

JULY SPECIAL MEETING

July 13, 2022
University Hall, Ruthven Building
Ann Arbor, Michigan

CALL TO ORDER

President Coleman called a special meeting to order at 1:00 p.m. in University Hall. The meeting was also live streamed on the UM gateway. She began with a roll call. Present were Regents Acker, Behm, Bernstein, Brown, Hubbard, Ilitch, Weiser and White.

President Coleman turned the proceedings over to Regent Brown, chair of the board.

Regent Brown said, “This is truly a historic day for the University of Michigan. Nearly two and a half centuries ago, before even our Constitution, Thomas Jefferson's writings inspired the Continental Congress to ratify The Northwest Ordinance, which created the Northwest Territory and ultimately the states that lay in its lands.

“The first article of the ordinance prohibited slavery in these territories, and promised religious toleration for any person regardless of that person’s mode of worship or religious sentiment. The second article announced a series of rights, including the right to political equality. The third article famously decreed that ‘religion, morality and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.’

“Less than three decades later, the founders of our state, funded primarily by proceeds from land given by Anishinaabeg and Wyandot tribes, following the directive of the Founding Fathers of our nation, created the mechanism to found UM, in Detroit, as a distinctly public institution, with the sole purpose to serve the public good.

“In the two centuries since our founding, the people of Michigan, through this institution, have lived up to the charge of serving the public good by educating business people whose companies employ thousands. By supporting scholars whose work has bettered the lives of millions. By providing healthcare professionals and researchers whose care and discoveries have saved the lives of billions. The university's graduates and faculty have famously founded the most valuable company on earth, helped cure polio, filled every seat on a spacecraft to the moon, ascended to the Presidency of the United States, and even won seven Super Bowls and counting. But I am most proud that the people of Michigan, through this institution, have served the public good by educating many of our communities' mothers, fathers, and children; doctors and nurses, teachers and coaches, police officers and service members.

“Over these two centuries, and this institution's many contributions to the public good, it is hard to believe that the people of Michigan have entrusted the presidency of this institution to only 14 men and women. That is probably why it is important to remind us all that the Michigan Constitution provides that ‘the Board of Regents shall have general supervision of its institution and the control and direction of all expenditures from the institution's funds.’ The Board of Regents ‘shall, as often as necessary, elect a president of the institution, under its supervision. He or she shall be the principal executive officer of the institution, be ex-officio a member of the board, without the right to vote, and preside at meetings of the board.’

“We, as Regents, take this constitutional duty seriously and recognize it as our most important responsibility. As the current chair of the Board of Regents, and as a member of the Presidential Advisory Search Committee, I am pleased to announce that we have completed the search process and have identified Dr. Santa Ono as our finalist for election as the 15th President of the University of Michigan.

“On behalf of all of us seated here and the entire UM community, here and around the globe, I’d like to extend my warmest welcome to Dr. Santa Ono and his wife, Wendy, who has joined him today – welcome! We look forward to meeting your daughters Sarah and Juliana, and son-in-law David, very soon. We are thrilled and honored to have you here today and to welcome all of you to the University of Michigan family! I know you will continue to help us serve the public good.

“The process of getting to this moment required thoughtfulness and diligence on the part of our search committee co-chairs, Regent Denise Ilitch and Regent and Board Vice Chair Sarah Hubbard, and I’d like to thank them now for their steadfast leadership and commitment to this work. I’d also like to thank the members of the Presidential Search Advisory Committee, for they were the compass that guided this process and choice. Now I’d like to introduce Denise Ilitch, Presidential Search co-chair.”

Regent Ilitch said, “Regent Hubbard and I had the pleasure and privilege, on behalf of the board, of leading the Presidential Advisory Search Committee which first met in February and has convened more than 29 times since then to identify and review potential candidates and make recommendations to the board.

“From the outset, it was important to us that this was an inclusive process. Our committee included faculty, staff, students and alumni from across UM’s three campuses and health system and was widely representative of our diverse university community. This was a team effort. I’d like to ask them to stand and please give them a round of applause for all of their time, energy and hard work, especially our student members.

“The search committee hosted seven listening sessions earlier this year to collect input from members of the community about their hopes and expectations for a new president. An online survey collected additional thoughts from more than 1,000 respondents.

