

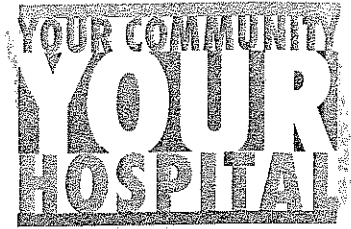


TORONTO  
EAST GENERAL  
HOSPITAL

PERSONAL & CONFIDENTIAL

March 23, 2000

Wolfgang Klassen



Dear: Wolf

**Re: Employment Agreement**

I am pleased to confirm your appointment to the role of Vice President at Toronto East General & Orthopaedic Hospital Inc. The terms and conditions of employment are outlined below. Your signature in the space provided on page 2 indicates your acceptance of the Hospital's offer on these terms and conditions. This employment agreement will be reviewed with you from time to time.

1. **COMMENCEMENT:** The effective date of this appointment is March 1, 2000.
2. **SALARY:** Your salary will be \$130,000.00 per annum. You will be entitled to any inflationary increases given after March 1, 2000. In addition, annually on your anniversary date (December 20<sup>th</sup>), you may be entitled to a performance increment until you have reached the maximum of the Vice President salary scale.
3. **BENEFITS:** In addition to the group benefits currently provided to the Senior Management, you are eligible to participate in the Vice Presidents' flexible benefits plan at the level of \$6,000.00 per annum. For the current year, benefits earned from December 20, 1999 to March 31, 2000 will be paid out as per the plan agreement.
4. **PENSION:** You will be entitled to coverage by the Hospitals of Ontario Pension Plan (HOOPP) in accordance with the terms and the conditions of such plan.
5. **VACATION:** As a Vice President, you are entitled to five weeks annual vacation during each year of employment. Such vacation is to be taken at times mutually convenient to you and the Hospital.
6. **CELLULAR TELEPHONE AND PALM SCHEDULER:** You will be entitled to the use of a cellular telephone and Palm scheduler.
7. **OUTSIDE ACTIVITIES:** Prior to accepting external consulting projects, the President & CEO will be notified and discussion will occur as to the impact on your responsibilities at Toronto East General Hospital and permission to do so will not be unreasonably withheld. The CEO must support the engagement prior to acceptance by the Vice President.
8. **CONFIDENTIALITY:** You shall not disclose or use either during or after your employment with the Hospital any secret or confidential information, or information which in good faith and good conscience ought to be treated as confidential relating to the Hospital, its employees or its customers without the prior written consent of the Hospital.

9. **RULES, REGULATIONS AND POLICIES:** You shall observe all existing and future Hospital Rules, Regulations and Policies.
10. **SEVERABILITY:** In the event that your employment is terminated for reasons other than cause, you will receive in addition to health insurance benefits coverage as permitted by the respective carriers, a severance allowance of 12 months of salary continuance. In the event you successfully relocate to alternate employment, your severance period will end and you will receive half of the balance owing as a lump sum payment.

This severance payment is inclusive of any obligations the Hospital may have pursuant to the Ontario Employment Standards Act.

Wolf, I am delighted that you will be a permanent member of the Executive Team and look forward to a mutually beneficial relationship.

Yours truly,

Ron Mulchey  
President & CEO

If the described terms are acceptable to you, please sign and date this form in the designated space below and return to me.

\_\_\_\_\_  
Signature

March 23/00  
Date

\_\_\_\_\_  
Witness

March 23, 2000  
Date

***FLEXIBLE BENEFITS PLAN  
FOR EXECUTIVES OF  
TORONTO EAST GENERAL HOSPITAL CORPORATION***

The purpose of this document is to outline the provisions of the Flexible Benefit Plan (the "Plan") established for members of the executive management group of the Toronto East General Hospital Corporation (the "Hospital").

***1. Eligibility***

- a) The Chief Executive Officer shall recommend to the Board of Directors (The "Board") whether or not an employee of the Hospital shall either become, or remain, a participant in the Plan (a "Member").
- b) The Board has complete discretion as to whether or not to accept the recommendations of the Chief Executive Officer with regard to the participation of employees in the Plan.
- c) Neither length of service, title, salary nor any other aspect of the employment relationship between an employee and the Hospital shall entitle an employee to either membership in the Plan, or to the receipt of any benefits or privileges encompassed by the Plan, without the prior approval of the Board.

