

Memorandum

To: Kevin Stevenson, Vice President, Human Resources
From: Garnett S. Stokes, President
Cc: Douglas M. Ziedonis, EVP & CEO, UNM Health and Health Sciences
Date: June 17, 2024
Subject: FY25 Salary Increase

According to the terms of the employment contract for Douglas M. Ziedonis (“Dr. Ziedonis”), executed October 2, 2020, he is entitled to an annual increase as provided in University Administrative Policy (UAP) 3500 Wage and Salary Administration, Section 4.1.

For fiscal year 2025, beginning July 1, 2024, Dr. Ziedonis’ annual base salary will be increased by 3% in accordance with the increase guidelines approved by the Board of Regents. On July 1, 2024, Dr. Ziedonis’ salary shall be Seven Hundred Seventy-Seven Thousand Four Hundred Forty-Nine Dollars and Sixteen Cents (\$777,449.16).

I am requesting that you process this salary change in UNM’s payroll system.

Acknowledgments

As indicated by my signature below, I agree these are the specific terms agreed upon regarding the employment of Douglas M. Ziedonis with The University of New Mexico.

Faculty Administrator:



Douglas M. Ziedonis
EVP & CEO, UNM Health and Health Sciences

Jun 24, 2024

Date

The Regents of the University of New Mexico



Garnett S. Stokes (Jun 24, 2024 19:11 MDT)

Garnett S. Stokes
President

Jun 24, 2024

Date

UNM ID

Name

Rank

Org Code

Department

Subspecialty

Division

Admin. Assignments: Effective Date:

SOM: →

Admin A: →

Admin B: →

HSC: →

HS: →

Incentive Assignments:

→

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Total FTE UNM FTE

| 1. CONTRACT SALARY | % INCREASE | SPLIT | ACTUAL SALARY | 2. INCENTIVES (Not guaranteed except as noted below) |
|--|------------------------------------|-----------------------------------|---|---|
| a) UNM BASE (Guaranteed) | <input type="text" value="3.00%"/> | <input type="text" value="100%"/> | <input type="text" value="\$777,449.16"/> | a) CLINICAL <input type="text" value="\$0.00"/> |
| b) VA SALARY | | | <input type="text" value="\$0.00"/> | b) EDUCATIONAL <input type="text" value="\$0.00"/> |
| c) SUPPLEMENT | | | | c) RESEARCH <input type="text" value="\$0.00"/> |
| i) PERFORMANCE RELATED (Guaranteed for FY 2025) | | | | d) ADMINISTRATIVE <input type="text" value="\$85,000.00"/> |
| a) CLINICAL | | | <input type="text" value="\$0.00"/> | e) SRMC I <input type="text" value="\$0.00"/> |
| b) EDUCATIONAL | | | <input type="text" value="\$0.00"/> | |
| c) RESEARCH A | | | <input type="text" value="\$0.00"/> | |
| d) RESEARCH B | | | <input type="text" value="\$0.00"/> | |
| e) ADMINISTRATIVE | | | <input type="text" value="\$0.00"/> | |
| d) PERFORMANCE TOTAL | | <input type="text" value="0%"/> | <input type="text" value="\$0.00"/> | INCENTIVE TOTAL <input type="text" value="\$85,000.00"/> |
| SUBTOTAL | <input type="text" value="3.00%"/> | | <input type="text" value="\$777,449.16"/> | SUM OF PARTS 1 AND 2 |
| ii) ADMINISTRATIVE B | | | <input type="text" value="\$0.00"/> | <input type="text" value="\$862,449.16"/> |
| -- Guaranteed only for duration of administrative assignment | | | | |
| e) TOTAL CONTRACT SALARY | <input type="text" value="3.00%"/> | | <input type="text" value="\$777,449.16"/> | ANNUAL SALARY RATE @ 1.0 FTE |
| TOTAL UNM PORTION | <input type="text" value="3.00%"/> | | <input type="text" value="\$777,449.16"/> | <input type="text" value="\$777,449.16"/> |

FTE EFFORT (Not %)

| | UNM | SRMC | CC | UNMMG | VA | Total |
|------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| Research | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> |
| Education | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> |
| Admin/Service | <input type="text" value="1.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="1.000"/> |
| Clinical | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> |
| Contracted Labor | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> |
| Total | <input type="text" value="1.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="0.000"/> | <input type="text" value="1.0000"/> |

Effective Date

VA Assignment

VA Eighthths:

Full VA Base

VA Market Pay

New VA Actual Pay:

VA Last Modified

EXPLANATIONS OF ABOVE AMOUNTS

Garnett S. Stokes Jun 24, 2024 [Signature] Jun 24, 2024

NAME/SIGNATURE of DEPARTMENT CHAIR Date Signed NAME/SIGNATURE of FACULTY MEMBER Date Signed

* The signatures above indicates a discussion has occurred between the faculty member and the Chair/Division Chief concerning a proposed salary and the agreement of the faculty member to sign a faculty contract for the next fiscal year, pending approval of the Dean of the School of Medicine.