“Several clear and consistent themes emerged in regard to what our community wanted in a new leader - someone who could build trust, lead with integrity, and actively engage the full range of Michigan’s constituencies. Someone who had strong emotional intelligence and communication and listening skills. It is readily apparent to me after getting to know Dr. Ono and learning about his experiences as a university administrator that he is the right person to lead UM at this moment in time. He is relentlessly positive, he understands the critical role of collaborative relationships in working toward a common goal and he loves the students he serves. His vision for our future is exciting and we have a lot to look forward to.”

Regent Hubbard, co-chair of search said, “Our community also called for a leader who would continue to champion the university’s public mission through education and research, as well as its efforts in affordability and access; sustainability and carbon neutrality; sexual misconduct prevention; and diversity, equity, and inclusion. Those themes were incorporated into a job description for the president’s role, and with the help of the executive search firm of Isaacson Miller, a comprehensive national search resulted in a large and diverse pool of exceptional candidates.

“Thank you again to our committee members. Thank you to the staff working behind the scenes for your support in getting this work done in an urgent but very purposeful manner. And, finally, thank you to every one of the students, faculty, staff, alumni, parents, UM retirees and others who shared their input with our committee during this process. We listened. We heard you. And I’m confident that the finalist seated before us today is the right choice for the UM.

Dr. Ono has not only distinguished himself as a researcher and a university leader. He has shown an impressive ability to meet the pressing challenges of the day head on, from sustainability and climate change to mental health advocacy. I look forward to our work together.

Regent White read the following Resolution:

On behalf of the Presidential Search Advisory Committee, and pursuant to Article VIII, Section 5 of the Michigan Constitution, and in accordance with the terms and conditions of a certain letter agreement that has been previously agreed upon, with its effectiveness being subject to approval and ratification at this meeting, I enthusiastically present the finalist, and hereby nominate Dr. Santa J. Ono as the 15th President of the University of Michigan. The letter agreement will be attached to the minutes of this meeting.

The motion was seconded by Regents Acker, Behm, Bernstein, Brown, Hubbard, Ilitch and Weiser.

Regent Bernstein said, “I want to begin by sharing my deep gratitude to a number of extraordinary people: President Mary Sue Coleman for leading this university (twice), most recently and currently, during an extraordinarily challenging time. We are also enormously grateful to my colleagues Regents Ilitch and Hubbard who co-chaired this successful search, in a steady, reliable and diligent way. The distinguished members of our Presidential Search Advisory Committee who provided candid, thoughtful, insightful and invaluable counsel. And the thousands of students, faculty, staff and alums who shared with us their hopes and aspirations for their university and its leadership. I want to welcome President-Elect Santa Ono, his wife Wendy, and his family, to ours.

“This morning when I was sharing my remarks with my daughter she said, ‘Why don't you just say, ‘We like you. Yay?’ And she's right. But I also think it's appropriate to expand on the comments just a little bit.

“Today is a great (and rare) day. Since 1817, we have only had 14, now 15, presidents of UM. Over almost the same time period, we have had 46 presidents of the United States. Our outreach with the university community made it crystal clear that we needed a president who checked 10 boxes:

1. Success as a public university president and an appreciation for the essential, indispensable public mission of our university. Double Check.
2. A strident commitment to academic excellence; passionate about teaching, research and scholarship. Check.
3. An eagerness to address the most pressing, complex and consequential issues of our time including climate change and racial justice. Check.
4. Experience with a large, complex health system. Check.
5. Experience with a multi-campus structure. Check.
6. An appreciation for the arts to express the complexity of the human condition. Check.
7. A real connection with students, their challenges, their wellness, their identities and their future. Check.
8. A sober enthusiasm for big-time college athletics with all of its challenges and opportunities. Check.
9. A ferocious defender of academic freedom and the free expression of diverse views. Check.
10. Finally, and most importantly, a person of uncompromising honesty and integrity. Check.

“In a sense today is actually not just about you. It's about this great institution, and it's about our hopes and aspirations for it and our society. You will lead our university at a critical time, when our work is more important and urgent than ever before. No institution harnesses the scope and scale of excellence in the service of a public mission like this. This is simply put, and I say this with no modesty, the best place in the world. You will soon see why. When we called Mary Sue Coleman as she was navigating out of a tight parking spot in Denver, happily spending time with her grandchildren, we said, we need your help. We need you to return to serve without

hesitation, and on the spot, you said yes. Or why last year, 84,000 students applied for admission here, a line of applicants that would go from here past Comerica Park in Detroit.