***2. Scope of the Plan***

- a) Each Member of the Plan shall be awarded six thousand (6,000) flexible benefit dollars ("FlexCredits") on April 1st of each calendar year.
- b) FlexCredits may only be used either to:
  - i) contribute towards the cost of providing benefits specified by Section 5 of the Plan;  
or
  - ii) be received in cash during the twelve months immediately following the date upon which they are awarded (the "Plan Year"). FlexCredits received by the Member in cash will be disbursed in the last pay period of the Plan Year to which they apply.

### ***3. Effective Date of the Plan***

- a) The Plan shall be effective on October 28, 1996.
- b) The first Plan Year shall commence on April 1, 2000 and shall conclude on March 31, 1997

### ***4. Election of Benefits***

- a) Prior to the commencement of each Plan Year, each Member must decide how the FlexCredits applicable to the forthcoming Plan Year are to be allocated to either benefits or cash, and must complete and sign an election defining this decision in the form defined in Appendix A. Any decision regarding the allocation of FlexCredits that is effective after the start of a Plan Year is null and void.
- b) The election made by the Member will become irrevocable following the commencement of the Plan Year to which it applies. For greater clarity:
  - i) at no point during the Plan Year may the Member reverse, adjust or otherwise change the allocation of FlexCredits to either cash or benefits which was defined in the election signed by the Member prior to the commencement of the Plan Year;
  - ii) where FlexCredits have been allocated by a Member to a benefit and cannot be used for the designated purpose during the Plan Year, regardless of whether the reason is within, or outside of, the control of the Hospital, the unused balance cannot be reallocated by the Member towards the cost of other benefits and shall be paid to the Member in cash in accordance with 2.b)ii) of the Plan.

### ***5. Benefits***

- a) Members may allocate FlexCredits awarded under the terms of the Plan towards the cost, during the Plan Year to which the award applies, of the following benefits:
  - i) leasing an automobile and/or the maintenance, taxation and insurance thereof; or
  - ii) a Private Health Services Plan as described in Section 6 of the Plan; or
  - iii) a luncheon, sports or social club; or
  - iv) the provision of actuarial or investment counseling services; or

- v) any combination of the above.
- b) Where the total number of FlexCredits allocated by a Member to one or more benefits is less than the total number of FlexCredits awarded for that Plan Year, the unused balance shall be paid to the member in cash in accordance with 2.b)ii) of the Plan.
- c) Where the total number of FlexCredits awarded to a Member in a given Plan Year is insufficient to cover the cost of benefits elected by the Member, the Member shall reimburse the Hospital in full prior to the end of the Plan Year in question, subject to the provisions of Section 6 of the Plan.

#### **6. *Private Health Services Plan***

- a) FlexCredits allocated to the Health Services Plan (the "HS-Plan") shall be used to reimburse the executive and members of his family for Health Care related expense defined by Section 6 (1)(a)(i) of the Income Tax Act and supporting Interpretation Bulletins published by Revenue Canada from time to time.
- b) If the sum of claims made by the executive against the HS-Plan during any Plan Year is less than the FlexCredits allocated to the HS-Plan for that Plan Year (for the purposes of this Section 6 only, the "First Year"), the FlexCredits may be carried forward to the next following Plan Year (the "Second Year") and used to pay claims incurred during the Second Year.
- c) If FlexCredits allocated in the First Year and carried forward to the Second Year are not used to pay claims incurred during the Second Year, they shall be canceled and the Member shall have no further right to use such FlexCredits to pay claims under the HS-Plan or under any other provision of the Plan.
- d) If the sum of claims made by the executive against the HS-Plan during the First Year is greater than the FlexCredits allocated to the HS-Plan for that Plan Year, the unpaid claims from the First Year may be carried forward to the Second Year. FlexCredits allocated by the member to the HS-Plan in the Second Year may accordingly be used to pay claims incurred during the First Year.
- e) If FlexCredits allocated to the HS-Plan in the Second Year are insufficient to cover the cost of unpaid claims incurred in the First Year, the Member shall reimburse the Hospital in full prior to the end of the Second Year.

#### **7. *Disability***

- a) A Member who becomes disabled in accordance with the terms of the Long Term Disability income insurance arrangements provided by the Hospital shall continue to be eligible to receive FlexCredits throughout such period of disability and to allocate such FlexCredits to benefits defined by the Plan.
- b) A Member may not elect to receive FlexCredits in cash during the continuation of such disability. Further, if during disability a Member is unable, for whatever reason, to allocate all FlexCredits awarded in a given Plan Year to a benefit defined in Section 5 of the Plan, any unallocated FlexCredits shall be canceled and the Member shall have no further right to use such FlexCredits under any other provision of the Plan.