Indicates a calculated field

Ziedonis FY25 3% Salary Increase

Final Audit Report

2024-06-25

| | |
|-----------------|--|
| Created: | 2024-06-17 |
| By: | Vice President Human Resources (unmvphr@unm.edu) |
| Status: | Signed |
| Transaction ID: | [REDACTED] |

"Ziedonis FY25 3% Salary Increase" History

-  Document created by Vice President Human Resources (unmvphr@unm.edu)
2024-06-17 - 11:03:00 PM GMT- IP address: [REDACTED]
-  Document emailed to presidentstokes@unm.edu for signature
2024-06-17 - 11:11:48 PM GMT
-  Email viewed by presidentstokes@unm.edu
2024-06-17 - 11:58:05 PM GMT- IP address: [REDACTED]
-  Email viewed by presidentstokes@unm.edu
2024-06-25 - 1:10:03 AM GMT- IP address: [REDACTED]
-  Signer presidentstokes@unm.edu entered name at signing as Garnett S. Stokes
2024-06-25 - 1:11:49 AM GMT- IP address [REDACTED]
-  Document e-signed by Garnett S. Stokes (presidentstokes@unm.edu)
Signature Date: 2024-06-25 - 1:11:51 AM GMT - Time Source: server- IP address: 73.26.191.146
-  Document emailed to Douglas Ziedonis (dziedonis@salud.unm.edu) for signature
2024-06-25 - 1:11:53 AM GMT
-  Email viewed by Douglas Ziedonis (dziedonis@salud.unm.edu)
2024-06-25 - 2:58:39 AM GMT- IP address: [REDACTED]
-  Document e-signed by Douglas Ziedonis (dziedonis@salud.unm.edu)
Signature Date: 2024-06-25 - 2:59:41 AM GMT - Time Source: server- IP address: [REDACTED]
-  Agreement completed.
2024-06-25 - 2:59:41 AM GMT

ADDENDUM TO FACULTY EMPLOYMENT CONTRACT

Name: Douglas M. Ziedonis, M.D., MPH

Title: Executive Vice President for Health Sciences and Chief Executive Officer for the UNM Health System (EVP & CEO HSC)

Division: Health Sciences Center (HSC)

The following additional terms and conditions shall be an Addendum (this “Addendum”) to the standard faculty employment agreement (the “Faculty Contract”) is entered into by and between **The Regents of the University of New Mexico (“UNM” or “University”)**, and **Douglas M. Ziedonis, M.D., MPH (“Dr. Ziedonis”)**.

1. **Appointment:** The University, acting through its President, hereby appoints and employs Dr. Ziedonis to be the Executive Vice President for Health Sciences and Chief Executive Officer for the UNM Health System (collectively, “EVP & CEO HSC”), and in that capacity, to serve as the executive leader of the UNM Health Sciences Center, including the UNM Health System, as a component of the University, under the policies, rules, supervision, and direction of the President and applicable law. Dr. Ziedonis accepts and agrees to such employment on the terms and subject to the conditions set forth in this Addendum.

2. **Duties and Responsibilities:**
 - a. As EVP & CEO for the HSC, Dr. Ziedonis will serve as the chief executive of the HSC and shall have authority and general supervision over the affairs of the HSC, under the ultimate supervision and direction of the President. Dr. Ziedonis shall have additional powers, duties, and authorities as may from time to time be assigned to him by the President of the University. He is responsible for coordinating, developing, and improving the educational and research programs at the HSC and for contributing to overall excellence at UNM aimed at furthering the institution’s success and reputation as a flagship Research 1 university. Dr. Ziedonis is also responsible for the quality, effectiveness, and financial sustainability of HSC’s clinical operations. Dr. Ziedonis will strive to ensure that all HSC educational and research programs meet the standards of the State of New Mexico and all relevant and applicable accreditation bodies. He will actively cultivate an environment of inclusivity and equity at HSC and provide support throughout the entire university.

 - b. Dr. Ziedonis agrees that he will at all times faithfully, industriously, and with the best use of his experience, ability, and talent, perform all the duties required pursuant to the terms of this Addendum. He shall perform all duties required by law, by this Addendum, and in accordance with the HSC Code of Ethics, UNM Hospitals Policies, UNM Health System Policies, Health Sciences Center Policies, UNM Faculty Handbook Policies, the University Administrative Policies and Procedures Manual, and the UNM Regents’ Policy Manual, as adopted and, from time to time, amended.

 - c. At all times during his employment, Dr. Ziedonis will refrain from unethical or unlawful conduct. Unethical conduct may include, but is not limited to, providing false or misleading information in the execution of his duties as EVP & CEO HSC; failing to disclose perceived or actual conflicts of

interest; failing or refusing to comply with regulatory or policy requirements applicable to University and/or to him. Dr. Ziedonis shall endeavor at all times to conduct himself in a manner befitting an Executive Vice President of the University.

d. Dr. Ziedonis will lead the State of New Mexico's only academic health center and its only teaching hospital. Therefore, it is expected that Dr. Ziedonis will timely apply for and receive licensure to practice medicine in the State of New Mexico and appointment to an appropriate category of the medical staff at the UNM Hospital and affiliates. Dr. Ziedonis shall submit to criminal records screening as mandated by applicable New Mexico law, and clearance by the New Mexico Department of Health is required as a condition of employment.