“Santa, hundreds of thousands of Michigan alums, students, faculty and staff are rooting for you, ready to help, eager to put our aspirations into action, because we love this university and what it stands for. And today it is great to be a Michigan wolverine, and I’ll end by saying what my daughter said this morning. We like you. Yay. and we look forward to working with you. Welcome.”

Regent Behm said, “I’d like to welcome Dr. Ono, his wife, Wendy, and their family to UM. In getting to know Santa over the past few months, you can effortlessly visualize him in the role as our president, on campus with students, with faculty, staff, and fans, and even on Twitter. You can truly see him moving the university forward into our third century.

“As we move forward, it is important we provide an unmatched, safe learning and living environment for our students, faculty and staff; campuses where trust is earned and gained; where our state’s needs and concerns are addressed; our carbon neutrality goals are met and exceeded; our health system and research capabilities continue to thrive; and our Dearborn and Flint campuses are supported to the point they flourish.

“At UM we aspire to compete, contribute and win in the classroom, the world community, and on the field of play. It is not an easy task to find someone who can lead our university in so many different ways. I’m proud to say our presidential search committee found such a dynamic listener, communicator and leader in our 15th president. Welcome.”

Regent Weiser said, “Santa Ono is an extraordinary pick to lead this university to the next decade. His expertise in governance, sustainability and research will help Michigan continue to rise as a Leader and Best in the world.

“Of importance is the fact that despite contentiousness on other issues and decisions, Santa was the first pick of all eight of the regents. This cohesiveness should serve the board well in the future as we work together with Santa to make Michigan the greatest university in the world.

“I’d like to make a point of giving special commendation to Regents Hubbard and Ilitch for their shared role in chairing this presidential search and its success.”

Regent Acker said, “Before I start with my remarks, I want to thank two staff members who really helped make this happen from beginning to end. Stephanie Riegler and Barbara Wagner. For those of you who don't know, from the day we started the search to the end, these two women were truly indispensable to the board, to the search committee and the university and we all owe you an incredible debt of gratitude for all the work you've done for us.”

“I want to touch briefly on why I believe Dr. Ono is truly the best candidate for the future of the University of Michigan.

“A president must serve first and foremost with honesty and integrity. Santa has that in spades. But what truly makes him remarkable is his passion for his profession. It’s easy to tell you how great of an interview he was, or how well his references were, but it was through four video clips that are easily accessible online that convinced me that he was clearly the right person for this job.

“The first are two TED talks he gave at UBC. His conversation about advancing women was an incredible and important speech. The second, on his own mental health struggles and the struggles of a University of Cincinnati student, brought tears to your eyes. You can’t help but think while watching, this man cares so deeply about his students.

“The third, of course, is his interview with the CBC talking about the same subject. His modesty, his vulnerability, his clarity and his lack of ego in discussing some of the hardest moments of his life with a national radio audience. I was floored by that. In this day and age, when mental health at higher educational institutions is such an important issue, there’s no better person to lead than Santa Ono.

“And finally, the fourth is one I did not believe existed. Now, I promised I would not breach the confidentiality of our search, and I won’t, but I have to make sure we discuss this. You, Dr. Ono, during one of our interviews, told me that there was a video of you crowd surfing in the student section at Nippert Stadium in Cincinnati. I could not believe this was real. I said to myself, how can this talented academic, this man of faith, this man of deep accomplishment in the arts and sciences, expect me to believe that he was crowd surfing at a football game? He couldn’t possibly be lying to me, could he? In a job interview, nonetheless!

“Well, go look it up. It’s real. Now, I know you’ve seen Michigan Stadium, and it’s a tiny bit bigger than Nippert Stadium, so it might take a little longer to get to the top, but I’m hoping that soon, as we beat Ohio State again, you’ll learn what it means to crowd surf in the largest stadium in America.

“But from athletics to academics, to health care, I know there’s no president that has the vision that you do. I know you’re going to join the ranks of the outstanding leaders at this school, and I look forward to voting for you as the 15th President of UM.”

Regent Brown called for a vote on the motion to approve the appointment of Dr. Santa Ono as the 15th President of the University of Michigan. The motion carried unanimously.

President Coleman said, “I am thrilled to join in this enthusiastic welcome for Dr. Santa Ono as the 15th president of UM.

“Dr. Ono, you are joining a very special community. I've spent more than 50 years in higher education and there is no environment that rivals the UM. From academics and research to healthcare, athletics and service to society, the university is dedicated to excellence. Leaders and best is our way of life on all three campuses. You soon will discover that Michigan is exhilarating, competitive, forward thinking and absolutely committed to the public good. You will be surrounded by thoughtful, creative and opinionated individuals. Sometimes discussions are uncomfortable, and that is a good thing, because that will lead to the best ideas and the strongest values.

