



March 24, 2022

Mr. Steve Prohm



RE: Memorandum of Understanding ("MOU")
Head Men's Basketball Coach – Murray State University

Dear Steve,

It is with great pleasure that I, on behalf of Murray State University as authorized by the university president, offer you the position of Head Men's Basketball Coach at Murray State University ("University"), effective March 25, 2022, subject to Board of Regents approval which shall be sought at the next meeting of the Board of Regents. This Memorandum of Understanding, which presents the material terms of our offer, will be expanded, and incorporated into a formal employment contract between you and Murray State University. Your acceptance of this offer will constitute a binding agreement between you and Murray State University subject to the terms incorporated herein. The employment contract will be for a period of 4 years (through June 30, 2026), with an automatic extension for an additional Contract Year as of June 30, 2023 provided that Coach remains employed as the Head Men's Basketball Coach on that date. Contract Years shall run from July 1 to the following June 30, except for the First Contract year which shall start as of the date of this MOU and end on June 30, 2023.

Your compensation will include the following:

- Guaranteed annualized base compensation of \$395,000.
- Annual Media/endorsements (i.e., Radio/television appearances and speaking engagements) compensation of \$125,000 paid monthly.
- Retention bonuses of \$50,000 (payable June 30, 2025), \$100,000 (payable June 30, 2026) and \$150,000 (payable June 30, 2027, in the event term is extended June 30, 2023).
- Incentive compensation for achieving academic and athletic performance goals as determined by the Director of Athletics and the Head Men's Basketball Coach (cumulative). Performance bonuses are as follows:
 - APR four-year cohort of 960 or GPA of 2.75 \$25,000

- MVC Coach of the Year \$25,000
- National Coach of the Year \$25,000
- 20 or more wins +1 Contract Year extension
 - Effective immediately, subject to Term not exceeding 4 years
- 20 or more wins \$25,000
- 25 or more wins \$25,000
- MVC Regular Season Championship \$25,000
- NCAA Tournament Bid \$25,000
(MVC Tournament Champion/at large/First Four)
- NCAA Round of 32 appearance \$30,000
- NCAA Sweet 16 appearance \$30,000
- NCAA Elite 8 appearance \$35,000
- NCAA Final 4 appearance \$50,000
- NCAA National Championship appearance \$100,000
- Standard benefits on the same terms as provided by University to all “full-time” employees of similar status, with contributions and benefits amounts based upon the base salary, up to IRS and other applicable limits, where relevant, with the exception that vacation leave is provided as authorized by the Director of Athletics.
- Automobile through the athletics department courtesy car program, lease and/or vehicle stipend equal to \$1,000/month.
- Salary pool for assistant coaches/support staff of minimum \$425,000 to be reviewed annually with hiring, supervision, and termination to be done in accordance with University rules and each staff’s salary to be set in consultation with the Director of Athletics and per University rules.
- University shall make available to Coach up to 20 tickets for each men’s basketball game (pre-season, post-season, home and away).
- Murray Country Club Family membership.
- Coach’s family may travel at no expense on all University Men’s Basketball Team trips, subject to availability.

Among other terms, your employment contract shall include the following:

- You shall be prohibited from receiving any benefits or compensation other than as described above from any other source without prior consent of the Director of Athletic not to unreasonably withheld, conditioned or delayed.
- If you terminate the contract, or if the contract is terminated for cause, the University shall not be liable for any payments or benefits after the date of termination, except compensation or benefits earned, due, vested or accrued prior to the effective date of termination..
- “For cause” shall include, but is not limited to:
 - Violations of university policy or procedures applicable to University employees.
 - Significant, severe, and/or repeated violation(s) of NCAA, Conference or University regulations that occurred during tenure as Coach of which Coach was a direct participant (or for which Coach has responsibility pursuant to NCAA rules

and regulations), or violations of which Coach was aware and did not report to the appropriate authority.

- Conduct which is unbecoming of the Head Men's Basketball Coach position and would cast the University or the Department of Athletics in a negative light and which materially damages the reputation of either.
- Excessive and unexcused absence from the University or failure to perform the duties of the position in accordance with the terms of this Agreement.
- With respect to any "termination for cause," University acknowledges that it is not the intent of University to terminate Coach "for cause" for minor, technical, or otherwise immaterial defaults or insignificant University regulations or for NCAA or conference violations which do not entail the risk of major institutional penalties. Moreover, where appropriate, prior to invoking its right to terminate Coach "for cause", University agrees that it shall afford Coach with a reasonable opportunity to cure a default in a timely and prompt manner, provided that such default is of a nature that is capable of being cured (as determined in the University's reasonable discretion).
- The parties acknowledge and agree that the Team's won/loss record or other measures of on-court performance shall not be deemed grounds "for cause."
- A provision that you will agree not to seek or apply for other collegiate/professional basketball coaching positions without prior notice. If you accept another collegiate or professional basketball coaching position buyout terms will be as follows:
 - \$1,000,000 departure prior to June 30, 2023
 - \$800,000 departure between July 1, 2023 and June 30, 2024
 - \$600,000 departure between July 1, 2024 and June 30, 2025
 - \$500,000 departure between July 1, 2025 and June 30, 2026
 - \$500,000 departure between July 1, 2026 and June 30, 2027
 - If extended June 30, 2023

"Without cause" termination will include University paying to Coach, via monthly or lump sum payments at the discretion of the University, One hundred percent (100%) of any gross salary and Media/endorsement payments remaining for the remainder of the contract and all bonuses and benefits earned, due, vested or accrued, as well as sick leave accrued, as of the date of termination which Coach agrees to accept.

These terms and provisions, along with other provisions consistent herewith, will be more fully explained and clarified in the full employment agreement. Both parties shall use best efforts to execute an employment contract within 30 business days of this MOU. This MOU will serve as the contract between the parties until a formal contract is signed. Coach's continued employment is subject to Board of Regents approval and a successful background check.

It is with great anticipation and enthusiasm that I offer you the position of Men's Basketball Head Coach at Murray State University. Assuming that you are amenable, please indicate your acceptance by signing below. I have every confidence that you will lead our men's basketball program with character, integrity, and great pride, and I look forward to welcoming you home to the Racer Family.

Best Regards,

Kevin Saal
Director of Athletics
Murray State University

Terms of the Memorandum of Understanding are accepted.

A handwritten signature in black ink, appearing to read "S. Prohm", written over a horizontal line.

Steve Prohm

A handwritten date "3-25-22" in black ink, written over a horizontal line.

Date