3. **Compensation:** For all services rendered under this Addendum, the University will pay Dr. Ziedonis an annual base salary of Six Hundred and Fifty Thousand and no/100ths U.S. Dollars (\$650,000.00), payable in equal monthly installments. Such salary shall be subject to deductions for all required taxes and benefits.

a. **Other Compensation Agreements:** Dr. Ziedonis understands and agrees that the value of any compensation that he may receive, regardless of the form or purpose of the compensation may be considered taxable compensation to him. Dr. Ziedonis acknowledges and agrees that he is solely responsible for fulfilling all of his reporting obligations and any tax consequences that may result from any compensation received pursuant to this Agreement.

i. **Annual Performance and Salary Review:** Dr. Ziedonis will be entitled to annual increases as provided in University Administrative Policy (UAP) 3500 Wage and Salary Administration, Section 4.1. In addition, Dr. Ziedonis' base salary shall be reviewed annually and may be increased, but not decreased, at the discretion of the President. Such annual salary review will be in conjunction with a review of the performance of Dr. Ziedonis by the President.

ii. **Incentive Compensation:** It is the goal of the parties that the University, including the HSC and the UNM Health System, improve its performance in education, research, public service, and revenue generation and management. The President will set performance goals and associated metrics, as contemplated by this Section 3.a(ii) and in consultation with Dr. Ziedonis, for expected performance. The President will, in consultation with Dr. Ziedonis, also establish metrics to identify specific goals for performance that may warrant annual incentive compensation not to exceed Eighty-Five Thousand and NO/100ths U.S. Dollars (\$85,000). The President, in consultation with Dr. Ziedonis, shall establish the goals for incentive compensation for the period from December 1, 2020 through June 30, 2021 in writing before December 1, 2020. Thereafter, the goals that will warrant incentive compensation will be established for an annual period based upon the University's fiscal year (July 1 through June 30) and will be reviewed and incentive compensation paid on an annual basis. Any earned incentive payment(s) will be paid within sixty (60) days from the President's determination that the specified criteria have been met. This provision for incentive payments shall be in addition to any merit increases specified in Section 3.a(i). As Dr. Ziedonis is commencing his appointment as EVP & CEO HSC on December 1, 2020, achievement of the goals underlying the award of incentive compensation for the period of December 1, 2020 through June 30, 2021, shall entitle Dr. Ziedonis to receive a pro-

rated amount of incentive compensation of up to 7/12ths of the annual incentive compensation set forth in this Section, which amount shall, if earned, be payable no later than July 31, 2021.

- iii. **Faculty and Senior Administrative Fringe Benefits:** In addition to those benefits specified in this Addendum, Dr. Ziedonis and his spouse, to the extent applicable, will be entitled to all normal and customary fringe benefits extended to University faculty in administrative appointments, including but not limited to annual leave, sick leave, retirement, medical and life insurance, workers' compensation, and the right to participate in all optional insurance and retirement programs on the same basis as faculty members.
 - iv. **Car Allowance:** The University will provide Dr. Ziedonis \$1,000 per month (\$12,000 per year) as a car allowance. This car allowance will be paid to Dr. Ziedonis through the payroll system and will be reported as income on the year-end W-2 form. A request for any tax deduction related to business use of Dr. Ziedonis' vehicle will be the sole responsibility of Dr. Ziedonis.
 - v. **Electronics:** A University-provided cellphone and traveling computer device or tablet will be provided at no cost to Dr. Ziedonis.
 - vi. **Conferences, Seminars, and Professional Growth Activities:** The University will pay or reimburse Dr. Ziedonis for reasonable expenses incurred to attend educational conferences, conventions, courses, seminars, leadership programs, and other professional growth activities, not to exceed \$40,000 annually.
 - vii. **Relocation:** Dr. Ziedonis will receive a one-time lump sum Relocation Allowance (to include paying for up to three (3) months in lease/rental housing) in an amount not to exceed \$40,000.00 to be paid on Dr. Ziedonis' first payroll distribution or as soon thereafter as practicable depending on the submission of the request to Payroll. Refer to Exhibit A, Relocation Allowance Request Form and UAP 4020, Moving Expenses and Relocation Allowance for payment processing details. If Dr. Ziedonis resigns from the University or is terminated by the University for just cause as described in Section 7 of this Addendum, before the completion of one (1) year of the initial Contract Term (December 1, 2020 – November 30, 2021), Dr. Ziedonis agrees and understands that he shall reimburse the University in full for the relocation expenses paid to him pursuant to this provision. Dr. Ziedonis also agrees and understands that reimbursement may be accomplished in whole or in part via deduction from his final paycheck as permitted by New Mexico law, Section 50-4-2 NMSA (1978). The amount of the deduction will not exceed the minimum wages to which Dr. Ziedonis would be entitled under state and federal law. Dr. Ziedonis further agrees and understands that if the deduction from his final check does not reimburse the University in full for relocation expenses paid to him, Dr. Ziedonis will reimburse the University the remaining balance within sixty (60) days of the resignation/termination date.
- b. **Deferred Compensation:** For purposes of this Addendum, "Employment Year" shall mean each successive twelve-month period commencing on December 1. For each Employment Year that Dr. Ziedonis is employed as EVP & CEO HSC, the University agrees to allocate to Dr. Ziedonis' ac-