“My husband and I want to welcome not only you, but also Wendy, Juliana and Sarah. As a family you will find that Ann Arbor is an engaging place to live and the state of Michigan is an absolute treasure to explore and enjoy.

“I want to thank the members of the Presidential Search Committee for their thoughtful, diligent work that led to today's appointment. I know you devoted many, many hours to find such an exceptional candidate, and I want to thank the regents for their support and counsel over these past several months. It has been an honor to again serve the university. Dr. Ono, I look forward to working with you in the upcoming weeks. Once again, welcome to Michigan and Go Blue!”

President-elect Ono said, “It's really great to be with you today. It's a very exciting day for me, I have to admit. Thank you, President Coleman for your support and your leadership at this great institution. I want to thank the Board of Regents and the Presidential Search Committee for this tremendous privilege and honor to serve what I think is the greatest public university in the world. The UM is known worldwide as an exceptional place for learning, teaching, healing and service across this great state, across this great nation and around the

world, and I am humbled and honored to be named its 15th president. This is a remarkable day for me and for my family and Wendy, thank you so much for being with me today.

“I grew up on a college campus. A wonderful institution which is the University of British Columbia. I know that a lot of people are watching from Vancouver and from UBC, and I want to start off by saying it's been an honor and privilege for me to serve you and I am thinking of you on this day.

“On that campus in Vancouver, that's where I first learned how to ride my bike, among students and the beautiful trees on the campus around the main mall and its old academic buildings. I'm a professor's child. My father was a mathematics professor there and from those very early days on that campus, I've always loved the energy of a great public research university. I have always known that universities can and do transform the world for the better.

“This place, Michigan, that I have been able to visit many times, is a very special place. It feels very right to me. It has a unique energy that conveys a sense of purpose to everyone from a first-year student to the president of the institution. It is a pinnacle of public higher education, it's an inspiration to institutions around the world.

“Michigan is one of the world's great public universities and has an unrivaled research enterprise. Every day it results in innovations and discoveries that shape the future. And that stretches all the way from medicine and engineering to the arts and humanities and the social sciences. The breadth and depth of the intellectual capital of this great institution and the energy of the students is what attracts me here. Students and scholars are eager to come here to engage and to contribute, and I can't wait to partner and to interact with the students at this great institution on all of the campuses of UM. And everyone knows the power of blue when it comes to big-time and Big 10, intercollegiate athletics. The breadth and quality of activity here makes

this university exceptional and so integral to this society, to this state, but also for the world. Michigan embodies leadership. Many things have started at this great institution with speeches from people like President Kennedy, with inspiration of Gerald Ford as a Wolverine, but also as president of this great nation.

“Our world has changed in the last two and a half years and we've navigated that together and all the campuses and the great universities of this world, COVID has transformed how we live and how we work and so too has a heightened awareness during this time of racial and ethnic inequities across this nation and indeed around the world. We are and we should be more cognizant than ever of the irreparable damage that we are doing to our planet with this climate emergency. Now, this may discourage some people, but not me. This is UM. This is where leaders and bests reside and from where leaders and best graduate. This institution has the ability through the intellectual capital, the faculty, staff and students to really address these existential challenges that affect this world.

“We will do so together. To me, even though there are challenges, this is an incredibly exciting time to be a student, to be a professor, and even to be a university president. You see, I fiercely believe that higher education through our scholarship, our service and through our graduates can deliver the changes that we need to build a healthy, sustainable and just community, focusing on those very vexing existential challenges that lie before us. Have no doubt that I am eager to get started, to join this extraordinary community. My job as president will be to make this great university even greater, even stronger, more engaged and more inclusive.

“I want to amplify Michigan's impact on this great state, this great nation and the world. I'm excited about the challenges and the opportunities to work with and to support the faculty,

students, staff and 600,000 alumni around the world. My job is not just to lead in partnership with the regents and the senates and the student associations of this institution, my primary responsibility is to serve, to serve each and every one of you. It's a privilege to be associated with such a great community of scholars. I've learned in a very short time that there is great pride in being associated with UM and rightly so. This is a stunning institution by any measure.

