

## **SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS**

This Settlement Agreement and Release of Claims (“Agreement”) is entered into by and between MARK S. SCHLISSEL, M.D., PH.D. (“Dr. Schlissel”) and the UNIVERSITY OF MICHIGAN, including its Regents, employees, officers, representatives, attorneys, and agents (“U-M”) (collectively “the Parties”).

For and in consideration of the mutual covenants set forth below, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Settlement Terms.** In complete settlement of Dr. Schlissel's and U-M's claims and potential claims against each other:

(a) U-M agrees that it will not bring, make, or otherwise advance an administrative or other challenge to Dr. Schlissel's position as Tenured Faculty member on the basis of Dr. Schlissel's conduct, performance, service, or employment as President of the University.

(b) The Parties agree that Dr. Schlissel's salary as Tenured Faculty member shall be \$185,000, or as adjusted prospectively by his respective departments (and without regard to Dr. Schlissel's conduct, performance, service, or employment as President of the University).

(c) U-M agrees that Dr. Schlissel shall be granted one year of leave to commence on May 1, 2022. The Parties agree that Dr. Schlissel's salary for his one-year period of leave shall be \$463,000.00.

(d) With respect to Dr. Schlissel's 415(m) benefits plan, U-M agrees that the unvested contributions remitted in 2020 and 2021 totaling \$300,000 shall immediately vest upon the Parties' execution of this Agreement.

In addition, pursuant to Section 2.3 of the University of Michigan 403(b) Supplemental Defined Contribution Retirement Plan (the “403(b) Plan”), the University of Michigan will make a Nonelective Employer Contribution awarded to Dr. Schlissel for \$162,000.00 within fifteen (15) days of the Parties’ execution of this Agreement and such amount will be fully vested when made.

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 Dr. Schlissel under the limitations of Internal Revenue Code section 415(c) shall be credited as an Excess Benefit Contribution for Dr. Schlissel under the University of Michigan Code Section 415(m) Defined Contribution Excess Benefit Arrangement.

(e) With respect to post-retirement health insurance, U-M agrees to waive the length of service requirement such that should Dr. Schlissel retire from the University at any time after the date of this Agreement, he shall be eligible for all attendant retiree health plan benefits and shall receive the University contribution for retiree health plan coverage equal to such contribution for a retiree with a start date of service on or after January 1, 2013 and with twenty (20) or more years of total service.

(f) The Parties agree that Dr. Schlissel shall maintain possession of his U-M issued iPhone and iPad until Dr. Schlissel’s separation from the University. The Parties agree that U-M maintains ownership of all devices issued to Dr. Schlissel.

(g) The Parties acknowledge that U-M paid the costs of Dr. Schlissel’s moving expenses upon his departure from the U-M Presidential Home. Those costs were paid directly to the movers, not to Dr. Schlissel himself.

(h) Dr. Schlissel agrees to issue an apology to the Board of Regents and the University taking responsibility for the conduct that led to the termination of his “Employment Agreement” to serve as President of the University.

2. **General Release.** Dr. Schlissel, for himself, his agents, heirs, and successors, and anyone who might assert a claim on his behalf or a derivative claim relating to him (collectively referred to here as “Dr. Schlissel”), agrees to release U-M from any and all claims, whether known or unknown, that Dr. Schlissel may have arising out of, in connection with, or in any way relating to his service or employment at U-M in any capacity from the beginning of time to the date of this Agreement, including by way of illustration and not limitation, all claims: under Title VII of Civil Rights Act of 1964, the Rehabilitation Act or Americans with Disabilities Act, claims under 42 U.S.C. §1983, the Family Medical Leave Act, the Civil Rights Act of 1991, the Michigan Elliott-Larsen Civil Rights Act, the Age Discrimination in Employment Act or the Older Workers Benefit Protection Act, 29 U.S.C. §621 *et. seq.*, the Michigan Persons with Disabilities Civil Rights Act, 42 U.S.C. §1981, the Federal or Michigan constitution, the Michigan's Whistleblowers Protection Act, the Bullard-Plawecki Employee Right to Know Act, for invasion of privacy, breach of contract, retaliation, physical injury, as defined in the Internal Revenue Code, §104, fraud, misrepresentation, defamation, intentional infliction of emotional distress, attorneys' fees, costs, or any other claim of any kind.