count(s) under the University of New Mexico Employer Sponsored 403(b) Plan with 415(m) Arrangement, as it may be amended from time to time ("Plan"), an annual contribution of \$75,000.00. The University will allocate the annual contribution to the 403(b) component of the Plan, and, as explained below and if applicable, the excess to the 415(m) component of the Plan, on or before December 31 of each Employment Year. Each annual allocation is conditioned on Dr. Ziedonis vesting in the allocation set forth in this Section. That portion of the annual allocation that would not violate the annual addition limit imposed under Section 415(c) of the Internal Revenue Code will be contributed to the 403(b) component of the Plan. The amount of the annual benefit accrual that exceeds the annual addition limit for the Plan Year will be allocated as provided under the Section 415(m) component of the Plan. The University may transfer contributions from the 403(b) component to the Section 415(m) component at any time during the Plan Year to avoid violation of the annual addition limit imposed under Section 415(m) of the Internal Revenue Code. The specific terms and conditions of the Plan are detailed in the Plan Document as may be amended. Each of Dr. Ziedonis' first three Plan allocation(s) (403(b) and 415(m) components) will vest at the end of the third Employment Year; provided, however, that vesting is earlier than the end of the third Employment Year if the Employee attains Normal Retirement Age (65) under the Plan during the Agreement term.

Subsequent Plan allocation(s), including allocations for the fourth and fifth Employment Years, vest only if Dr. Ziedonis is still employed as EVP & CEO HSC on the last day of the Employment Year for which the allocation was credited. If Dr. Ziedonis resigns from the position of EVP & CEO HSC prior to the last day of an Employment Year or if this Agreement is terminated by the University for proper cause pursuant to this Agreement or University policy, Dr. Ziedonis will forfeit the non-vested allocations, pursuant to the forfeiture provisions detailed in the Plan Document. If this Agreement is terminated during the Employment Year at the request of the University for a reason other than proper cause, or if Dr. Ziedonis terminates employment with the University because of death or permanent disability, Dr. Ziedonis will vest in all annual contributions allocated prior to the date of such termination, death or permanent disability. The amount of the distribution and the timing of the distribution will be determined in accordance with the terms of the Plan Document. The University does not provide any advice as to the income tax consequences to Dr. Ziedonis upon the University's making of contributions to the Plan or upon the receipt of distributions from the Plan. Dr. Ziedonis should seek independent tax advice about such matters.

- i. Required Disclosure: So that the University may determine how much of the annual benefit accrual is to be contributed to the 403(b) component of the Plan and how much of the annual benefit accrual is to be allocated under the 415(m) component of the Plan, Dr. Ziedonis will provide to the University the name and the amount of any contribution that is made to any other 403(b) plan for Dr. Ziedonis during each calendar year and the name of any qualified retirement plan Dr. Ziedonis has established for his benefit and the amount contributed to that plan each calendar year. This information must be provided to the University no later than December 1 of each calendar year. Dr. Ziedonis agrees to hold the University harmless for any and all adverse effects resulting from his noncompliance with the provisions of this Subsection. Dr. Ziedonis also agrees to indemnify the University for any and all costs incurred as a result of Dr. Ziedonis' noncompliance with the provisions of this subsection.