### **8. Death**

If a Member should die during a Plan Year, the unused FlexCredits at the date of death attributable to that Plan Year shall be distributed in accordance with the directions of the Member's executors or, in the absence of appointed executors, to the Member's estate.

### **9. Termination of Employment**

- a) If a Member should either terminate employment voluntarily during a Plan Year or if the employment of a Member is terminated involuntarily for cause:
  - i) FlexCredits allocated to pay for the cost of benefits under Section 5.a) i), iii) or iv) of the Plan which are attributable to costs that would be incurred after the date upon which employment terminates (the "Termination Date") shall be canceled and the Member shall have no further right to use such FlexCredits under any other provision of the Plan;
  - ii) FlexCredits allocated to the Private Health Services Plan under Section 5.a) ii) of the Plan in either the current or prior Plan years may be used to pay for the cost of benefits incurred prior to the Termination Date, regardless of whether the services in question are provided at a subsequent date.

For example, if a course of dental treatment has been defined and commenced before the Termination Date, the cost of the treatment program may continue to be charged to the HS-Plan up to the end of the Plan Year following that in which termination of employment occurs.

- iii) claims submitted in accordance with 9.a)ii) will be limited to a maximum of the unused FlexCredits allocated to the HS-Plan as at the Termination Date. Any FlexCredits allocated to the HS-Plan remaining after such claims have been satisfied

shall be canceled and the terminated Member shall have no further right to use such FlexCredits to pay claims under the HS-Plan or under any other provision of the Plan.

- iv) any FlexCredits which are unallocated at the date of termination and which would otherwise be paid to the Member in cash in accordance with 2.b)ii) of the Plan shall be canceled and the Member shall have no further right to use such FlexCredits under any other provision of the Plan.
- b) If the employment of a Member is terminated involuntarily at the discretion of the Hospital, other than for cause, and:
- i) salary is continued in order to satisfy the terms of a severance agreement between the Member and the Hospital, FlexCredits will continue to be awarded during the period of salary continuance and their use and application will be handled in accordance with the terms of the Plan, except that the Termination Date shall be the expiration of the period during which salary is continued;
  - ii) salary is not continued beyond the Termination Date, benefits under the Plan shall be administered in accordance with the severance agreement between the Member and the Hospital. Such administration shall be approved by the Board, shall not alter the intent or purpose of the Plan, and shall not contravene the terms of the Plan except to the minimum degree necessary to accommodate the terms of the severance agreement. Any tax, or other, liability so incurred by the member shall be the responsibility of the Member.
- c) If the Member has elected to allocate FlexCredits towards the cost of leasing an automobile in accordance with 5.a)i) and employment terminates for whatever reason, the member shall immediately acquire all privileges, and shall assume responsibility for all obligations and subsequent payments, under the terms of the lease up to its scheduled expiry. Such assumption of responsibility shall commence upon the Termination Date as defined in either 9.a)i) or 9.b)i).

*Election Form for Executive Flexible Benefits Plan*

This form must be completed, signed and returned to the plan administrator on or before \_\_\_\_\_ in order for your allocation of Flexible Benefit Credits to be effective for the year commencing \_\_\_\_\_.

Once you have made your decisions, they cannot be changed in any way throughout the twelve months commencing April 1st. This is an irrevocable decision which, for tax reasons, must remain unchanged until your next opportunity to allocate Flexible Benefit Credits next fiscal year. A copy of the terms of the plan is attached for your reference.

Number of Flexible Benefit Credits available for the year commencing April 1<sup>st</sup> - \$ 9,000

*Allocation*

Automobile lease or purchase costs, and/or maintenance, taxation and insurance	- \$	
The Health Services Plan	- \$	
Club membership	- \$	
Investment or actuarial counselling for retirement planning purposes	- \$	\$
Balance Remaining - If this amount is greater than zero, it will be paid to you in cash in the last pay period of the fiscal year. If this amount is less than zero (i.e. your elected benefits will cost more than your allocated FlexCredits) please attach your cheque.	-	\$

I understand that this allocation of FlexCredits is irrevocable following \_\_\_\_\_ and confirm that I have read the term of the Plan attached to this Election Form (unchanged from previous year).

