

Policy:	President and CEO Compensation	
Owner of Policy:	Chair, Board of Directors	
SLT Sponsor:	Chief Human Resources Officer	
Approval By:	Board of Directors	Date:

Original Effective Date: May 25, 2011	Reviewed Date(s):	Revised Date(s):
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This policy applies to: LHSC

There is a similar/same policy at St. Joseph's yes no
If yes: Policy Name: President and CEO Compensation Policy Owner: Chair, Board of Directors

POLICY

The Board of Directors of London Health Sciences Centre (LHSC) is responsible for establishing policies to ensure the organization is one of Canada's pre-eminent health care organizations, contributing to the advancement of health care, education and research. To this end, it is critical LHSC is able to attract and retain a highly skilled President and Chief Executive Officer (CEO) who will provide leadership to the organization in the course of implementing Board policies and directives.

To ensure that LHSC is able to retain and attract the necessary executive leadership skills, the Board of Directors has established a compensation philosophy which is designed to maintain an attractive and competitive compensation package for the CEO.

Compensation Philosophy

The total compensation of the CEO shall be positioned at approximately the market average of the total compensation paid by selected Ontario Academic Health Sciences Centres. (See page 2)

Compensation Structure

Total compensation has two components: a) total cash compensation and b) benefits and perquisites.

a) Total cash compensation shall be provided by means of base salary and performance incentive, as follows:

- A range shall be set for base salary, with the range maximum positioned at approximately market average and the range minimum at approximately 85 percent of the maximum.
- Annual performance incentive shall be set at a level up to 30 per cent of base salary. The actual pay-out of any portion annual performance incentive shall be determined as a result of the CEO achieving the pre-established goals for the year as determined by the Chair, Board of Directors.

b) Benefits and perquisites shall be provided at approximately the market average.

PROCEDURE:

The Board of Directors, through the Executive Committee, shall review the total compensation of the CEO in April of each year.

Any increase to the base salary of the CEO and the awarding of any portion of the annual performance incentive shall be subject to the incumbent meeting performance expectations and established goals as determined through the annual performance review process led by the Chair, Board of Directors. The Executive Committee shall submit any recommendation for base salary increases and the awarding of any portion of the established annual performance incentive to the Board of Directors for approval. Any increases or payments recommended and approved by the Board of Directors will be provided in writing to the Chief Human Resources Officer for implementation.

A review of relevant market comparator data shall occur every three years or more frequently upon the request of the Chair, Board of Directors. In 2010, the following 7 hospitals were identified as peer organizations:

- Hamilton Health Sciences
- Hospital for Sick Children
- Mount Sinai Hospital
- St. Michael's Hospital
- Sunnybrook Health Sciences Centre
- The Ottawa Hospital
- University Health Network

The market average calculation will be achieved through eliminating the highest and lowest payer in the group identified above and the average will be calculated using the remaining 5 hospitals.

This Board Policy shall be reviewed every three years, or if there is a major change in organizational strategy.

DEFINITIONS:

- Total Compensation is defined as having two components: a) total cash compensation and b) benefits and perquisites
- Total Cash Compensation is defined as base salary and pre-established annual performance incentive.

REFERENCES:

- Bill 16 – Public Sector Compensation Restraint to Protect Public Services Act, 2010
- Bill 46 – Excellent Care for all Act, 2010