4. **Term of Appointment:** The appointment shall be for a period of five (5) years, commencing December 1, 2020 and terminating November 30, 2025; subject, however, to prior termination as provided for in this Addendum. This term may be extended at the sole discretion of the President, in accordance with applicable Regents Policies and University Administrative Policies and Procedures and subject to input from Dr. Ziedonis.
5. **Termination by the EVP & CEO HSC:** Dr. Ziedonis may terminate this Addendum and his employment as EVP & CEO HSC at any time by delivering to the President advance written notice of such termination, which notice shall be effective one hundred twenty (120) days after the date the notice is delivered unless otherwise mutually agreed to by both parties. In no event shall the University be liable for the loss of any benefits, perquisites, or income from any sources as a result of such voluntary termination.
6. **Termination by the University Without Cause:**
 - a. The Parties agree that the University may terminate this Addendum prior to its expiration at the end of its term without cause.
 - b. If the University elects to terminate this Addendum without cause, the University shall deliver to Dr. Ziedonis a written notice of the President's intent to terminate this Addendum without cause, which notice shall be effective one hundred and twenty (120) days from the date of delivery of such written notice (the "Without Cause Termination Effective Date"). In such event, Dr. Ziedonis may elect, prior to the Without Cause Termination Effective Date, to assume faculty status pursuant to Section 9, in which case he shall not be entitled to severance benefits except as set forth in Section 6c below. To provide Dr. Ziedonis with an opportunity to assume faculty status, or as the case may be, to provide him with the opportunity to pursue other career opportunities, the President may elect to require Dr. Ziedonis to assume professional or sabbatical leave status with full pay and benefits during the said one hundred and twenty (120) day period. In the event that Dr. Ziedonis is put on such professional or sabbatical leave status, he agrees to accept same and, during such time period, to use his best efforts to act in the best interests of the University, notwithstanding that he would have few or no day-to-day responsibilities as EVP & CEO HSC.
 - c. In the event the University terminates this Addendum without cause pursuant to Section 6b above, and in the further event that Dr. Ziedonis does not elect to assume faculty status as described in Section 9 of this Addendum, Dr. Ziedonis shall be deemed to have resigned and surrendered his tenured status and faculty position as described in Section 9 of this Addendum effective as of the Without Cause Termination Effective Date. In that event, the University shall pay Dr. Ziedonis his base salary plus the normal and customary fringe benefits until the Without Cause Termination Effective Date. Dr. Ziedonis will also be paid for all accrued annual and sick leave according to University Administrative Policy (UAP) 3400: Annual Leave and UAP 3410: Sick Leave and earned deferred benefits as of the Without Cause Termination Effective Date. In addition, as severance benefits and in the manner described in subparagraph 6.c(i) below, the University will pay Dr. Ziedonis his base salary for a period of one (1) year after the Without Cause Termination Effective date, subject to Dr. Ziedonis' execution and delivery to the University of a Severance Agreement and Release of Claims *in the form of Exhibit A* attached to this Addendum. The University shall

have no liability for any Deferred Compensation payment(s) as described in Section 3b of this Addendum for any portion of the contract year in which the Addendum is terminated.

- i. The University shall pay the severance benefits contemplated in this Section on a monthly basis following the effective date of the termination, subject to regular withholding, and subject to any mitigation as set forth below. The parties agree that in no case shall the University be liable to Dr. Ziedonis for any collateral business or employment opportunities, or any other benefits or income from any sources that may ensue as a result of the University's termination of this Agreement without cause;
- ii. The parties have bargained for and agreed to the foregoing severance benefits, giving consideration to the fact that termination of this Agreement by the University without cause prior to its natural expiration may cause loss to Dr. Ziedonis, which losses are difficult to determine with certainty. The parties further agree that the payment of such severance benefits by the University and acceptance thereof by Dr. Ziedonis shall constitute adequate and reasonable compensation to Dr. Ziedonis for any damages and injury suffered, including the deemed resignation and surrender of his tenured status and faculty position as contemplated in this Section; and
- iii. The parties agree that Dr. Ziedonis is not required to mitigate the University's obligations to pay severance under this Addendum by making efforts to obtain other employment commensurate with Dr. Ziedonis' training and experience, or otherwise.

7. Termination by the University for Just Cause:

- a. The Parties agree that the University may terminate this Addendum at any time for just cause. The term "just cause" means documented dishonesty, breach of fiduciary duty involving personal profit, willful misconduct, the refusal and/or unwillingness to perform the duties of the EVP & CEO HSC, material breach of any provision of this Addendum, abuse of authority, repeated insubordination, prolonged absence from duty without the consent of the President, or any deliberate or serious violation of any law, rule, regulation (other than traffic violations or similar offenses), and/or policy of the University (including, without limitation, University policies against sexual misconduct, discrimination, harassment, and retaliation). No act, or failure to act, on Dr. Ziedonis' part shall be considered a "willful," "deliberate," or "intentional" failure to act if such act was in the best interests of the University, as determined in the sole discretion of the President.
- b. In the event of a contemplated termination for just cause, the University shall provide Dr. Ziedonis with a notice of proposed termination, which shall include a statement of the grounds for the proposed termination and an opportunity for Dr. Ziedonis to respond in writing within thirty (30) days of the date of notice. Following Dr. Ziedonis' response or failure to respond within the time allowed, the President shall determine in writing whether to terminate the Dr. Ziedonis' employment for just cause.
- c. The effective date of a termination for just cause shall be at the discretion of the President, but in no event, before the expiration of the thirty day notice period.

- d. In the event Dr. Ziedonis is notified of the President's intention to terminate for just cause, the President may suspend Dr. Ziedonis from his duties, with full pay and benefits, until such a time as the President makes a final decision regarding the proposed termination.
- e. In the event of the termination and discharge of Dr. Ziedonis for just cause, the University shall have no obligation to pay, and Dr. Ziedonis shall not be entitled to receive, any consideration, compensation, payment, or any recompense of any sort from the University other than the payment to Dr. Ziedonis of the base salary and all accrued annual and sick leave and earned deferred benefits accrued through the date of termination. The University shall have no obligation or liability for any Deferred Compensation payment(s) as described in Section 3(b) of this Agreement, for any portion of the contract year in which the Agreement is terminated.
- f. Discharge of Dr. Ziedonis for just cause under this Addendum also will result in a deemed resignation from his tenured faculty position in the School of Medicine. In the President's sole determination, if the termination was based upon Dr. Ziedonis' inability to satisfactorily perform the duties of EVP & CEO HSC or other just cause that does not impact his ability to remain at the University, Dr. Ziedonis may retain his tenure and assume his faculty role as described below in section 9b.

