

December 17, 2020

Patrick Seed, MD, PhD
Professor of Pediatrics (with tenure)
Ann & Robert H. Lurie Children's Hospital of Chicago
Division Head of Infectious Diseases
Associate Chief Research Officer
Stanley Manne Children's Research Institute

Dear Pat:

I am grateful for your ongoing dedication to our institution and outstanding leadership in the many areas you contribute to. This offer letter is intended to define the delegation of leadership responsibilities for the Stanley Manne Children's Research Institute ("Manne Research Institute") and otherwise outline important terms and conditions of your new role. This offer acknowledges and rewards your leadership across the organization, notably to our research enterprise within Manne Research Institute by naming you as President and Chief Research Officer ("CRO"). You will serve in this position at the discretion of the President and Chief Executive Officer of Children's Hospital of Chicago Medical Center ("CHCMC"). In assigning you the responsibilities inherent to this role, I have the utmost confidence you will enable Manne Research Institute and Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") to achieve the critically important strategic goals of both the research enterprise and medical center. These responsibilities and consequent effort allocation are effective November 12, 2020. This agreement is intended to replace all other prior roles and responsibilities related to your preceding Associate Chief Research Officer and Division Head of Infectious Diseases roles. Also, with the acceptance of this offer, anticipated changes in your current effort allocation are expected to occur, including delegation of the Interim Division Head of Infectious Diseases to Dr. Ravi Jhaveri.

Faculty Appointment

There are no proposed changes to your ongoing faculty appointment as faculty member in the Division of Pediatric Infectious Diseases and Professor of Pediatrics on the Investigator (with tenure) Track.

Your proposed effort allocation dedicated to your roles is as follows:

President and Chief Research Officer (total of 85% FTE):

As approved by the Executive Committee of the CHCMC Board of Directors, you will have strategic and administrative oversight of the Manne Research Institute as its President and CRO reporting to the CEO of CHCMC and the Board of Manne Research Institute. In this role and in partnership with the Chief Operating Officer of Manne Research Institute you will oversee the management of all Manne Research Institute research space allocation within Simpson-Querrey Biomedical Research Center, Searle Building, and all other relevant CHCMC buildings that are required for research spanning all translational pillars. This includes providing space metrics, expectations, allocation, and re-assignment of space as justified by judicious and comprehensive assessment of each researcher's sustainability and impact. You will be responsible for ensuring annual reviews of all scientists across our programs, though this effort may be

delegated to other departmental academic leaders to ensure strong alignment between research programs and divisional/departmental annual goals and visions.

Recognizing that the burgeoning research enterprise continues to drive demand for ongoing strategic direction for resource utilization, efficient operations and infrastructure, fiscal responsibility and sustained impact, you will be expected to serve the following executive functions:

- You will continue to be responsible for building cross-institutional research connections and maturing the virtual scientific neighborhoods across all translational pillars within Manne Research Institute.
- You will be responsible for preparing and executing the annual Manne Research Institute budget with support of the COO and the Manne Research Institute finance team, as well as presenting this to relevant board committees for approvals.
- You will be responsible for strategic planning with Lurie Children's Foundation leadership and departmental leadership, with regards to philanthropic support across the entire research enterprise. This includes serving on the Collaborative Funding Priorities Committee.
- You will work with the Departmental Chairs in the recruitment of all physician-scientists and scientists across the enterprise. It will be mandatory that you meet with any research candidate with greater than 20% FTE allocated to research during their recruitment process, and it will be the chairs' responsibility to ensure you meet with these candidates. You will be responsible for reviewing and presenting for approval to the CEO and CFO all research commitments in the final proforma of these faculty.
- Pursuant to the Manne Research Institute Bylaws (as may be amended from time to time), you will serve as an ex officio member of the Manne Research Institute Board and a corporate officer of Manne Research Institute, in your role as the CRO.
- In the CRO role, you will also be a voting member of the Manne Research Institute Finance Committee, Nominating Committee and Executive Committee.
- In addition, you will be an invited guest at the following standing Board/Committee Meetings: Medical Center Board, Executive Committee of the Medical Center Board, Medical/Administrative Steering Committee (MASC), Administrative Huddle, and Quarterly Review.

Clinical Responsibilities and Programs (5%FTE):

All clinical faculty members are expected to perform clinical work as a component of their employment responsibilities. Your clinical responsibilities will continue to be defined with the agreement of the Chair of Pediatrics but will not exceed 5% cFTE unless mutually agreed upon. The Chair will negotiate your schedule as needed so that your clinical load is appropriate (currently proposed to be 5%), to have adequate time to fulfill these leadership roles and conduct your academic activities. We will provide an updated employment agreement for this role.

Host Microbial Interaction, Infection and Inflammation (HMI3) Program (10%FTE):

program will continue to be accessible in accordance with the terms outlined in your Offer Letter of July 6, 2016.