Signed \_\_\_\_\_

Dated \_\_\_\_\_

Signed \_\_\_\_\_  
President and CEO

Dated \_\_\_\_\_





TORONTO  
EAST GENERAL  
HOSPITAL

*70 years of caring*



April 3, 2000

Wolfgang Klassen  
VP Patient Services

Dear Wolfgang:

This letter is to advise you that a 2.5% salary increase will be made to all non-union positions effective April 1, 2000. This increase is in order to ensure that our salaries remain competitive with our relative external market. The 2.5% adjustment to your hourly rate will be reflected on your next pay as indicated below:

B2-General pay: pay period ending April 3, 2000.  
B1-Nursing pay: pay period ending April 9, 2000.

If you have any questions please contact me at extension 6326 or Jackie Gallant at extension 2782.

Yours truly,

*Shelley Burchart*

Shelley Burchart  
Director, Employee Services

c.c. Personnel File



TORONTO  
EAST GENERAL  
HOSPITAL

*70 years of caring*



April 26, 2000

Donna Smith, Manager  
Payroll Services

Dear Donna:

**Re: Wolf Klassen, Vice President**

Wolf Klassen is eligible for Flexible Benefits in the amount of \$6,000 per annum. As per his employment contract, please pay out benefits earned from December 20, 1999 to March 31, 2000 for this pay period ending April 30, 2000.

Sincerely,



Ron Mulchey  
President and CEO

14 December, 2000

**TO:** Ron Mulchey  
President and CEO

**FROM:** Janet Davidson  
Executive VP and COO

**RE:** Performance Increment – Wolf Klassen

On March 23, 2000, you advised the three Vice Presidents about the possibility of receiving annual performance increments until such time as they have reached the top of the VP salary scale. The scale at that time was identified as \$130,000 to \$145,000 per annum. These performance increments (if any) are to be awarded on their anniversary date.

Wolf's anniversary date, as set forth in his Employment Agreement dated March 23, 2000, is December 20<sup>th</sup>. His salary was set at the bottom of the range (\$130,000) and he subsequently received the cost of living adjustment that all non unionized employees received effective April 1<sup>st</sup>. Since that time, I have had an opportunity to observe Wolf's performance and to work closely with him as a member of the leadership team. Based upon my assessment, I would like to recommend to you that he be given a performance increment. I am not aware of any formal procedure by which we calculate the size of an annual performance increment. However, based upon my previous experience I would suggest that movement through the range is usually in 3-5% increments.



Janet Davidson

OK for 3% increase on base established  
April 1, 2000. effective December 20<sup>th</sup>, 2000

# Toronto East General Hospital

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## *Inter-Departmental Correspondence*

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Date: December 20, 2000

Subject: PERFORMANCE INCREASE

From: Janet Davidson, Executive Vice President and COO

To: Wolf Klassen, Vice President


cc: HR File

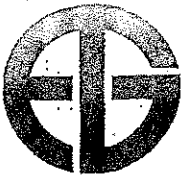
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This memo is to confirm that effective today you will receive a 3% performance increment. With this increase your annual salary will be \$137,247.63.

The salary scale for Vice Presidents is \$133,350.00 to \$148,625.00.

Thank you for your continued commitment to TEGH.

  
Janet Davidson  
Executive Vice President and COO



Toronto  
East General  
Hospital

STRICTLY CONFIDENTIAL

DATE: January 25, 2001

SUBJECT: RETIREMENT BENEFITS FOR EXECUTIVES

FROM: Janet Davidson,  
Executive Vice President and Chief Operating Officer

TO: Mary Clare Egberts  
Marla Fryers  
Wolf Klassen  
Ron Mulchey  
Milton O'Brodovich

\*\*\*\*\*

As part of our ongoing efforts to improve your benefits, I am pleased to advise you that effective immediately, there will be an enhancement to your retirement benefit entitlements. Upon retirement, semi-private, extended health care and dental benefits will continue until age 70. The hospital will continue to pay 100% of the premiums. In addition, a paid up life insurance policy will be provided in the amount of \$25,000.

To qualify as per Policy #5.06.01, the employee must be retiring from the hospital.

For your information, this matter has been fully discussed with and supported by the Board Chair.

This information is to be treated in confidence and not shared with others.