8. Termination Due to Death or Disability

- a. In the event of Dr. Ziedonis' death during this term of this Agreement or any subsequent extension, this Agreement shall terminate immediately. In the event of termination pursuant to this Section 8a, the University shall have no further duty or obligation to Dr. Ziedonis' heirs or estate except for applicable medical, insurance, and vested benefits provided in this Agreement.
- b. Notwithstanding any reasonable accommodation which the President may provide Dr. Ziedonis, if as a result of Dr. Ziedonis' disability or incapacitation, the President reasonably deems Dr. Ziedonis incapable of reliably performing the essential functions of his employment as EVP & CEO HSC for a period of 90 consecutive days or longer, the President reserves the right to terminate this Agreement.
- c. In the event of Dr. Ziedonis' death or incapability of reliably performing his duties as EVP & CEO HSC, the President shall pay to Dr. Ziedonis or his personal representative as the case may be, any earned unpaid compensation together with a proportionate amount of any other benefits which would be due and payable to the EVP & CEO HSC accrued through the date of termination pursuant to this Section.

9. Faculty Appointment:

- a. **School of Medicine Faculty Appointment:** In addition to the position of EVP & CEO HSC, Dr. Ziedonis will receive a faculty appointment in the Department of Psychiatry in the School of Medicine as a Full Professor with Tenure, subject to compliance with UNM Faculty Handbook Policy B3, 3.3.1 (Appointments with Tenure), and other applicable School of Medicine (and Departmental) policies and procedures. Moreover, subject to compliance UNM Faculty Handbook Policy B3, 3.3.1 (Appointments with Tenure), and other applicable School of Medicine (and Departmental) policies and procedures, Dr. Ziedonis will also hold the title of Distinguished Professor of Psychiatry. During

the term of this Addendum, Dr. Ziedonis will not receive any salary (separate and apart from the compensation set forth herein) for his faculty appointment nor be expected to perform any faculty duties.

b. **Return to the Faculty:** Following the expiration of the term of this Addendum or in accordance with Sections 5, 6, 7, or 8 of this Addendum, Dr. Ziedonis may elect to assume full-time status as a faculty member. In order to restart his research laboratory and prepare to assume the role of a full-time faculty member with teaching and/or research responsibilities and expectations, the President will award Dr. Ziedonis a six-month preparation period paid as follows: six (6) months at his then EVP & CEO HSC base salary. Thereafter, Dr. Ziedonis' salary as a faculty member shall be equal to the average of the top three faculty in the Department of Psychiatry of the same rank and title.

10. Nondisclosure of Confidential and Proprietary Information: During the term of this Addendum and after termination of this Addendum for any reason, Dr. Ziedonis will not, without the prior written authorization of the President of the University, disclose to anyone outside of the University or use in other than the HSC's business, any confidential information or material relating to the business of the HSC acquired by Dr. Ziedonis either during or after Dr. Ziedonis' employment by the University.

11. Return of UNM/HSC Property: Dr. Ziedonis agrees that all UNM property (including, without limitation, all equipment, documents, records, notes, contracts, e-mail accounts and UNM Board of Regents, UNM Board of Trustees, HSC, and UNM Health System materials and computer generated materials) furnished to or created or prepared by Dr. Ziedonis incident to Dr. Ziedonis' employment belongs to the University and Dr. Ziedonis shall promptly return any UNM property in his possession to the University upon his termination for any reason.

12. Cooperation and Transition: Following any termination of employment, Dr. Ziedonis shall cooperate with the University (including the UNM Health System and each of its component units) to ensure the orderly transition of his work to other employees. Dr. Ziedonis shall also cooperate with the University (including the UNM Health System and each of its component units) in the defense of any action brought by any third party against the University (or any of the UNM Health System's component units) that relates to or occurred during Dr. Ziedonis' employment with the University as contemplated in this Addendum.