Manne Research Institute Resources Commitment:

I appreciate the strategic thoughtfulness you have given to present and future needs of our research enterprise that are necessary to continue the impressive trajectory of productivity and impact. I also appreciate your recognition of the current fiscal reality of the medical center and your trust in determining allocation of resources through our ongoing meetings that will continue on a monthly basis. I expect us to return to your Vision and Purpose Statement of 10/07/20 (attached) often during our future strategic discussions as a guide to the ongoing needs of our research enterprise and its alignment to our clinical, education and advocacy programs.

As it relates to commitments to the Strategic Research Initiatives (SRI), you will oversee the budgets and program reviews for all of these programs. This responsibility may include reallocation of funds towards emerging areas of opportunities, particularly in the area of Data Analytics and Information Technology that may be informed by the vision of a recruited Chief Research Informatics Officer (CRIO) (*see below). I anticipate working with you in the coming year to determine whether there are personnel within these research programs that are more appropriately designated for clinical operations support. I ask that these SRI resources be tapped for the current position request for a Microbiome technician.

I aim to work with you and our Finance team to identify additional support for the proposed infrastructure needs that would stem from the remarkable growth in extramural funding and associated increase in Indirect Costs. My hope is to identify an additional \$1.1 million dollars for this purpose. At this time, I recognize the following roles are anticipated to be supported by these funds during FY21: Assistant Manager of Operations; Communication and Education Director; Research Compliance Educator (necessary to address research compliance risk); and an additional Research Navigator. I understand the need to enhance both internal and even more importantly, external facing reporting of the achievements and impact of the research enterprise. This will necessitate a full-time science and media communications writer who will be hired by and report to you and the Manne Research Institute COO. In order to ensure optimal alignment with broader institutional and Foundation marketing and communication efforts, this writer will be expected to have a reporting relationship with our Chief Marketing and Communications Officer or designee. I also support the identification of a part-time (0.5 FTE) Web Presence Engineer and personnel capable of creating video and advanced media to support this effort, including a content marketing strategy.

I recognize there exists the opportunity and need to re-envision the Manne Research Institute Information Technology capacity and capabilities. *I approve the recruitment of a CRIO as the key initial step. This leader will undoubtedly bring a critically important perspective, expertise and vision to help you and Manne Research Institute leadership to shape the future of a Quantitative Sciences pillar. I expect this recruitment is likely to necessitate a \$1 million startup investment and additional investments to create a strong core.

As we've discussed, I look forward to working with you and Patrick M. Magoon Institute (PMMI) leadership to identify resources that may be allocable to certain programs and personnel within the Community, Population Health and Outcomes pillar of Manne Research Institute.

Finally, I will request that Mary Alida Brisk work with you and the COO to identify an Engagement Survey Consultant to support your effort in understanding opportunities to optimize the engagement of the research institute's workforce.

Compensation:

Your compensation will be comprised of a combination of base salary, variable/incentive compensation, and employee benefits. In recognition of your new duties and responsibilities, you will have an initial annual base salary of \$420,000 assuming satisfactory leadership performance and discharge of the administrative duties you are assuming. In addition, you will be eligible for the Leadership Incentive Program (LIP) equal to 30% of your base salary to be paid upon the achievement of mutually agreeable annual goals and consistent with the terms of the program. Your compensation for this position may be reduced if, at the discretion of the President and CEO your services are reduced, or if you no longer serving as CRO. Your compensation will be paid in accordance with standard Lurie Children's Hospital payroll procedures and will be subject to all applicable withholdings.

We will continue to honor the retention bonus arrangement currently set forth in the Addendum to your Employment Agreement, which continues through August 31, 2024 as previously agreed. Thus, should you continue to satisfactorily perform the roles now assigned, you will receive each August 31 for four additional years (through August 31, 2024) an amount equal to \$25,000, less applicable deductions.

We will also support your desire to pursue formal Executive Education and Training and ask you to identify the most beneficial option with the President and CEO for tuition reimbursement approval. Upon completing formal course work, I will support your engagement with an executive coach for at least a twelve-month period should you wish.

Pat, I hope you recognize how enthusiastic I am about your appointment as President and CRO of Manne Research Institute. I know you have the skills and attributes to achieve our shared goal of building an outstanding and highly impactful pediatric research enterprise. We hope this proposal conveys our sincere desire to secure your extraordinary talents and leadership capabilities. Together, I remain dedicated to ensuring you have sufficient resources that enable you to continue to build upon our significant trajectory of success towards our Vision 2025 goals. Please let me know if you have any questions about any of these items or wish to discuss other issues that are not adequately addressed. I would appreciate you indicating your agreement to these terms with your signature below.

Sincerely,



Thomas P. Shanley, MD
President and CEO

Children's Hospital of Chicago Medical Center
Ann and Robert H. Lurie Children's Hospital of Chicago

Accepted:



Patrick Seed, MD, PhD

Addendum to
Physician Employment Agreement
by and between
Pediatric Faculty Foundation, Inc. and Patrick Seed, M.D., Ph.D.

This Addendum is entered into by and between Pediatric Faculty Foundation, Inc. ("PFF") and Patrick Seed, M.D., Ph.D. ("Physician") as a supplement to that Physician Employment Agreement between PFF and Physician, dated October 1, 2016.

