

TERM SHEET BETWEEN
LOUISIANA STATE UNIVERSITY, AND BRIAN KELLY AND LENDER

Position: Head Football Coach at LSU

Reporting: Coach shall report directly to Scott Woodward, Director of Athletics

Term: Effective no later than November 28, 2021 and ending on the later of (i) December 31, 2031 or (ii) the last game of the 2031 LSU Football season (including post-season games) ("End Date").

Compensation:

- Base Salary (annual rate; pro-rated for partial years): \$400,000
- Supplemental Compensation (annual rate, pro-rated for partial years) to be paid to Coach and/or Coach's business entity ("Lender"), as allocated as mutually-agreed, based on the value of Coach's marketing and promotional services, and name, image, and likeness rights:
 - No later than November 28, 2021 through December 31, 2022: \$8,600,000
 - January 1, 2023 through December 31, 2023 \$8,800,000
 - January 1, 2024 through December 31, 2024 \$8,800,000
 - January 1, 2025 through December 31, 2025 \$9,000,000
 - January 1, 2026 through December 31, 2026 \$9,000,000
 - January 1, 2027 through December 31, 2027 \$9,200,000
 - January 1, 2028 through December 31, 2028 \$9,200,000
 - January 1, 2029 through December 31, 2029 \$9,400,000
 - January 1, 2030 through December 31, 2030 \$9,400,000
 - January 1, 2031 through End Date \$9,600,000

At Coach's election, up to \$1,000,000 per year of the foregoing Supplemental Compensation may be recast, as follows: (i) first, the parties will use best efforts to recast such amount as an annual loan that may be used to fund the continuation of Coach's existing split dollar life insurance policy; (ii) second, the parties will use best efforts to recast such amount as an annual loan that may be used to fund a new split dollar life insurance policy to be procured by the parties; or (iii) third, the parties will recast such amount to fund other mutually-agreed deferred compensation programs to benefit Coach. If none of the foregoing can be achieved or agreed, such amount shall remain as Supplemental Compensation.

Incentives:

- Southeastern Conference
 - Participation in SEC Championship Game \$75,000 OR
 - Win SEC Championship Game \$150,000
 - Immediately following first SEC Championship Game win during the Term, in addition to the foregoing, Supplemental Compensation will increase by \$250,000 for each remaining year of the Term.
- Post Season Bowl
 - Bowl eligible \$500,000 AND
 - New Year Six Bowl Participant \$100,000 OR
 - CFP Semifinal Game Participant \$200,000 OR
 - CFP Final Game Participant \$300,000 OR
 - CFP National Champion \$500,000
 - Immediately following the first National Championship win during the Term, in addition to the foregoing, Supplemental Compensation will increase by an additional \$500,000 (in addition to the SEC Championship increase set forth above) for each remaining year of the Term.

- If the CFP format is expanded to include additional teams, the parties will mutually agree on additional incentive compensation for participation therein, and/or CFP victories (to the extent not already contemplated by the then-existing bonus structure).
- Coach of the Year:
 - Southeastern Conference Coach of the Year \$50,000 AND
 - National Coach of the Year \$75,000
- Academic Incentive Compensation:
 - Academic Progress Rate above 930 \$25,000 OR
 - Academic Progress Rate above 970 \$50,000
 - Above APR calculations based on:
 - Year 1-5 of contract single year APR used for calculation
 - Year 6-10 of contract multi-year APR used for calculation
- Other Special Incentives (paid by LSU):
 - Coach shall receive Longevity Compensation of \$500,000 if employed on July 1 of each year, to be paid by July 15 of that year. In the event of early termination, the Longevity Compensation for the year in which termination occurs shall be prorated. For purposes of this provision, a year runs from July 1 to June 30. No Longevity Compensation shall be payable for any year in which Coach does not serve in the position of Head Coach.
 - Coach shall receive up to two courtesy vehicles, if available, or two vehicle allowances (or a combination thereof) in the amount of \$1,000 per month.
 - LSU, or an affiliated foundation, shall provide an interest-free loan (not to exceed \$1,200,000) of 20 percent of the purchase price of Coach's primary domicile, located within a 30-mile radius of the LSU campus, to be used as Coach's residence. Upon the earlier of (i) the sale of the home, (ii) the date Coach begins to use the residence as a rental property or as a residence for anyone other than himself or his spouse, or (iii) Coach accepts employment with someone other than LSU, Coach shall repay to lender the original loan amount in addition to 20 percent of the increased value of the home (net of transaction and related expenses and broker commissions if sold or based on appraised value if retained).
 - A relocation allowance to cover incidentals and other costs associated with moving and, if necessary, up to 90 days temporary housing at a location selected by the Athletic Department. Per university policy, the Relocation Incentive stipulates that part or all of the advance payment will be returned if Coach does not continue employment with the University for at least two (2) full years. In accordance with Internal Revenue Service regulations, all relocation benefits are taxable compensation subject to withholding and other appropriate deductions.
 - LSU shall either directly pay (as a business expense) or fund any amounts payable as the result of the voluntary termination of Coach's current employment agreement. To the extent that LSU is unable to make such payment as a business expense, such payment shall be a loan to Coach which shall be amortized over the Term and payable in installments by Coach on July 1 of each year. If Coach is employed by LSU on each such July 1, LSU shall forgive the installment due. Further, LSU shall forgive all outstanding amounts remaining on such loan immediately upon termination of Coach's employment by either party. In connection with all forgiveness of loans contemplated by this paragraph, LSU shall include in the amount funded any additional amount sufficient to make Coach completely whole to the extent of any and all tax liability that may accrue to Coach, if any, as a result of such payments to Coach's former employer or reimbursements to Coach, or such additional tax gross-up payment(s) to Coach.
 - LSU shall provide Coach with access to 50 hours of private air personal miles per year.

