Hospital since date of hire. Payment may be made in installments at the time and in the amount at which the Employee would have been paid prior to termination;
 - (ii) payment in lieu of notice described in (i) above shall in no case be less than fifty-two (52) weeks or more than one-hundred and four (104) weeks.
- (e) The Employee, upon such termination will continue to be eligible to participate in the same executive benefit plans save and except sick leave and long term disability for a period equal to the notice period for which salary continuance is applied. Vacation pay will not continue to be earned during the notice period. Upon written request, the Employee will be entitled to professional career counseling to a maximum of \$10,000.

V. REMUNERATION

During the employment of the Employee, the Hospital agrees to pay and provide to the Employee the following:

107.69

- (a) An annual regular salary of \$ 210,000, payable at intervals of not less often than semi-monthly, subject to employee payroll deductions as required by benefit plans and applicable legislation. The salary for this position will be assessed by the Hospital's Board and CEO, April 1, 2008 and annually thereafter.
- (b) Such benefits as the Hospital may in its sole discretion grant from time to time. Without derogating from the Hospital's right to exercise such discretion, benefits may include:
 - (i) \$1,000 monthly car allowance; ✓
 - (ii) group life insurance in the amount of \$500,000; ✓
 - (iii) short-term sick leave in the amount of 100% base salary for the first 30 weeks and then long-term disability insurance coverage in accordance with the regular Hospital plan (HOODIP);
 - (iv) extended health care and dental benefits consistent with the Hospital plan;
 - (v) enrolment in the Hospital's of Ontario Pension Plan (HOOPP) per the terms and conditions of HOOPP with the Hospital paying the employer and employee premiums based on the salary paid by the Hospital;
 - (vi) the Hospital will pay the cost of one professional membership aligned with the position and any others approved by the President and CEO;
 - (vii) the Hospital agrees to pay all reasonable business related expenses as agreed. Such expenses incurred during the conduct of Hospital business will be subject to approval by the President or his designate.

It is understood that the Hospital's responsibility for any insurance, pension or benefit plan is limited to the contribution of the Hospital's agreed share of premiums and the Hospital is not the insurer of any benefits provided pursuant to such plans.

VI. VACATION

During each twelve (12) month period under this agreement, the Employee shall be entitled to five (5) weeks paid vacation. At 23 years of service the entitlement increases to six (6) weeks paid vacation. Vacation entitlement will change subject to

corporate policy. The time of such paid vacation shall be as mutually agreed by the Employee and the Hospital and whether it is taken in installments or all at once, shall be determined by the Employee and the Hospital provided, however, that there shall be no more than 150% of the annual vacation entitlement accumulated at any time without the written approval of the President and CEO of the Hospital.

VII. CONFIDENTIALITY

1. The Employee acknowledges that he has had access to and has been entrusted with, or may continue to have access to and be trusted with, in the course of his employment, confidential information and documents relating to the present and future business of the Hospital and LHSC and the Employee acknowledges and agrees that the right to maintain the confidentiality of such information and documents to preserve the goodwill of the said hospitals constitutes proprietary rights which they are entitled to protect. Accordingly, the Employee hereby covenants and agrees with the Hospital and acknowledges that this covenant shall survive the termination of this agreement, that he will not, either during the currency of this agreement or any time thereafter, disclose any confidential information or documents of the Hospital or LHSC to any person, or use of same for purposes other than the purpose of the said hospitals. The Employee acknowledges and agrees that the restrictions hereinbefore contained are reasonable in the circumstances and hereby commits to maintain the confidentiality described in this agreement.
2. For the duration of the trial joint appointment initiative, the Employee shall not be obliged to maintain the confidentiality of such information and documents as between the Hospital and LHSC, and shall disclose such information and documents to the President and CEO or senior management group at each Hospital when required in discharging the duties and responsibilities of his joint appointment. In circumstances when the Employee has reason to believe that the interests of the two hospitals are conflicting, the Employee shall forthwith disclose such conflict of interest to the President and CEO at each hospital and shall accept with direction as may be provided after the said parties or their respective Boards of Directors have conferred.

VIII. SEVERABILITY

In the event that any covenant or provision of the within agreement is determined to be void or unforeseeable 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.

IX. NOTICE

The parties shall be deemed to have received notice if,

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

X. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Hospital and the Employee with respect to the employment of the Employee and cancels and supercedes any prior agreements or understandings between the parties with respect thereto. The parties acknowledge that there are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory between the parties other than as expressly set forth herein.

XI. ASSIGNMENT

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

XII. GOVERNING LAW

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 ~~(but not exclusive jurisdiction) to hear and determine all disputes and claims relating to~~ this agreement.

XIII. SUCCESSORS AND ASSIGNS

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

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

SIGNED, SEALED AND)
DELIVERED)

) David Hill
Scientific Director of Lawson Health Research Institute
(LHRI) and
Integrated Vice President of Research for London Health
Sciences Centre (LHSC) and St. Joseph's Health Care,
London (SJHC)

)
)
)
)

) Cliff Nordal
President and CEO
St. Joseph's Health Care, London
President and CEO
London Health Sciences Centre

APPENDIX I

EXPECTATIONS OF JOINT VICE-PRESIDENTS

- adhere to and demonstrate respect for the unique Mission, Vision, Values, By-laws, culture and policies of London Health Sciences Centre and St. Joseph's Health Centre. (CHAC's Health Care Ethics Guide applies to St. Joseph's Health Centre)
 - attend meetings, events and maintain visibility within both organizations
 - comply with the cultures and guidelines for each organization when speaking on their behalf
 - respect the strategic priorities of each organization
 - recognize and respect the separate identities of each organization
 - openly declare conflicts of interest to the respective Chief Executive Officer and senior management group when decisions may adversely affect one of the organizations
 - participate as a senior team member of each organization's Executive group
 - pursue the common and individual goals of the organization including the common Vision established for joint services/ventures
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- avoid any unilateral action in planning, resource distribution integration or policy changes without consultation and agreement with both organizations
 - objectively seek out best practices for implementation
 - demonstrate objectivity and fairness
 - strive to maintain clear, consistent and timely communication within both organizations
 - serve as a role model for the collaborative relationships between each organization