Thank you,

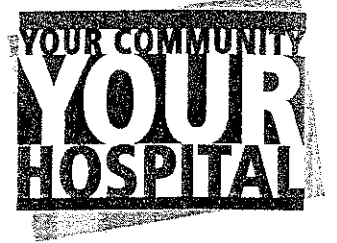


cc Leslie Rogers



TORONTO  
EAST GENERAL  
HOSPITAL

*70 years of caring*



March 20, 2001

Wolfgang Klassen  
VP Ptnt Srvcs W. Klassen

Dear Wolfgang:

Each year the Hospital undertakes a review of our non-union salary classifications to ensure that we are competitive with our external labour market. This year's review will take place within a more comprehensive assessment of T.E.G.H.'s total compensation program for its non-union employees.

The Total Compensation Review will consider our job evaluation program, benefit program, salary program and other compensation related policies. Upon completion of this review, a full report will be presented to Executive Council for its consideration, including a comprehensive implementation strategy.

To ensure that we continue to remain competitive during the course of the Total Compensation Review, we are implementing a 2.5% market adjustment to all non-union salary classifications effective April 1, 2001.

I would like to take this opportunity to thank you for your continued dedication and hard work.

Yours truly,

  
**Janet Davidson**

Executive Vice President and  
Chief Operating Officer



## MEMORANDUM

Date: March 29, 2001

Subject: Non-union Compensation: Market Adjustment

To: Wolfgang Klassen  
VP Ptnt Svcs

From: Janet Davidson, Executive Vice President & Chief Operating Officer

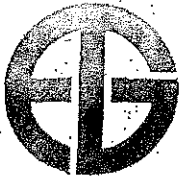
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Toronto East General Hospital is in the early stages of a Total Compensation Review of all our non-union positions. As outlined in my letter of March 16, 2001 the review will consider all aspects of our compensation philosophy, policies, practices and procedures.

As an initial step, our Human Resources and Organization Development Department undertook a preliminary survey of our labour market. With the April 1<sup>st</sup> 2001 across-the-board 2.5% economic increase that was recently announced, many of our salaries would appear to be competitive. Yours is one of those positions.

Please be advised that there will be no further adjustments to salaries, pending the outcome of the Total Compensation Review. Toronto East General Hospital is committed to fair and equitable compensation of our employees. We are taking steps to ensure that your contributions are appropriately rewarded. Thank you for all your efforts.

  
Janet Davidson



TORONTO  
EAST GENERAL  
HOSPITAL

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MEMORANDUM

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DATE: December 5, 2001

SUBJECT: PERFORMANCE INCREASE

TO: Wolf Klassen, Vice President  
cc: HR File

FROM: Janet Davidson, President and CEO

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This memo is to confirm that effective December 20, 2001 you will receive a 3% performance increment. With this increase your annual salary will be \$144,899.22.

The salary scale for Vice President's is \$133,350.00 to \$148,625.00.

Thank you for your continued commitment to TEGH.

  
Janet Davidson  
Executive Vice President and COO

NOTE:

SHOULD REFLECT

137,247.50 +0

153,083.75

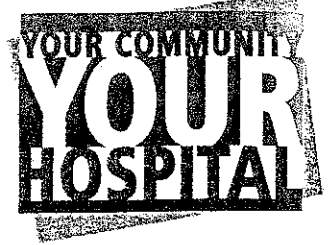
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increased by  
3%.





TORONTO  
EAST GENERAL  
HOSPITAL

*70 years of caring*



March 5, 2002

Wolfgang Klassen  
Vice President, Patient Services  
TEGH

Dear Wolf:

**Re: Employment Agreement**

As a result of the recent senior level reorganization, I am pleased to confirm the following changes to your employment contract (dated March 23, 2000), effective March 5, 2002.

1. Title: Vice President, Clinical and Corporate Support.
2. Salary: \$153,472.00 per annum. The new scale for Vice Presidents is \$141,029.00 to \$165,916.00.
3. Effective April 1, 2002, flexible benefits will increase to \$8,000.00 per annum.
4. Vacation: Five (5) weeks vacation during each year of employment. After five years this will increase to six (6) weeks per year.
5. Severability: In the event that your employment is terminated for reasons other than cause, you will receive in addition to health insurance benefits coverage as permitted by the respective carriers, a severance allowance of twelve (12) months salary continuation. This severance payment is inclusive of any obligations the Hospital may have pursuant to the Ontario Employment Standards Act.

Thank you for your continued commitment to Toronto East General Hospital.

