

**AMENDMENT NUMBER 1 TO EMPLOYMENT AGREEMENT**

This is Amendment Number 1 to the Employment Agreement between THE UNIVERSITY OF TENNESSEE and RICK BARNES ("Coach") that became effective on September 6, 2018. In consideration of the covenants contained in this Amendment 1, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

Article II, Section 2.2.1 of the Employment Agreement is amended by deleting the current language in its entirety and substituting the following language:

**Section 2.2.1. Supplemental Pay.** The University agrees to pay Coach additional annualized compensation payable from income earned by the University under the University's various broadcast, endorsement, and/or consultation contracts ("Supplemental Pay") in accordance with the following schedule:

<u>Contract Year</u>	<u>Supplemental Pay</u>
May 1, 2019 - April 30, 2020	\$4,455,000
May 1, 2020 - April 30, 2021	\$4,705,000
May 1, 2021 - April 30, 2022	\$4,955,000
May 1, 2022 - April 30, 2023	\$5,205,000
May 1, 2023 - April 15, 2024	\$5,455,000

The University shall pay the Supplemental Pay to Coach in equal monthly installments in accordance with the University's customary monthly payroll procedures, with partial years or months prorated. Supplemental Pay shall not be increased in accordance with the terms of any across the board or merit salary increase authorized or mandated for University employees by the State of Tennessee or the University.

Article II, Section 2.3 of the Employment Agreement is amended by deleting the current language in its entirety and substituting the following language:

**SECTION 2.3. INCENTIVE COMPENSATION.** Beginning with the 2019-2020 men's basketball season, in recognition of exemplary athletic and academic performance by the men's basketball team (the "Team") and the additional work required by Coach therewith, and as an incentive for Coach to assist the Team in achieving the goals described below, the University agrees to pay Coach, if earned, annual incentive compensation in an amount equal to the sum of the highest amounts described in subsections 2.3.1-2.3.4, subject to all applicable state and federal tax reporting and withholding requirements:

**Section 2.3.1. SEC Achievements.** Either or both of the following per Contract Year:

- (a) Winning the SEC Regular Season Championship (solo or shared) (as determined by the SEC) \$400,000
- (b) Winning the SEC Tournament Championship \$200,000

**Section 2.3.2. NCAA Achievement.** A maximum of one (1) of the following per Contract Year (payment based on highest goal achieved in this subsection):

- (a) Winning the NCAA Championship \$1,500,000

(b)	Appearing in the NCAA Championship Game	\$1,200,000
(c)	Appearing in the Final Four	\$1,000,000
(d)	Appearing in the Elite Eight	\$800,000
(e)	Appearing in the Sweet Sixteen	\$600,000
(f)	Appearing in the Round of 32	\$400,000
(g)	Appearing in the NCAA Tournament	\$200,000

**Section 2.3.3. Coach of the Year Achievements.** Either or both of the following per Contract Year:

(a)	National Coach of the Year (AP, Naismith, or USBWA) (solo or shared)	\$250,000
(b)	AP SEC Coach of the Year (solo or shared)	\$150,000

**Section 2.3.4. National Ranking Achievements.** A maximum of one (1) of the following per Contract Year (payment based on highest goal achieved in this subsection):

(a)	Top-5 Ranking in final Associated Press poll	\$400,000
(b)	Top-10 Ranking in final Associated Press poll	\$200,000
(c)	Top-25 Ranking in final Associated Press poll	\$100,000

**Section 2.3.5. Academic Achievement.** A maximum of one (1) of the following per Contract Year (payment based on highest goal achieved in this subsection):

(d)	Single year APR of 980 or greater	\$100,000
(e)	Single year APR of 960 or greater	\$50,000

Annual incentive compensation due under Sections 2.3.1-2.3.4 shall be paid by the University on or before May 31 following the conclusion of the men's basketball season in which the goal was achieved. Annual incentive compensation due under Section 2.3.5 shall be paid by the University on or before June 30 following the NCAA's publication of APR scores. Annual incentive compensation described in this Section 2.3 shall be earned by and payable to Coach only if Coach is employed as the Head Men's Basketball Coach on the day of the event that forms the basis for the incentive compensation and, subject to the applicable termination provision(s) of this Agreement, any termination after such time that the compensation is earned by Coach shall not alleviate the University's obligation to pay such compensation to Coach. All annual incentive compensation paid by the University under this Section 2.3 will be funded by donors in accordance with NCAA Bylaw 11.3.2.3.

Article II of the Employment Agreement is amended by adding the following language as a new section:

**SECTION 2.10. AIRCRAFT.** The University shall provide Coach with the use of non-commercial (private or charter) aircraft for Coach's personal, non-business travel, and/or that of his guests and/or family, for up to ten (10) round-trip flights within the continental United States per Contract Year. Coach acknowledges that the provision of aircraft for personal, non-business travel is a taxable fringe benefit subject to all applicable state and federal tax reporting and withholding requirements.

Article III, Section 3.1.2 of the Employment Agreement is amended by deleting the current language in its entirety and substituting the following language:

**Section 3.1.2. Separation Payment.** If the University terminates this Agreement without cause, then the University shall pay Coach a separation payment (the "University Separation Payment") in accordance with the following schedule:

<u>Date of Termination by University</u>	<u>Amount of University Separation Payment</u>
May 1, 2019 – April 30, 2022	One hundred percent (100%) of the aggregate Base Pay and Supplemental Pay that Coach would have earned under this Agreement between the Termination Date and April 30, 2024
May 1, 2022 – April 15, 2024	Fifty percent (50%) of the aggregate Base Pay and Supplemental Pay that Coach would have earned under this Agreement between the Termination Date and April 30, 2024

Article III of the Employment Agreement is amended by adding the following language as a new section:


**Section 3.1.13. Health Insurance.** If this Agreement is terminated pursuant to Section 3.1, then the University shall provide a one-time cash payment to Coach in the amount of One Hundred Thousand Dollars (\$100,000) for Coach to use in obtaining lifetime health insurance benefits for himself and his spouse, payable on the date of the first monthly installment of the University Separation Payment under Section 3.1.3.

*[signature page follows - remainder of page intentionally left blank]*


Except as revised by this Amendment Number 1, the Employment Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment Number 1 on the dates indicated below.

THE UNIVERSITY OF TENNESSEE

By:   
Phillip Fulmer  
Director of Athletics  
The University of Tennessee, Knoxville

4/18/19  
Date

  
Dr. Wayne T. Davis, Chancellor  
The University of Tennessee, Knoxville

4/22/19  
Date

  
David L. Miller  
Chief Financial Officer  
The University of Tennessee

4/26/19  
Date

RICK BARNES



Rick Barnes

4/17/19  
Date