“To our students in the audience and perhaps watching by live stream, or perhaps watching on Youtube later, I want to say that I understand the joy and sense of accomplishment that comes with pursuing your passions at such a great research university. I know how bright you are. I know how passionate you are. And I have daughters around your age. But I also know that although this is an amazing experience, that there are struggles and perhaps through this pandemic a sense of isolation that you sometimes can feel and it's been mentioned, I felt that way as an adolescent and as a young adult. I pledge to you today that as president, I will make certain that this university is always there for you on good days and bad, so that you can succeed and thrive with the maximum potential that you have demonstrated to us from the moment you expressed an interest in coming to Michigan.

“I want to thank President Mary Sue Coleman for the many conversations that we've already had in the recent weeks and will have into the future. I know how well regarded she is both here on campus, but throughout higher education, and I've had a chance to interact with her when she was president of the AAU. I also know what matters the most to this community is that she is selfless in returning to lead this university for a second time as president.

“Mary Sue, I will seek your advice, but also respect your much-deserved retirement. Going forward, all of us have a lot of time to get to know each other, that story, that video about

crowd surfing at Nippert was true. I know the big house is quite a bit bigger, 115,000, I hear. They say the biggest stadium in North America, second biggest in the world, I hear.

“I just want to end with just a little bit about myself. You know I'm a husband to Wendy, my better half. And a father to two wonderful daughters, Juliana who just got married to David Chang, and Sarah.

“My father and mother: I wouldn't be anywhere without them today. And my two brothers. My older brother is a professor of piano at Creighton and my younger brother, Ken, is a brilliant mathematician at the University of Virginia. And by the way, he wants to come to this game between UVA and Michigan, and Michigan is going to win by a lot, right?

“Education has always been integral to our family. I live to serve and I believe in leading by example. I will give 150 percent for the UM. As of today, I'm proud to be a Michigan Wolverine. Thank you, and Go Blue!

The meeting adjourned at 1:40 p.m.

I. EMPLOYMENT AGREEMENT

- A. This Agreement is entered into and effective on July 13, 2022 between the Regents of the University of Michigan (“the Regents” or “the University”) and Santa J. Ono, Ph.D. (“he,” “you,” “your,” or “President”).
- B. Dr. Ono will serve as President of the University of Michigan, under the supervision of the Regents, and will perform all duties normally attendant to the position of president of a public research university and an institution of higher education of the type and size of the University and as determined by the Regents’ Bylaws, Michigan law, and any other applicable rules, policies, and regulations. You will devote substantially all your business and academic time and your best efforts, skill, and ability to promote the interests of the University, carry out your duties in a highly competent and professional manner, and work with the Regents and employees of the University in a cooperative and professional manner. Your conduct and comportment shall at all times be fully consistent with promoting the dignity, reputation, and academic excellence of the University.

II. TERM OF AGREEMENT AND COMPENSATION

- A. The term of the appointment as President is from October 13, 2022, to October 12, 2027, subject to the termination provisions described in section IV.D. Your appointment may be extended by mutual written agreement.
- B. As compensation for the services performed under this Agreement, President will receive:
 - 1. An annual base salary commencing on October 13, 2022, of \$975,000. There will be an annual review of the President’s performance. The President’s salary may be increased at the discretion of the Regents, annually, based on performance and other considerations.
 - 2. All the standard University employee benefit plans and programs extended to executive officers of the University under the terms of those plans and programs (*e.g.*, vacation, full family health insurance coverage, life insurance, long-term disability insurance), as amended from time to time, subject to meeting eligibility criteria for the plans and programs. President’s fringe benefits will be calculated on his base salary only. Perquisites are to include, by way of illustration and not limitation: an automobile for business and personal use; use of a driver who provides security and transportation when appropriate and in accordance with University policy; travel accommodations commensurate with the position; and reasonable business and entertainment expenses you incur in connection with the performance of your duties under this Agreement. Nothing in this section, II.B.2, shall limit the University’s right to modify or terminate any of its employee benefit plans at any time.

3. A retirement package that includes participation in the University’s retirement plan, which currently provides that the University will match the President’s five percent contribution with a ten percent University contribution after one year of service on salary of up to \$305,000. (This number for 2022 is set by federal law and will be indexed periodically.) Nothing in this section, II.B.3, shall limit the University’s right to modify or terminate the University’s retirement plan. In addition, the University will provide the President with a supplemental 403(b) contribution of \$30,500 for the first year of service and an annual supplemental contribution of \$20,000 for subsequent years. This contribution will continue through 2027 in the event of Disability (defined below) or termination not for Cause (defined below).