Sincerely,

A solid black rectangular box used to redact the signature of Janet Davidson.

Janet Davidson  
President and CEO

cc: Personnel File



TORONTO  
EAST GENERAL  
HOSPITAL

*70 years of caring*



September 25, 2002

Confidential

Wolf Klassen  
VP Clinical and Corporate Support

Dear Wolf:

I recently reviewed a HayGroup Salary Survey that targeted executive compensation practices amongst our comparator community hospitals. In keeping with my commitment to provide the executive team with a competitive compensation package, I am happy to advise you that your current annual salary of \$153,472 will increase to \$169,100 effective October 1, 2002. This adjustment reflects what comparable health care executives in our region are being paid. All other benefits will remain the same.

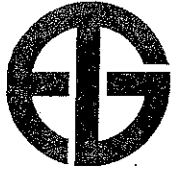
I would like to take this opportunity to thank you for your ongoing support.

Sincerely

[Redacted Signature]

Janet Davidson  
President and CEO

*Thanks for all your good work!*



# TORONTO EAST GENERAL HOSPITAL

## Private & Confidential

June 21, 2004

Wolf Klassen  
VP Clinical & Corporate Support

Dear Wolf:

This letter is to advise you that the President & CEO has approved a 2% cost of living increase to your current hourly rate, retroactive to April 1, 2004.

Your current hourly rate \$89.3195 has been adjusted to \$91.1059. You will receive the adjusted rate of 2% and retroactive pay with your pay this week.

As you are aware, we will be reviewing the Hospital's salary philosophy over the next few months, and if it is determined that your position is entitled to a further salary adjustment you will be notified at that time.

We would like to take this opportunity to thank you for your hard work and dedication. You can be assured that we will continue to monitor labour market conditions to ensure the Hospital's salaries are equitable and competitive and in this regard, will be re-assessing our situation in the Fall.

Yours truly,

*Jackie Gallant*

Jackie Gallant  
Manager, Compensation & H.R.I.S.

c.c. Personnel File



TORONTO EAST  
GENERAL HOSPITAL

\* 825 Coxwell Ave.  
Toronto, Ontario  
M4C 3E7

\* Tel: (416) 461-8272  
Fax: (416) 469-6106  
www.tegh.on.ca

## Private & Confidential

April 4, 2005

Wolfgang Klassen  
VP Clinical & Corporate Support

Dear Wolf:


I am pleased to announce, Rob Devitt, our President & CEO has approved a 1% market adjustment for your classification, effective March 31, 2005.

Your current hourly rate will be adjusted by 1% as of March 31, 2005 and will be implemented on your pay beginning March 28, 2005.

In addition, you will receive a transformation allowance to be consistent with the language proposed in current collective agreements. The transformation allowance is a one-time \$0.17 per hour payment to each current employee, for all hours paid in the 2004 calendar year (January 1, 2004 – December 31, 2004). The payment will be paid in the form of a lump sum and will be reflected on your pay indicated above. This one-time payment will not be rolled into the non-union salary ranges.

We are continuing to assess our labour market conditions to ensure the Hospital's salaries are equitable and competitive, and if it is determined that your position is entitled to a further salary adjustment, you will be notified at that time.

Yours truly,

  
*Jackie Gallant*

Jackie Gallant  
Manager, Compensation & H.R.I.S.

Cc Employee File

\* Family Health Centre &  
Child Development Centre  
840 Coxwell Ave.  
Toronto, ON  
M4C 5T2

\* Community  
Outreach Services  
177 Danforth Ave.  
Suite 203  
Toronto, ON  
M4K 1N2

\* Withdrawal  
Management Centre  
985 Danforth Ave.  
Toronto, ON  
M4J 1M1



TORONTO EAST  
GENERAL HOSPITAL

\* 825 Coxwell Ave.  
Toronto, Ontario  
M4C 3E7

\* Tel: (416) 461-8272  
Fax: (416) 469-6106  
www.tegh.on.ca

## Private & Confidential

April 20, 2005

Wolfgang Klassen  
VP Clinical & Corporate Support

Dear Wolf:

It's the time of year where I have an opportunity to announce good news and this letter is to advise you that our President & CEO has approved a 2% cost of living increase for your classification, effective April 11, 2005.

Your new hourly rate \$93.8573 will be reflected on your pay beginning April 11, 2005.