13. Dispute Resolution: If any dispute arises concerning this Agreement or the performance thereof, the parties shall first attempt in good faith to resolve the dispute to their mutual satisfaction. If they are unable to do so, the parties agree that they will engage in mediation before a mutually acceptable mediator. If mediation is unsuccessful, the parties agree to submit the claim(s) to binding arbitration to be heard by a sole arbitrator and conducted by JAMS and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Claims shall be heard by a single arbitrator. The place of arbitration shall be Bernalillo County, New Mexico. Hearings will take place pursuant to the standard procedures of the Employment Arbitration Rules. The arbitrator will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute. The arbitrator shall not award consequential damages in any arbitration initiated under this section. Any award in an arbitration initiated under this clause shall be limited to monetary damages and shall include no injunction or direction to any party other than

the direction to pay a monetary amount. Each party shall bear its own costs and expenses and an equal share of the arbitrators' and administrative fees of arbitration. The award of the arbitrators shall be accompanied by a reasoned opinion. Neither party will resort to arbitration unless they have first fully and in good faith attempted to resolve the dispute through mediation. Nothing in this provision shall require the President to refrain from making a decision until dispute resolution processes have occurred.

- 14. **Entire Agreement; Modification:** This Addendum, together with the Faculty Contract, constitutes the entire understanding concerning the employment arrangement of the parties hereto. No waiver or modification of this Addendum or of any covenant, condition or limitation herein shall be valid unless in writing and duly executed by the parties, and the parties further agree that provisions of this section may not be waived except as herein provided.
- 15. **Severability:** The terms of this Addendum are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.
- 16. **Governing Law:** This Agreement shall be interpreted and construed in accordance with the laws of the State of New Mexico.
- 17. **Waiver:** No waiver by either party of any rights under this Agreement will be valid unless set forth in a writing signed by both parties. The failure of either party to insist upon strict performance of this Agreement shall not be construed as a waiver of any of the party's other rights under the Agreement.
- 18. **Non-Assignability/Binding Effect:** This Agreement is not assignable but shall be binding upon the heirs, administrators, personal representatives, successors, and assigns of both parties. In addition, Dr. Ziedonis will not assign or transfer any interest in this Addendum or assign any claims for money due or to become due under this Addendum without the prior written approval of the President of the University.

IN WITNESS WHEREOF, this Addendum has been duly executed by the parties hereto on the respective dates appearing by each party signature.

REGENTS OF THE UNIVERSITY OF NEW MEXICO

By: Garnett S. Stokes
Garnett S. Stokes (Oct 2, 2020 06:35 MDT)

Garnett S. Stokes, Ph.D.
President

Douglas M. Ziedonis MD, MPH
Douglas M. Ziedonis MD, MPH (Oct 1, 2020 18:44 PDT)

Douglas M. Ziedonis, M.D., MPH

Date: _____

Date: _____

EXHIBIT A

SEVERANCE AGREEMENT AND RELEASE OF CLAIMS

THIS RELEASE OF CLAIMS ("Agreement") is made by and between the Regents of the University of New Mexico ("Employer") and Douglas M. Ziedonis, M.D., MPH ("you" or "your").

WHEREAS, you have agreed to enter into a release of claims in favor of Employer upon certain events specified in the Employment Agreement by and between Employer and you;

NOW, THEREFORE, in consideration of the mutual promises made herein, Employer and you agree as follows:

1. Termination Date. This means the last day of your employment with Employer.
2. Acknowledgement of Payment of Wages. You acknowledge that Employer has paid you all accrued wages, salary, bonuses, accrued but unused vacation pay and any similar payment due and owing, with the exception of the payments and benefits owed to you under this Release of Claims.
3. Confidential Information. You hereby acknowledge that you are bound by all confidentiality agreements that you entered into with Employer and/or any and all past and current parent, subsidiary, related, acquired and affiliated companies, predecessors and successors thereto (which agreements are incorporated herein by this reference), that as a result of your employment you have had access to the Confidential Information (as defined in such agreement(s)), that you will hold all such Confidential Information in strictest confidence and that you may not make any use of such Confidential Information on behalf of any third party. You further confirm that within five business days following the Termination Date you will deliver to Employer all documents and data of any nature containing or pertaining to such Confidential Information and that you will not take with you any such documents or data or any reproduction thereof.
4. Release and Waiver of All Claims. In consideration of the benefits provided in this Agreement and the payment of the severance benefits as set forth in your Employment Agreement, you release Employer, and any and all past, current and future parent, subsidiary, related and affiliated companies or entities, including without limitation, the University of New Mexico, predecessors and successors thereto, as well as their officers, Regents, directors, members, agents, employees, affiliates, representatives, attorneys, insurers, successors and assigns, from any and all claims, liability, damages or causes of action whatsoever, whether known or unknown, which exist or may in the future exist arising from or relating to events, acts or omissions on or before the Effective Date of this Agreement, other than those rights which as a matter of law cannot be waived.

You understand and acknowledge that this release includes, but is not limited to any claim for reinstatement, re-employment, damages, attorney fees, incentive compensation, bonuses or

additional compensation in any form, and any claim, including but not limited to those arising under tort, contract and local, state or federal statute, including but not limited to Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Post Civil War Civil Rights Act (42 U.S.C. 1981-88), the Equal Pay Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Vietnam Era Veterans Readjustment Assistance Act, the Fair Labor Standards Act, the Family Medical Leave Act of 1993, the Uniformed Services Employment and Re-employment Rights Act, the Employee Retirement Income Security Act of 1974, and the civil rights, employment, and labor laws of any state (including, without limitation, the New Mexico Whistleblower Protection Act, Section 10-16C-I, NMSA 1978), and any regulation under such authorities relating to your employment or association with Employer or the termination of that relationship. Except as disclosed in writing to Employer prior to the execution of this release, you are not aware of any facts, events, or circumstances that would give rise to a claim under any one or more of these authorities or any fraudulent activities at Employer relative to patient care, billing for services, or the use of funds at Employer.