4. (a) Pursuant to Section 2.3 of the University of Michigan 403(b) Supplemental Defined Contribution Retirement Plan (the “403(b) Plan”), the University has determined that the Nonelective Employer Contributions awarded to the President for the Plan Years indicated shall be the amounts specified in the table below. These amounts are in addition to the amounts in Section 3.

The amount of the Nonelective Employer Contribution in excess of the amount that can be contributed to and allocated under the 403(b) Plan for the benefit of the President under the limitations of Internal Revenue Code section 415(c) shall be credited as an Excess Benefit Contribution for the President under the University of Michigan Code Section 415(m) Defined Contribution Excess Benefit Arrangement.

The President’s rights with respect to the Nonelective Employer Contribution and the Excess Benefit Contribution are subject to the terms of the University of Michigan 403(b) Supplemental Defined Contribution Retirement Plan and University of Michigan Code Section 415(m) Defined Contribution Excess Benefit Arrangement.

Plan Year	Contribution Date	Amount of Nonelective Employer Contribution for the Plan Year
2023	November 1, 2023	\$350,000
2024	November 1, 2024	\$350,000
2025	November 1, 2025	\$350,000
2026	November 1, 2026	\$350,000
2027	November 1, 2027	\$350,000

Each annual contribution will be made within 5 days of each specified contribution date listed in the schedule above.

Fifty percent of each annual contribution will be immediately vested when made. The President will become vested and entitled to the remaining fifty percent of each annual contribution contingent upon remaining employed as the President of the University of Michigan through and including October 12, 2027.

If prior to October 12, 2027 the President is terminated by the Board other than for Cause, death, or Disability, he shall vest on such termination date in all unvested contributions previously made and the University shall make a contribution equal to a pro-rated portion of the Contribution for such Plan Year, in which the President shall be fully vested. In addition, contributions will continue to be made according to the above schedule and will become immediately vested when made.

If prior to October 12, 2027 the President voluntarily terminates his employment or is terminated for Cause, death, or disability, he shall be entitled to all vested contributions made as of the date of his termination for Cause, death, disability, or voluntary termination. However, no additional contributions will be made beyond the date of his termination for Cause, death, or disability or voluntary termination.

(b) If the current tax law treatment of the 415(m) Excess Benefit Arrangement is modified before October 12, 2027, in a manner that, in comparison to current tax law, subjects such amounts to taxation in an earlier year, the University agrees, to the extent permitted by law, to provide an additional payment to you (a "Gross-Up Payment") in the year (or years) of earlier taxation. Any such Gross-Up Payment will be an amount such that the net amount retained by you, after deduction for any federal, state, and local income tax and employment tax upon the Gross-Up Payment, shall offset the additional federal, state, and local income tax and employment tax liability incurred by you in such earlier year over what would have been incurred by you in such year under current law.

III. ADDITIONAL BENEFITS

- A. As a condition of your employment as President, you shall be required to live in the presidential house on South University Avenue. The University will undertake all repairs and renovations and retain such housekeeping staff as is necessary and reasonable to maintain and operate the house and to carry out official University functions. You shall vacate the house within 30 days upon termination of your appointment of President for any reason. The University will pay all reasonable costs of moving out of the presidential house to a new accommodation; provided, however, that the University shall have no obligation to pay moving expenses if the President is leaving the University either to

accept full-time employment elsewhere or otherwise voluntarily relinquishing his employment with the University or is removed for Cause. While the presidential house is being renovated, and so you can fulfill your responsibilities as President, you shall be required to live in an apartment close to the University that the University shall choose and provide. The University will reimburse you for reasonable moving expenses (in accordance with University policies) that you incur in moving to Ann Arbor and, ultimately, into the presidential house, including (a) special arrangements to ensure the safe transport of your cellos and (b) storage costs for the period of time during which the presidential house is being renovated; and the University shall provide you with a tax gross up for such reimbursement to the extent such reimbursement is not tax deductible for tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), so that you have no associated after-tax costs.

