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University of South Carolina
BOARD OF TRUSTEES

Called Meeting

January 12, 2018

The University of South Carolina Board of Trustees convened in a called meeting at 10:00 a.m. on Friday, January 12, 2018, by telephone conference hosted from Room 206-B of the Osborne Administration Building.

Members participating were: Mr. John C. von Lehe Jr., Chairman; Mr. Hubert F. Mobley, Vice Chairman; Mr. Chuck Allen; Mr. Mark W. Buyck Jr.; Mr. Thomas C. Cofield, who participated in person; Mr. A. C. "Bubba" Fennell III; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. Toney J. Lister; Mr. Miles Loadholt; Ms. Leah B. Moody; Mr. Tommy D. Preston Jr.; Dr. C. Dorn Smith III; Mr. Eugene P. Warr Jr.; Mr. Thad H. Westbrook; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams. Absent from the meeting were Mr. J. Egerton Burroughs and Ms. Molly M. Spearman.

Others participating were: President Harris Pastides; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Athletics Director Ray Tanner; Vice President for Student Affairs Dennis A. Pruitt; Chief Communications Officer Wes Hickman; Associate Director of Public Relations, USC's Office of Communications and Public Affairs, Jeff Stensland; and Board of Trustees staff member Terri Saxon.

I. Call to Order

Chairman von Lehe called the meeting to order and stated notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated; and a quorum was present to conduct business.

Mr. Hickman indicated members of the news media would join the meeting when the Open Session started.

Motion for Executive Session

Chairman von Lehe called for a motion to enter Executive Session to discuss proposed Athletics Department employment agreements. Mr. Buyck so moved and Mr. Westbrook seconded the motion. The vote was taken and the motion passed.

Chairman von Lehe invited President Pastides, Secretary Heath, Mr. Parham, Mr. Tanner, Mr. Walton, Mr. Hickman and Dr. Pruitt to remain.

Executive Session

Return to Open Session

Members of the news media joining the Open Session portion of the meeting were: Josh Kendall with *The State* newspaper in Columbia; John Whittle with *The Big Spur*; Jeff Diamond with WIS-TV; Chris Clark with *Gamecock Central*; David Cloninger with *The Post & Courier* newspaper in Charleston; and Hale McGranahan with SEC Country.

II. Contractual Matters: Athletics Employment Agreements

Chairman von Lehe said Mr. Tanner, who recommended the contracts for approval, was prepared to answer questions. He then called on Mr. Parham to summarize the terms of each athletics employment agreement.

A. Head Football Coach

Mr. Parham briefly discussed the five amendments to Head Football Coach Will Muschamp's employment agreement.

- Term – A six-year term will begin January 16, 2018, and end December 31, 2023.
- Annual Guaranteed Compensation – Coach Muschamp will be paid total annual compensation of \$4.2 million in year one, increasing by the sum of \$200,000 each year, so that in year six, he will receive \$5.2 million.
- Incentive-Based Supplemental Compensation – Coach Muschamp will have the opportunity to earn incentive-based supplemental compensation based on the same categories as outlined in his current contract, but with the amounts adjusted as outlined in the summary materials. He could earn a maximum of \$1.4 million if he achieves every benchmark including winning the National Championship.
- Buyout by Coach Muschamp – If Coach Muschamp terminates the contract, he will pay the University \$4 million if the termination occurs in year one, \$3.5 million in year two, \$3 million in year three, \$1 million in year four or five, and no buyout in year six.

- Buyout by USC if Coach Muschamp is Terminated Without Cause – The University will pay Coach Muschamp 75% of his guaranteed annual compensation for the remaining term of the contract if USC terminates the contract without cause.

Mr. Parham stated all other terms and conditions of Coach Muschamp's current employment agreement remain unchanged.

Chairman von Lehe called for a motion to approve amendments to the employment agreement of Head Football Coach Will Muschamp as outlined in the materials presented by Mr. Parham. Mr. Allen so moved and Mr. Fennell seconded the motion. The vote was taken and the motion was approved unanimously. [Exhibit A]

B. Assistant Football Coaches

Mr. Parham said the Athletics Department sought approval of three actions with regard to the assistant football coaching staff, including approval of complete employment agreements for two new assistant coaches.