Whereas, because of Physician's importance to PFF and its affiliates Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") and Stanley Manne Children's Research Institute ("Manne Research Institute"), PFF wants to encourage Physician through a retention bonus arrangement to continue in his present administrative, clinical and research positions through August 31, 2024.

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, PFF and Physician agree to the following terms of a retention bonus arrangement:

A. Benefit.

If Physician satisfies the retention bonus conditions described below, he will receive each August 31 for five (5) years, starting on August 31, 2020 and ending on August 31, 2024, an amount equal to \$25,000, less applicable payroll deductions (the "retention bonus"). If Physician qualifies as of an August 31 for a retention bonus payment under the terms and conditions described in this Addendum, the amount of the retention bonus for that year (less applicable deductions) will be paid to Physician in his first regular paycheck following August 31.

B. Retention Bonus Conditions.

1. **Continued Employment Condition.** To qualify for the full benefit under this retention bonus arrangement, Physician must remain an employee of PFF from the effective date of this Addendum until and through each August 31, until August 31, 2024. Each year of this period of additional employment is referred to as a "retention period." If, any time during a retention period, Physician: (1) voluntarily ends his employment with PFF, or (2) is involuntarily terminated for cause, Physician will not be eligible to receive the remainder of the retention bonus payments not yet paid.

2. **Performance Satisfaction Condition.** To qualify for the benefit under this retention bonus arrangement, Physician must have performed his role consistent with past performance to the reasonable satisfaction of the Department Chair of the Department of Medicine of Lurie Children's and the Chief Executive Officer of Lurie Children's.

C. General Provisions. The following general provisions apply for purposes of this Addendum:

1. **Payment.** Each annual payment of the retention bonus will be treated for tax purposes as additional compensation for employee services. This Addendum is not intended to constitute a nonqualified deferred compensation arrangement.

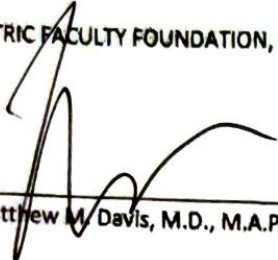
2. **Confidentiality.** The existence and terms of this Addendum, and of the retention bonus arrangement, are strictly confidential. As a condition to the payment of any retention bonus under this

PUS
1/11/2020


Addendum, Physician must keep the existence and terms of this Addendum, and of the retention bonus arrangement, confidential at all times. The only exceptions are disclosure of essential terms to a family member, to a tax or financial advisor, or in response to a legally required disclosure. If this confidentiality requirement is breached, any unpaid portion of the retention bonus is entirely forfeited.

This Addendum is hereby executed by an authorized officer of PFF and Physician as of this 17 day of January, 2020.

PEDIATRIC FACULTY FOUNDATION, INC.


By: Matthew M. Davis, M.D., M.A.P.P., President

PHYSICIAN


Patrick Seed, M.D., Ph.D.

SECOND ADDENDUM TO PHYSICIAN EMPLOYMENT AGREEMENT

This Second Addendum to Physician Employment Agreement ("**Second Addendum**") amends and supplements the Physician Employment Agreement by and between Pediatric Faculty Foundation, Inc. ("**PFF**") and Patrick Seed, M.D., Ph.D., an individual ("**Physician**"), which was effective July 1, 2016 ("**Agreement**") and subsequently amended through the First Addendum ("**First Addendum**") and Memorandum of Understanding ("**MOU**") agreed upon in January 2020. All capitalized terms used herein shall have the same meanings as in the Agreement.

WHEREAS, PFF and Physician have agreed that Physician will assume the position of President and Chief Research Officer of the Stanley Manne Children's Research Institute ("**Manne Research Institute**") as of November 12, 2020;

WHEREAS, Physician will continue to perform clinical activities for approximately 5% of his time and will serve as the Director of the Seed Research laboratory for approximately 10% of his time, with his compensation being allocated accordingly for each role;

WHEREAS, additional terms and conditions are set forth in the Offer Letter provided by PFF to Physician, dated December 17, 2020;

WHEREAS, Physician and PFF wish to amend the Agreement to reflect such additional duties and appointments.


NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Effective November 12, 2020, the attached Offer Letter dated December 17, 2020 ("**Offer Letter**") shall replace and supersede the offer letter originally attached as Exhibit 1 to the Agreement and the subsequent Memorandum of Understanding, except as stated therein.
2. Any other references in the Agreement or First Addendum to Physician's duties, appointments, assignment and other terms and conditions shall reflect the agreed upon changes set forth in the Offer Letter.
3. All other terms of the Agreement and First Addendum shall remain in full force and effect. In the event of any conflict, inconsistency or incongruity between any provision(s) of this Second Addendum and any of the provisions of the Agreement or First Addendum, the provisions of this Second Addendum shall in all respects govern and control.

IN WITNESS WHEREOF the parties hereto have caused this Second Addendum to Physician Employment Agreement to be executed by their respective duly authorized officers or agents as of the dates set forth below.

PHYSICIAN

PEDIATRIC FACULTY FOUNDATION, INC.

By: 
Patrick Seed, M.D., Ph.D.

By: _____
Matthew M. Davis, M.D. MAPP

Date: 1/11/2020

Date: _____