IV. SUPPLEMENTAL TERMS

- A. President may serve on one for-profit corporate board and on charitable and academic boards, subject to prior written approval of the Regents (including addressing any conflict of interest issues), only so long as such activities in the aggregate do not interfere with the performance of your duties to the University. Special permission would be required from the Regents in writing to join a second for-profit corporate board.
- B. Subject to Section IV.D.2, President will be appointed as a tenured faculty member in a department agreed upon by the University and you. The University will provide appropriate space and up to \$1,000,000 in start-up costs to enable you to continue your research and establish a laboratory focusing on age-related macular degeneration, ocular cancer, and ocular inflammation. In addition, the University will provide up to \$250,000 for each year of the contract to cover the employment costs of laboratory staff.
- C. (1) Upon the termination of your appointment as President other than for Cause, death, or Disability, you shall be entitled to take an administrative leave immediately following the termination of such appointment, during which you shall continue to receive your then-current base salary and standard University employee benefit plans. The leave shall be subject to the terms of the University's administrative leave policy as may be in effect from time to time. The period of administrative leave will be for one year (twelve months); provided, however, that the period of administrative leave shall be eighteen months if you remain as President through October 12, 2027, or, if prior to such time, the University terminates your appointment as President other than for Cause, death or Disability.
- (2) Following the completion of your leave, and subject to Section IV.D.2 below, you shall have the responsibilities commensurate with your position as a tenured professor, as well as transitional and fundraising responsibilities consistent with your status as a former President. Your salary and benefits shall be commensurate with that of a senior faculty member as determined in accordance with applicable compensation policies of the University as may be in effect from time to time, but in no event will such a 12-month

salary be less than 50 percent of your base salary in your final year as President; provided, however, if your appointment as President is terminated without Cause prior to October 12, 2027, your base salary for the first six months as a member of the faculty shall be 100 percent of your base salary in your final year as President.

D. Termination for Death, Disability or Cause and Other Termination.

(1) If, during the term of your employment, you have not been able to perform your duties as President for 180 days (including weekends and holidays) in any 365-day period, or you are projected in good faith by the Regents after seeking medical advice to be unable to perform your duties under this Agreement for 180 consecutive days, in either case by reason of your physical or mental illness or incapacity (a "Disability"), the University may, immediately upon notice to you, terminate your employment as President due to Disability. Your employment as a tenured faculty member will be in accordance with the tenure policies then in effect. Your employment with the University shall automatically terminate upon your death. In the event of your termination as President due to Disability and you continue as a tenured faculty member, you shall receive the contributions to the 403(b) Plan as provided herein upon termination as President and all other amounts and standard University employee benefits shall continue or be terminated as provided under the applicable University plan or policy, except as specifically provided otherwise in this Agreement. If you continue as a tenured faculty member after termination as President for Disability you will be immediately entitled to an administrative leave for one year at your then current base salary as president. Thereafter, if you remain disabled and unable to perform your duties you shall be entitled to the disability benefits available to a tenured faculty member with your salary set as provided in Section IV C (2). In the event of your termination as a result of your death or your position as a tenured faculty member terminates as a result of your Disability, the contributions to the 403(b) Plan shall be paid as provided herein and all other amounts and benefits shall be paid or provided in accordance with the applicable standard University benefit plans or policies, except as specifically provided otherwise herein, and you shall not be entitled to any leave.

(2) The Regents may terminate your employment as President for Cause immediately upon notice to you. As used in this Agreement, "Cause" shall mean: (i) your failure to attempt in good faith to perform your duties or follow the legal direction of the Regents, which in either case is not cured, if curable, within ten (10) days after your receipt of written notice of such failure; (ii) your material breach of this Agreement, which is not cured, if curable, within ten (10) days after your receipt of written notice of such breach; (iii) your willful misconduct, including, but not limited to, acts of fraud or misappropriation of University funds or assets, or gross negligence with respect to the University or in the performance of your duties; (iv) your violation of any material University policy, including, but not limited to, those as to discrimination, sexual harassment, or use of public funds; (v) your misconduct with regard to the University or the performance of your duties that has or could have, in the good faith judgment of the Regents, more than a *de minimis* adverse effect on the University (economic or reputational) or on your ability to perform your duties; or (vi) your conviction of,

indictment for, or plea of guilty or *nolo contendere* to, any crime involving fraud, harassment, substance abuse, moral turpitude or any felony. Upon your termination as President for Cause, the University shall have no further obligation to you (or your estate) including further contributions to the 403(b) Plan and supplemental 403(b) contributions, other than accrued salary and similar accrued amounts for the period prior to termination in accordance with the University policies and programs or as otherwise required by applicable law.

In the event President is terminated from the administrative appointment for Cause, as determined in the discretion of the Board, President is also terminated from the tenured faculty appointment without any additional action necessary by the Board. President understands that ordinarily a tenured professor can only be involuntarily dismissed through the process outlined in Regents' Bylaw 5.09 and 5.10, but nonetheless agrees to waive that process or any other process otherwise available under University policy or practice or that might otherwise be available by law for termination of the faculty position.