You also acknowledge that you are waiving and releasing any rights you may have under the Age Discrimination in Employment Act (ADEA) and that this waiver and release is knowing and voluntary. You acknowledge that (1) you have been, and hereby are, advised in writing to consult with an attorney prior to executing this Agreement; (2) as consideration for executing this Agreement, you have received additional benefits and compensation of value to which you would otherwise not be entitled, and (3) by signing this Agreement, you will not waive rights or claims under the Act which may arise after the execution of this Agreement; and (4) you have twenty-one (21) calendar days within which to consider this Agreement and in the event you sign the Agreement prior to 21 days, you do so voluntarily. Once you have accepted the terms of this Agreement, you will have an additional seven (7) calendar days in which to revoke such acceptance. To revoke, you must send a written statement of revocation to the President of the University. If you revoke within seven (7) days, you will receive no benefits under this Agreement. In the event you do not exercise your right to revoke this Agreement, the Agreement shall become effective on the date immediately following the seven-day (7) waiting period described above.

This release does not waive any rights you may have under any directors and officers insurance or indemnity provision, agreement or policy in effect as of the Termination Date.

5. No Pending or Future Lawsuits. You represent that you have no lawsuits, claims, or actions pending in your name or on behalf of any other person or entity, against Employer or any other person or entity referred to herein. You also represent that you do not intend to bring any claims on your own behalf or on behalf of any other person or entity against Employer or any other person or entity referred to herein.

6. Non-disparagement. You agree that you will not, whether orally or in writing, make any disparaging statements or comments, either as fact or as opinion, about Employer or its products and services, business, technologies, market position, agents, representatives, directors, officers, member, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any of them. Similarly,

Employer agrees that it will not, whether orally or in writing, make any disparaging statement or comments, either as fact or as opinion, about you. For purpose of this Section, the individuals covered by this non-disparagement provision for and on behalf of Employer means the members of the Board of Regents, the University President, the Executive Vice President and Provost, the Senior Vice President of Finance and Administration, and the Officers at the Health Sciences Center reporting to you. To gain the benefit of this non-disparagement in the context reference checks, you will make any request for a reference to the University President.

7. Additional Terms

A. Legal and Equitable Remedies. The Parties agree that each Party shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief without prejudice to any other rights or remedies the Party may have at law or in equity for breach of this Agreement.

B. Non-Disclosure. You agree to keep the contents, terms and conditions of this Agreement confidential; provided, however that you may disclose this Agreement with your spouse, attorneys, and accountants, or pursuant to subpoena or court order. Any breach of this non-disclosure paragraph is a material breach of this Agreement.

C. No Admission of Liability. This Agreement is not, and the parties shall not represent or construe this Agreement, as an admission or evidence of any wrongdoing or liability on the part of either Party, their officers, member, directors, employees, subsidiaries, affiliates, divisions, representatives, agents, successors or assigns. Neither party shall attempt to admit this Agreement into evidence for any purpose in any proceeding except in a proceeding to construe or enforce the terms of this Agreement.

D. Entire Agreement. This Agreement along with the Employment Agreement, constitutes the entire agreement between you and Employer with respect to your separation from Employer and supersedes all prior negotiations and agreements, whether written or oral, relating to its subject matter.

E. Modification/Successors. This Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, and that is duly executed by both Parties. This Agreement shall be binding upon your heirs, executors, administrators and other legal representatives and may be assigned and enforced by Employer, its successors and assigns.

F. Severability. The provisions of this Agreement are severable. If any provision of this Agreement or its application is held invalid, the invalidity shall not affect other obligations, provisions, or applications of this Agreement that can be given effect without the invalid obligations, provisions, or applications.

G. Waiver. The failure of either party to demand strict performance of any provision of this Agreement shall not constitute a waiver of any provision, term, covenant, or condition of this agreement or of the right to demand strict performance in the future.

H. Governing Law and Jurisdiction. This Agreement shall be interpreted and enforced in accordance with the laws of the State of New Mexico.

I. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and same instrument.

J. Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part of the Parties hereto, with the full intent of releasing all claims. You acknowledge that:

- a. You have read this Agreement;
- b. You understand the terms and consequences of this Agreement and the releases it contains;
- c. You have been advised to consult with an attorney prior to executing this Agreement;
- d. You knowingly and voluntarily agree to all the terms in this Agreement; and
- e. You knowingly and voluntarily intend to be bound by this Agreement.

REGENTS OF THE UNIVERSITY OF NEW MEXICO

By: _____
President

Douglas M. Ziedonis, M.D., MPH

Date: _____

Date: _____