We are continuing to assess our labour market conditions to ensure the Hospital's Executive salaries are equitable and competitive, and if it is determined that your classification is entitled to a further salary adjustment, you will be notified at that time.

Once again, thank you so much for your excellence, kindness and respect over the past year.

Yours truly,

  
*Jackie Gallant*

Jackie Gallant  
Manager, Compensation & H.R.I.S.

Cc Employee File

\* Family Health Centre &  
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840 Coxwell Ave.  
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Management Centre  
985 Danforth Ave.  
Toronto, ON  
M4J 1M1



TORONTO EAST  
GENERAL HOSPITAL

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**MEMORANDUM**

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**DATE:** December 11, 2007

**SUBJECT:** Vice Presidents Incentive Payment – 2006/07

**TO:** Donna Smith, Manager Payroll

**FROM:** Rob Devitt, President and CEO

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Donna

The vice presidents' compensation package includes an incentive payment plan linked to achievement or over-achievement of annual Hospital Accountability Agreement measures.

Due to over-achievement of 3 of the 5 Accountability measures for the 2006/07 fiscal year, the vice presidents qualified for the annual maximum incentive payment of \$15,000 each.

Please arrange to pay the three vice presidents \$15,000 each in the next pay run.

Thank you

  
Rob Devitt  
President & CEO

cc: Nancy Casselman, Director Human Resources and Organizational Development  
Vice President Personnel Files



TORONTO EAST  
GENERAL HOSPITAL

April 1, 2008

## Private & Confidential

\* www.tegh.on.ca  
Tel: (416) 461-8272  
Fax: (416) 469-6106  
825 Coxwell Ave.  
Toronto, ON  
M4C 3E7

Wolfgang Klassen  
Executive Team

Dear Wolfgang:

Each year the Hospital undertakes a review of our non-union salary ranges to ensure we are competitive with our external labour market. To ensure we remain competitive, we have approved and will be implementing a 3% cost of living increase to all non-union salary ranges effective April 7, 2008.

\* Family Health Centre  
Tel: (416) 469-6464  
Fax: (416) 469-6164  
840 Coxwell Ave.  
Toronto, ON  
M4C 5T2

We are pleased to inform you that your rate of pay will be adjusted by 3% and your new rate of pay will be \$111.53 effective April 7, 2008

As in previous years, we have approved in-range increases of up to 3% for employees that are not currently at the job rate of their position. These will take place on the employee's anniversary date.

\* Community  
Outreach Services  
Tel: (416) 461-2000  
Fax: (416) 461-2222  
177 Danforth Ave.  
Suite 203  
Toronto, ON  
M4K 1N2

In addition, there will also be enhancements to your non-union benefits. Please refer to the table on the reverse side for the details.

Thank you for all your efforts and commitment to our values of excellence, kindness and respect.

Yours truly,

*The Executive Team*

\* Withdrawal  
Management Centre  
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cc Employee File





TORONTO EAST  
GENERAL HOSPITAL

## Private & Confidential

October 1, 2008

www.tegh.on.ca

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Fax: (416) 469-6106

825 Coxwell Ave.

Toronto, ON

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Family Health Centre

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Fax: (416) 469-6164

840 Coxwell Ave.

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Outreach Services

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Withdrawal

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Wolf Klassen  
Vice President, Program Support

Dear Wolf:

Thanks to your committed efforts over the previous year, TEGH has had a successful year delivering extraordinary care. Without your support, commitment and contributions towards the Hospital Service Accountability Agreement our successes in 2007/2008 would not have been possible.

In recognition of our combined team effort, this year I am pleased to inform you that you will receive an incentive in the amount of \$15,000. This bonus will be paid out on or about October 9, 2008.

I encourage you to continue your dedication towards the success of TEGH through focusing on our strategic goals and your own department specific initiatives.

Thank you for all your efforts and commitment to our values of excellence, kindness and respect.

Yours truly,

Rob Devitt  
President & CEO  
Toronto East General Hospital

c.c. Human Resources File



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April 1, 2011

Wolf Klassen  
Vice President, Program Support  
825 Coxwell Ave  
Toronto, Ontario  
M4C 3E7

Dear Wolf;

**RE: EXECUTIVE PERFORMANCE INCENTIVE PROGRAM**

I am pleased to announce the continuation of the at risk Incentive Program which is part of the planned compensation package for Vice Presidents.