(3) Other Termination. (a) At the discretion of the Regents, the University may terminate your employment at any time without Cause upon written notice to you. In the event of your termination without Cause, you will be entitled to take an administrative leave and join the faculty in accordance with Section IV.C. and shall be entitled to the remaining contributions to the 403(b) Plan and supplemental 403(b) contributions in Section II.B.

(b) You may voluntarily terminate your employment as President upon six (6) months' notice, which termination date the University may accelerate at the discretion of the Regents. If you voluntarily terminate your employment prior to October 12, 2027, you will forfeit any remaining contributions to the 403(b) Plan and supplemental 403(b) contributions, and you will be entitled to join the faculty and will be entitled to an administrative leave in accordance with Section IV.C.

V. GENERAL PROVISIONS

- A. This Agreement will be governed by and construed in accordance with the laws (and not the law of conflicts) of the state of Michigan.
- B. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be enforceable, valid, and legal under applicable law. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, invalid, or illegal in any respect under applicable law, such unenforceability, invalidity, or illegality will not affect any other provision of this Agreement, and this Agreement will be construed as if such unenforceable, invalid, or illegal provision had never been contained in this Agreement.
- C. This Agreement shall not be assigned by either party.

- D. Any dispute, claim, or controversy arising out of or in any way relating to this Agreement or the termination of your employment as President shall be determined exclusively by arbitration in Ann Arbor, Michigan before a single arbitrator selected from the available Michigan JAMS panel of arbitrators. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules (including Rules 16.1 and 16.2). The dispute, claim, or controversy shall be governed by and decided in accordance with the laws of the State of Michigan, exclusive of conflict or choice of law rules. In any such arbitration, the arbitrator shall not be empowered to award punitive, exemplary, and/or consequential damages, and the Parties hereby waive any right to recover such damages. The decision of the arbitrator shall be final and binding upon the Parties, and judgment may be entered on the arbitrator's award in any court having jurisdiction. The Parties acknowledge and agree that, in connection with any such arbitration and regardless of outcome, (a) each party shall pay all of its own costs and expenses, including, without limitation, its own legal fees and expenses, and (b) the arbitration costs shall be shared equally by the Parties.
- E. This Agreement may be amended, modified, superseded, canceled, renewed or extended and the terms or covenants hereof may be waived, only by a written instrument executed by both you and the University.
- F. This Agreement is intended to be in compliance with Section 409A of the Code and to the full extent possible, amounts and other benefits payable under this Agreement are intended to be exempt from Section 409A and the regulations thereunder.
- G. All notices required or permitted under this Agreement shall be in writing and shall delivered (i) personally, (ii) by electronic mail, (iii) by overnight courier service or (iv) by registered or certified mail, return receipt requested, postage prepaid, to the addresses noted herein or to such other addresses as may be designated in the manner provided in this Section from one party to the other. Notices shall be deemed given (a) upon delivery if delivered personally or by electronic mail, (b) one business day after sending, if sent by overnight courier service and (c) three business days after sending if sent by registered or certified mail. Addresses and information for notice shall be:

If to you, to your address and University e-mail address in the records of the University.

If to the University:

Board of Regents
Care of the Office of the Vice President and Secretary
University of Michigan
Alexander G. Ruthven Building
1109 Geddes Avenue, Suite 3300
Ann Arbor, Michigan 48109-1079

With a copy to:
Office of the Vice President and General Counsel
University of Michigan
Alexander G. Ruthven Building
1109 Geddes Avenue, Suite 2300
Ann Arbor, Michigan 48109-1079

H. The University shall pay or reimburse for reasonable legal fees for the review of this contract by your private counsel.

IN WITNESS WHEREOF, University and President have executed this Agreement as of July 13, 2022:


REGENTS


Jordan B. Acker


Mark J. Bernstein

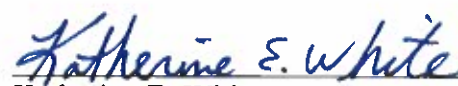

Sarah Hubbard


Ron Weiser


Michael J. Behm


Paul W. Brown


Denise Ilitch


Katherine E. White

Terms and conditions are acceptable as set forth:

PRESIDENT


Santa J. Ono, Ph.D.

JULY 13, 2022
Date