Termination without Cause by University: If LSU terminates the employment of Coach without Cause, LSU will pay 90% of remaining Base Salary and Supplemental Compensation which would have been payable to Coach over the remaining Term and any prorated Longevity Compensation for the year of termination. Following a national championship, compensation for termination by LSU without cause will include 100% of: (i) Base Salary; (ii) Supplemental Compensation; and (iii) the prorated Longevity Compensation for the year of termination.

Coach shall have a duty to mitigate, and University shall have the right to offset against the liquidated damages amount any post-termination income that Coach receives from employment in intercollegiate or professional football, including coaching, administration or media. Any payments due to Coach will be paid in equal monthly installments over the course of the remaining Term; Should Coach be assessed additional taxes by the Internal Revenue Service due to a termination without cause, LSU shall accelerate the payment of such liquidated damages to the extent necessary for Coach to pay any taxes thereon (whether pursuant to IRC Section 457 or otherwise).

Termination for Cause by University: If LSU terminates the employment of Coach for Cause (with the definition thereof to be mutually-agreed), LSU shall have no obligation to Coach to pay any further amounts beyond the end of the month in which Coach is terminated, and any Incentives that have been earned but not paid.

Termination by Coach: If Coach terminates his employment at any time while Scott Woodward is actively employed and serving as LSU's Athletic Director, Coach will pay to LSU liquidated damages based on the date of termination as follows:

- November 28, 2021 through December 31, 2022 \$4,000,000
- January 1, 2023 through December 31, 2023 \$3,000,000
- January 1, 2024 through December 31, 2024 \$2,000,000
- January 1, 2025 through December 31, 2025 \$2,000,000
- January 1, 2026 through December 31, 2026 \$2,000,000
- January 1, 2027 through December 31, 2027 \$2,000,000
- January 1, 2028 through December 31, 2028 \$2,000,000
- January 1, 2029 through December 31, 2029 \$2,000,000
- January 1, 2030 through December 31, 2030 \$2,000,000
- January 1, 2031 through December 31, 2031 \$2,000,000

No liquidated damages will be due by Coach if, on the date of termination by Coach, Scott Woodward is not actively employed as Athletic Director of LSU.

Miscellaneous: **THIS AGREEMENT IS CONTINGENT UPON A SATISFACTORY BACKGROUND CHECK AND APPROVAL BY THE LSU BOARD OF SUPERVISORS.** The Term shall not be valid or enforceable and Coach's employment shall be "at-will" until both of these conditions are satisfied. Coach acknowledges that failure to disclose any and all criminal or civil matters from the past five years to LSU prior to signing this Agreement, including those currently pending but excluding non-felony traffic infractions, will serve as a basis to terminate employment for Cause. The Agreement shall be enforced and construed in accordance with the laws of Louisiana. Any civil action to enforce this Agreement shall be brought in a state or federal court having subject matter and personal jurisdiction over the parties that is domiciled in East Baton Rouge Parish, Louisiana. The parties intend to negotiate diligently and in good faith and to prepare and execute a formal long-form contract that more fully states the terms of their agreement, which, once executed, will supersede the terms of this Term Sheet, but unless and until that occurs, this Term Sheet remains in full force and effect.

ACCEPTED AND AGREED:



Scott Woodward
On behalf of Louisiana State University

11.30.21
Date



Brian Kelly, for himself and on behalf of Lender

Brian Kelly

Print Name

11-30-21
Date