The Incentive Program was introduced in 2008 and is designed to incent and reward exemplary performance as measured against key Hospital Quality Targets. The program is structured to promote team based performance and allows for payout based on achieving performance targets. The temporary suspension of the Incentive Program will end on March 31<sup>st</sup>, 2011.

Please refer to the attached document for the details of the at risk Incentive Program.

Should you have any questions regarding this program, please do not hesitate to speak with me.

Yours truly,



Rob Devitt  
President & CEO  
Toronto East General Hospital  
c.c. Human Resources File

ORDER OF EXCELLENCE



GOVERNMENT  
ORGANIZATION QUALITY  
& HEALTHY WORKPLACE

Above all, we care



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**Toronto East General Hospital**  
**Executive Performance Incentive Program**

**Purpose**

To incent exemplary corporate performance the Hospital introduced a team based incentive program to link the achievement of certain accountability metrics to the reward system for the Vice President Team.

**Principles**

1. The at risk incentive program forms part of the total planned compensation package which is designed to ensure market competitiveness at the 50<sup>th</sup> percentile range.
2. Incentive payment will not form part of the base compensation of individuals.
3. Incentive payments will be a one time payment reflecting achievement, of pre-determined success measures using the fiscal year (April-March) cycle or a portion thereof.
4. Incentives will be provided on the basis of corporate success, not individual success. Accordingly, payments will be consistent across the group, based on the performance indicators.
5. The incentive program will be tied directly to the Hospital's Quality Improvement Plan Targets.
6. The incentive program and targets will be evaluated annually in conjunction with the Quality Plan to ensure effectiveness, relevance and appropriateness.
7. The Hospital Reserves the right to modify or discontinue the incentive plan at any time.

**Potential Incentive Payout**

<b>Position</b>	<b>Maximum Payout</b>
CEO	\$20,000
Chief of Medical Staff	\$20,000
Vice President	\$15,000
Executive Lead Corporate Projects	\$10,000
Administrative Directors	\$10,000
Medical Directors	\$10,000

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AWARD FOR  
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**Performance Indicators**

The Hospital will utilize the Quality Targets as the basis for awarding the incentive pay.

Indicator	Current Performance	Performance Goal 2011/12
C. Difficile infection rate	0.49	0.80
Ventilator acquired pneumonia (VAP) rate	4.47	4.25
Complex Continuing Care (CCC) patients with new stage 2 skin ulcers	5.40%	5.13%
Hospital Standardized Mortality Ratio	92	87
Total Margin	-0.35%	0
Reduce wait times in the ED (ER length of stay for Admitted patients)	26.4 hr	25.1 hr

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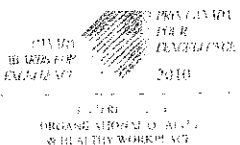
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The payout of incentive pay will be made on the following basis;

Progress Against Quality and Safety Target	% of Available Incentive
Worse than previous year performance and no special considerations.	0%
Worse than previous year performance with special considerations.	25%
Maintained or improved previous year performance and special considerations.	50%
Better than previous year performance and not met target.	75%
Achieved target.	100%

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**TORONTO EAST  
GENERAL HOSPITAL**

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July 25, 2011

Wolf Klassen  
VP, Program Support

Dear Wolf:

Recently, the Government of Ontario commenced a number of initiatives that affect executive compensation among Ontario's hospital sector. One of these related initiatives include the *Broader Public Sector Perquisites Directive*, which was issued by the Management Board of Canada and takes effect August 2, 2011.

The Directive is intended to control administrative costs in Ontario's broader public sector (BPS), to hold organizations accountable for their use of public funds, and to increase transparency of the BPS to stakeholders. For the purpose of the Directive, "perquisite" means a privilege that is provided to an individual or a group of individuals, which confers a personal benefit, and is not generally available to others.

We are required to follow this legislation and therefore effective August 2, 2011 you will no longer be entitled to hospital paid parking. As a result you will have monthly parking deducted from your pay cheque on the first pay of each month. In addition, the health care flexible benefits which are currently available to you will also no longer be available effective August 2, 2011. If you have any expenses associated with your health spending that you have not submitted please do so before August 2, 2011. Please note that the directive specifically states that reimbursement for items that will be used on or after August 1 can not be submitted regardless of the purchase date.

The legislation has however allowed for us to continue with an insured benefits plan dedicated to executives, therefore there will be no changes to any benefits or your pension plan.

Yours truly,

Rob Devitt  
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