

TERM SHEET BETWEEN
LOUISIANA STATE UNIVERSITY AND MATT MCMAHON

Position: Head Men's Basketball Coach at LSU

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

Term: Effective no later than March 25, 2022 and ending June 30, 2029

Compensation:

- Base Salary (annual rate; pro-rated for partial years): \$400,000
- Supplemental Compensation (annual rate, pro-rated for partial years):
 - No later than March 25, 2022 through June 30, 2023 \$2,200,000
 - July 1, 2023 through June 30, 2024 \$2,300,000
 - July 1, 2024 through June 30, 2025 \$2,400,000
 - July 1, 2025 through June 30, 2026 \$2,500,000
 - July 1, 2026 through June 30, 2027 \$2,600,000
 - July 1, 2027 through June 30, 2028 \$2,700,000
 - July 1, 2028 through June 30, 2029 \$2,800,000

Incentives:

Post-Season Participation:

- Southeastern Conference:
 - SEC Regular Season Champion (solo or shared) \$50,000 AND
 - SEC Tournament Championship \$50,000
- NCAA Tournament Appearance:
 - First Round (includes First Four) \$50,000 AND
 - Round of 32 \$50,000 AND
 - Sweet 16 \$50,000 AND
 - Elite 8 \$50,000 AND
 - Final Four \$50,000 AND
 - National Championship Game \$50,000 AND
 - NCAA Tournament Champion \$100,000
- Coach of the Year:
 - Southeastern Conference Coach of the Year \$25,000 AND
 - National Coach of the Year \$50,000
- Academic Incentive Compensation:
 - Single Year Academic Progress Rate 930 or above \$50,000

Other Special Incentives (paid by LSU or an affiliated foundation):

- Coach shall receive a one-time supplemental compensation payment of \$400,000 upon execution of the long-form Employment Agreement.
- Coach shall receive a courtesy vehicle, if available, or a vehicle allowance in the amount of \$999 per month.
- A relocation allowance to cover incidentals and other costs associated with moving and, if necessary, up to 14 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.

- At LSU's sole discretion, LSU shall either (a) directly pay (as a business expense), or (b) fund any amounts payable as the result of the voluntary termination of Coach's former employment agreement. If payment is made to Coach in satisfaction of this obligation, and it is deemed to be taxable compensation to Coach, LSU shall include in the amount funded a one-time additional amount sufficient to make Coach reasonably whole to the extent of any initial tax liability that may accrue to Coach.
- If LSU receives a post-season ban for two or more years or a scholarship reduction of two or more scholarships for three or more years, as a result of actions that occurred prior to the start date of this contract, one additional year (i.e., 2029-2030) will be added to the term of the contract.

Termination without Cause by University: If LSU terminates the employment of Coach without Cause, LSU will pay eighty percent (80%) of remaining Base Salary and Supplemental Compensation which would have been payable to Coach over the remaining Term with partial years and months pro-rated. Any payments due to Coach will be paid in equal monthly installments over the course of the remaining Term.

Coach shall have the duty to mitigate and use best efforts to obtain employment in another coaching or professional position as a college or professional coach, executive, or media commentator with a national or regional network, broadcast station, cable company, or streaming service with compensation at market value. For the purposes of this section, "compensation at market value" means compensation reasonably consistent with that of a person holding the same or similar position at a peer institution, firm, or company.

Coach shall not attempt to allow third parties to take advantage of this section as a means of avoiding paying the market value of Coach's services. In the event Coach breaches these obligations, LSU will have the right to (i) be completely relieved of any obligation to make any remaining payments owed to Coach (following notice to Coach and a reasonable opportunity for Coach's new employer to cure any deficiency) or (ii) adjust payments to reflect the market value for Coach's employment or services. Mitigation shall be calculated as follows:

- If new employment is via contract, LSU shall reduce future payments by the greater of:
 - The average annual compensation of Coach's new employment agreement (regardless of term) or
 - The specific annual compensation due for given year corresponding to this Agreement.
- If new employment is not via contract (i.e., at-will), LSU will reduce future payments by the specific annual compensation due for given year corresponding to this Agreement.

Termination for Cause by University: If LSU terminates the employment of Coach for cause, LSU shall have no obligation to Coach to pay any further amounts beyond the end of the month in which Coach is terminated except for any amount(s) that has or have been earned by Coach prior to the termination of Coach's employment.

Termination by Coach: If Coach terminates his employment, Coach will pay to LSU (within 60 days of the date of termination) liquidated damages based on the date of termination as follows:

• March 25, 2022 through June 30, 2023	\$5,000,000
• July 1, 2023 through June 30, 2024	\$4,000,000
• July 1, 2024 through June 30, 2025	\$3,000,000
• July 1, 2025 through June 30, 2026	\$2,000,000
• July 1, 2026 through June 30, 2027	\$1,000,000
• July 1, 2027 through June 30, 2028	\$500,000
• July 1, 2028 through June 30, 2029	\$0

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.

Both parties agree that an electronic signature of a party, whether digital or encrypted, included in this Term Sheet agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Delivery of a copy of this Term Sheet agreement bearing an original or electronic signature by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

ACCEPTED AND AGREED:



Scott Woodward
On behalf of Louisiana State University

3/21/2022

Date



Matt McMahon (Mar 21, 2022 17:21 CDT)

Matt McMahon

Mar 21, 2022

Date