U-M itself also agrees to release all claims, of whatever kind, that it may have against Dr. Schlissel arising out of, in connection with, or in any way relating to his service or employment at U-M in any capacity from the beginning of time to the date of this Agreement.

This General Release does not waive rights or claims that may arise after the date this Agreement is signed.

3. **Taxes.** Dr. Schlissel acknowledges that U-M has not made any characterization regarding the taxability of the payments set forth above, and that the taxability is subject to determination by the Internal Revenue Service and/or other taxing authorities. Dr. Schlissel agrees that he is solely responsible for any and all taxes, federal, state or local, as may be imposed on him with respect to the aforementioned settlement amount, and agrees to indemnify and hold U-M harmless with respect to any claim made by any taxing authority regarding Dr. Schlissel's failure to pay such taxes, or the failure to withhold from any portion of the amount set forth above.

4. **No Admission of Liability.** This Agreement is entered into for the purpose of compromise and settlement of any disputed claims between Dr. Schlissel and U-M. The execution hereof and the consideration set forth herein shall not constitute or be deemed an admission of liability by Dr. Schlissel or U-M as to either's claims or potential claims.

5. **Consideration Period.** Dr. Schlissel acknowledges that he has been given at least twenty-one (21) days to consider this Agreement before signing it and that if he signs it before the full twenty-one (21) day period has elapsed, he has knowingly and voluntarily chosen to do so. Dr. Schlissel understands that he may revoke his acceptance of this offer for a period of seven (7) calendar days after he signs it by providing a written notice of revocation to David Masson, Senior Assoc. General Counsel/Chief Litigation Counsel. This Agreement will become effective upon expiration of the seven (7) day revocation period.

6. **Full Settlement.** Dr. Schlissel and U-M expressly agree and acknowledge that this Settlement Agreement and Release of Claims is in full accord and satisfaction of disputed claims; that the provisions of this Settlement Agreement and Release of Claims constitutes a fair, reasonable, and adequate settlement and determination of their rights and obligations; and that they have entered into this Settlement Agreement and Release of Claims freely and voluntarily after consultation with counsel.

7. **Choice of Law.** This Settlement Agreement and Release of Claims shall be construed in accordance with and governed by the laws of the State of Michigan in effect as of the date of execution.

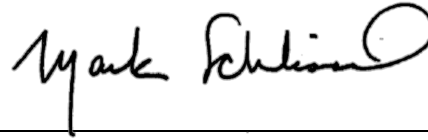
8. **Attorneys' Fees.** Dr. Schlissel and U-M agree that they will be responsible for their own costs and attorneys' fees arising out of this matter. If either party to this Settlement Agreement and Release of Claims shall commence any action against any other party because of a breach of this Settlement Agreement and Release of Claims, the prevailing party shall be entitled to reasonable costs and attorneys' fees.

9. **Enforceability.** If any term, provision, covenant, or condition of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, or unenforceable, such decision shall not affect the validity of any remaining portion, and the remaining portions shall stand in full force and effect.

10. **Entire Agreement.** This Settlement Agreement and Release of Claims constitutes the entire understanding among and between Dr. Schlissel and U-M, supersedes any and all prior negotiations and agreements of Dr. Schlissel and U-M, and shall not be modified except by an instrument in writing executed by Dr. Schlissel and U-M.

For Dr. Schlissel:

Dated: April 5, 2022



Mark S. Schlissel

For U-M:

Dated: April 7, 2022



Geoffrey S. Chatas, Executive Vice  
President and Chief Financial Officer