

January 5, 2012

Roy Butler
Vice President
Quality and Clinical Support
St. Joseph's Health Care London

Personal and Confidential

Dear Roy:

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. Butler
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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April 27, 2011

Personal & Confidential

Dr. Roy Butler
Vice President, Quality and Clinical Support
St. Joseph's Health Care, London

Dear Roy:

Further to our discussion today, this letter supersedes the letter written to you dated March 31, 2011.

Retroactive to April 1, 2011 your annual base salary will be \$174,759, subject to all necessary statutory withholdings and deductions.

As previously communicated you will be eligible to earn an additional 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).

The remainder of your employment contract dated December 7, 2009 will remain unchanged.

Should you wish to discuss this further, please do not hesitate to contact me.

Sincerely,

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

cc: HR File

EXECUTIVE EMPLOYMENT CONTRACT

AGREEMENT made the 7th day of December, 2009.

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 -

ROY BUTLER, 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 and London Health Sciences Centre (LHSC) have embarked upon a trial joint appointment initiative to share certain leadership positions;

AND WHEREAS the Executive possesses certain skills and qualifications in the areas of Health Administration and Management;

AND WHEREAS St. Joseph's and the Executive have agreed to continue their employment relationship for the mutual benefit of St. Joseph's, LHSC, 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 Integrated Vice President, Quality, Strategy and Performance and the Executive hereby accepts the said employment effective December 1, 2009.

- 1.2 The term of full-time 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 his assigned portfolio within the context of the role outline, and directly in concert with the other members of the Senior Leadership Teams and the operations of the said organizations. The Executive shall obey and carry out all lawful direction given by St. Joseph's and LHSC and shall obey and carry out the by-laws, rules and regulations and constituting documents of both organizations as may be in place from time to time.
- 2.2 Unless prevented by ill health or sufficient cause as described in paragraphs 2.7 or 2.8, the Executive shall, during the term of employment, devote the whole of his work-time and attention to the business of the said organizations and shall not, without prior written consent of the said organizations, engage in any other business or employment. It is recognized that a normal part of the executive's employment includes representing St. Joseph's and LHSC 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 LHSC and shall use his best efforts to promote the interests thereof and shall not disclose the private affairs of the said organizations or any related or associated corporations or any secrets in the said organizations possession or any related or associated corporations or confidential personal information during employment at St. Joseph's and LHSC 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 and the President and Chief Executive Officer, LHSC.
- 2.5 As a member of the St. Joseph's and LHSC's Senior Leadership Teams, 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 and/or LHSC on a 24hour/7 day basis.

- 2.6 At the request of the Executive, the President and Chief Executive Officer, St. Joseph's and the President and Chief Executive Officer, LHSC 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. Every 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 and the President and Chief Executive Officer, LHSC 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 his obligations to St. Joseph's and/or LHSC, 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 A comprehensive position evaluation of your role will commence immediately. Effective December 1, 2009 an annual regular salary of \$175,000 will be paid bi-weekly, subject to any and all necessary withholdings and payroll deductions as required by applicable laws. Upon completion of the position evaluation review it is agreed there will be no decrease to the annual regular salary of \$175,000 as a result of this review and any increase to the annual regular salary of \$175,000 will be retroactive to January 1, 2010. 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 and President and Chief Executive Officer, LHSC.

3.2 Employment benefits as established by the Board of St. Joseph's and approved in writing by the President and CEO of St. Joseph's and in accordance with the executive remuneration practices. At present, the executive 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, Hospitalization, and Dental benefits consistent with St. Joseph's non-union defined executive benefits plan.
- ✓ 3. Membership in the Hospitals of Ontario Pension Plan (HOOPP) per the terms and conditions of HOOPP.
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. Long-term disability insurance in accordance with the St. Joseph's non-union executive plan.
- ✓ 6. Paid sick leave and short-term disability coverage in accordance with the St. Joseph's non-union executive plan.
- ✓ 7. \$500,000 life insurance coverage, payable to the Executive's designated beneficiary.
- ✓ 8. Paid time off for the twelve (12) legal and hospital recognized public holidays.
- ✓ 9. Each calendar year, the executive will be entitled to five (5) 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 non-union executive plan.
- ✓ 10. Out-of-province and country business and personal comprehensive travel insurance.
- 11. Employer paid annual professional dues, to a maximum of \$1,000, for up to two professional associations related to healthcare or the executive's career profession.
- 12. A professional development fund of \$5,000 plus five days paid leave per year to be used to cover direct cost and time spent on the Executive's work related individualized professional development program. To the extent that this continuing

education time and grant is not used in a particular year, it may be carried forward for one (1) year.

13. 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 and the President and Chief Executive Officer, LHSC.

14. 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 and LHSC 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 operated by St. Joseph's and/or LHSC, travel out of the London area, and to be in contact with the hospitals 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, you 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. The automobile allowance identified in paragraph 3.2 (1), is provided to cover the travel costs associated with this job requirement.

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 and President and Chief Executive Officer, LHSC 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 his retirement and to employ his replacement prior to the Executive's retirement date. Under such a circumstance the Executive would cease performing his normal job duties on a date designated by the President and Chief Executive Officer, St. Joseph's and President and Chief Executive Officer, LHSC. The Executive would maintain his employment remuneration as specified in section 3.0 until his 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), however, shall cease if an 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 his 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 himself 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 said 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 the following notice or severance payment in lieu of notice thereof:

- (i) Fifty-two (52) weeks minimum notice plus four (4) weeks notice for each full year of continuous employment with St. Joseph's from the start date of employment with St. Joseph's (June 6, 1996), pro-rated to the date of termination, to a maximum of one hundred and four (104) weeks.
- (ii) continuation of regular Hospitalization, Extended Health, Dental, , out-of-province and country Travel Insurance, and Executive Flexible Spending Account benefits save and except Short and Long-term Disability and Life Insurance, for a period equal to the notice period or payment in lieu thereof as established in sub-paragraph 5.4(i);
- (iii) continuation in the HOOPP pension plan for a period equal to the notice period defined in sub-paragraph 5.4(i), until the Executive commences work with another HOOPP member, or the Executive joins another registered pension plan whichever is shorter;
- (iv) a lump sum payment equal to the automobile allowance for the notice period defined in sub-paragraph 5.4(i);
- (v) upon written request, the Executive will be entitled to Outplacement Services up to a maximum of \$8,000.

Sick leave entitlements (Short Term and Long Term Disability), access to the professional development fund, 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 him under the provisions of paragraph 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, its successors or assigns in any way concerning the termination of employment.

6.0 CONFIDENTIALITY

6.1 The Executive acknowledges that he will have access to and will be entrusted with, during the course of his employment, confidential information and documents relating to individuals as well as to the present and future business of both St. Joseph's and LHSC, 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 organizations constitutes proprietary rights which the said organizations is entitled to protect. Accordingly, the Executive hereby covenants and agrees with the said organizations 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 said organization to any person, or use the same for purposes other than the purpose of the said organizations. 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 his 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 (but not exclusive 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 CEO, 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.

EXECUTIVE

ST. JOSEPH'S HEALTH CARE LONDON

Roy Butler

Cliff Nordal

SIGNED, SEALED AND DELIVERED

In the presence of:

Witness