The first approval is for a two-year employment agreement for assistant football coach Dan Werner beginning January 10, 2018 and ending December 31, 2019. A complete copy of the agreement was provided in the meeting materials. [Exhibit B]

Coach Werner will be paid total annual compensation of \$500,000 per year. He will have the opportunity to earn the same incentive compensation as the current assistant coaches, which is \$25,000 if the football team wins the SEC East, \$50,000 if the football team wins the SEC Championship and bonuses based on the level of the bowl game the team is invited to, up to \$65,000 if the team wins the National Championship. However, as to bowl bonuses, the football team must win not less than 50% of its regular season games in order for the coach to qualify for a bowl bonus, even if the team is otherwise selected to participate in a bowl.

Coach Werner will have a buyout obligation if he terminates the contract, as follows: \$100,000 if he terminates in year one; \$50,000 if he terminates in year two. All other provisions are the same as in our standard assistant coach contracts.

Mr. Parham then described the one-year employment agreement for new Assistant Football Coach Kyle Krantz beginning January 16, 2018 and ending May 31, 2019. Coach Krantz will be paid an annual salary of \$125,000 and will have the opportunity to earn the same incentive-based supplemental

compensation as described in Coach Werner's contract. All other terms and conditions are the same as in the University's standard athletics employment agreements.

Thirdly, Mr. Parham said Athletics sought approval of amendments to the employment agreements of eight assistant football coaches: Bobby Bentley, Coleman Hutzler, Michael Peterson, Patrick Washington, Bryan McClendon, Travaris Robinson, Lance Thompson and Eric Wolford. The term of the multi-year contracts will contain a provision that if the coach is notified his contract will not be extended at the conclusion of the current term, it will automatically be extended for two months or until he finds other employment, whichever occurs first. This automatic extension will not apply if the coach is terminated with or without cause.

The incentive provisions in the contracts remain the same, except for the addition of a provision which states the football team must win at least 50% of its regular season games in order for the coach to be eligible to earn the bowl bonus, even if the team otherwise participates in a bowl game.

Mr. Parham said, as to the two-year contracts, if the coach terminates the contract in year one he will owe the University \$100,000; if he terminates in year two he will owe \$50,000. As to the three-year contract, if the coach terminates the contract in year one, he will owe the University \$300,000; in year two, he will owe \$200,000; and in year three, he will owe \$100,000.

Mr. Parham noted all other provisions in the contracts remain unchanged. Chairman von Lehe called for the following three-part motion:

- Approval of a two-year employment agreement for Assistant Football Coach Dan Werner beginning January 10, 2018 and ending December 31, 2019, at a total annual compensation of \$500,000 per year, with the opportunity to earn incentive compensation, and whereby he will be subject to the buyout provisions set forth in the materials presented by Mr. Parham.
- Approval of a one-year employment agreement for Assistant Football Coach Kyle Krantz beginning January 16, 2018 and ending May 31, 2019, at an annual salary of \$125,000, with the opportunity to earn incentive compensation as outlined in the materials presented by Mr. Parham.
- Approval of amendments to the employment agreements of Assistant Football Coaches Bobby Bentley, Coleman Hutzler, Michael Peterson, Patrick Washington, Bryan McClendon, Travaris Robinson, Lance Thompson and Eric Wolford in accordance with the terms and conditions outlined in the materials presented by Mr. Parham. These amendments are as follows:

Coach Bentley – one-year extension at a salary of \$400,000
Coach Hutzler – one-year extension at \$475,000 annually
Coach Peterson – one-year extension at \$300,000 annually
Coach Washington – one-year extension at \$300,000 annually
Coach McClendon – two-year extension at \$650,000 annually
Coach Robinson – three-year extension at \$1.2 million annually
Coach Thompson – two-year extension at \$550,000 annually
Coach Wolford – two-year extension at \$600,000 annually

Mr. Westbrook so moved and Mr. Lister seconded the motion. The vote was taken and the motion was approved unanimously.

C. Strength and Conditioning Coach

Chairman von Lehe called for a motion to approve a one-year extension of Strength and Conditioning Coach Jeffery Dillman's employment agreement beginning January 16, 2018, and ending May 31, 2019, at an annual salary of \$425,000. Mr. Buyck so moved and Mr. Cofield seconded the motion. The vote was taken and the motion was approved unanimously.

III. Adjournment

Chairman von Lehe called on Mr. Tanner, who thanked Trustees and President Pastides for their support. There being no other matters, Chairman von Lehe adjourned the meeting at 10:37 a.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary