

## EMPLOYMENT CONTRACT

This Employment Contract (hereinafter referred to as the "Contract"), effective July 1, 2020 (the "Effective Date"), is hereby made by and between Oklahoma State University (hereinafter referred to as "University") and Michael R. Gundy (hereinafter referred to as "Employee").

WHEREAS, University and Employee entered into an Employment Contract dated January 1, 2017 and amended January 1, 2018 and a Talent and Personal Services Contract dated January 1, 2017 and amended January 1, 2018 (collectively the "Current Contracts"); and

WHEREAS, University desires to continue the employment of Employee as the Head Coach for University's Intercollegiate Football Team; and

WHEREAS, Employee desires to accept said offer of continued employment and amend and restate his Current Contracts with this Contract and the Talent and Personal Services Contract attached hereto as Exhibit B.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, University hereby continues the employment of Employee as the Head Coach of University's Intercollegiate Football Team and Employee hereby accepts continued employment as the Head Coach of University's Intercollegiate Football Team under the following terms and conditions:

### ARTICLE I - DEFINITIONS

As used in this Contract (including within these paragraphs) the following terms shall have these meanings:

1.01 "NCAA" means the National Collegiate Athletic Association, and its successors.

1.02 "FBS" means NCAA Football Bowl Subdivision, and its successors.

1.03 "Conference" means the Big XII Conference, its successor or any other athletic conference of which University may be or become a member.

1.04 "Governing Athletic Rules" means any and all present or future legislation, rules, regulations, directives, written policies, bylaws and constitutions, and official or authoritative interpretations thereof, and any and all amendments, supplements, or modifications thereto promulgated hereafter by the NCAA or the Conference or by any other athletic conference or governing body hereafter having regulatory power or authority relating to the athletic program of University. Governing Athletic Rules shall

also include any acts of Congress or the State of Oklahoma regulating college athletics, officials, athletes, and competition.

1.05 "University Rules" shall mean any and all future legislation, rules, regulations, directives, written policies, bylaws and constitution, and official or authoritative interpretations thereof, and any and all amendments, supplements, or modifications thereto promulgated hereafter by University, including without limitation, its President and Director of Intercollegiate Athletics (hereinafter referred to as "Director"), or by the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges (hereinafter referred to as "Board of Regents").

## ARTICLE II - POSITION

2.01 Employment. Employee agrees to act at all times in a manner consistent with good sportsmanship and with the high moral, ethical and academic standards of University. Employee agrees to abide by and comply with all University Rules, including any mandatory reporting requirements under state and/or federal law, including, but not limited to, Title IX of the Civil Rights Act of 1964. Employee shall exercise due care that all personnel and students under Employee's supervision or subject to Employee's control or authority shall comport themselves in like manner.

### 2.02 Duties and Responsibilities.

(a) Employee agrees to be a loyal employee of University. Employee agrees to devote Employee's best efforts and abilities full time to the performance of Employee's duties as Head Coach for University and to give proper time and attention to furthering Employee's responsibilities to University. Subject to and including the termination provisions of Article V herein, poor performance of administrative duties or responsibilities, failure to meet performance standards, using University resources to advance Employee's personal opinions on matters unrelated to responsibilities as Head Football Coach, or misconduct of any kind will result in appropriate disciplinary or corrective action including termination.

(b) Employee is an "Exempt" employee as defined by University and is excluded from coverage under the provisions of the Oklahoma Personnel Act, 74 Okl. St. Ann. § 840-1.1, et seq., as amended. The terms of his employment are restricted solely to this Employment Contract.

(c) Employee hereby waives any and all grievance rights under any University grievance procedure. Employee's grievance rights, if any, shall be solely as set forth herein, except for those charges of discrimination brought under laws enforced by the U.S. Equal Employment Opportunity Commission, including, but not limited to,

allegations involving race, color, religion, sex (including pregnancy, gender identity and sexual orientation), national origin, age (40 or older), disability or genetic information.

(d) Employee agrees to abide by and comply with NCAA and other Governing Athletic Rules and University Rules relating to the conduct and administration of the Football program and to work cooperatively with University's compliance personnel on compliance matters and NCAA rules education. In particular, Employee recognizes an obligation personally to comply with, and to exercise due care that all personnel and students subject to Employee's direct control or authority comply with, Governing Athletic Rules relating to recruiting and furnishing unauthorized extra benefits to recruits and student-athletes, including, without limitation, purchase or sale of game tickets and furnishing unauthorized transportation, housing, and meals, and with laws and Governing Athletic Rules relating to gambling, betting, and bookmaking, and the illegal sale, use, or possession of controlled substances, narcotics, or other chemicals or steroids. In the event Employee has knowledge of, or has reasonable cause to believe, that violations of Governing Athletic Rules may have taken place, Employee shall report the same immediately to the Director, and to the University's Senior Associate Athletic Director for Compliance. Employee agrees to abide by the academic standards and requirements of University in regard to recruiting and eligibility of prospective and current student-athletes. Employee recognizes that the primary mission of University is that of an institution of higher education and that University has assigned a high priority to the academic achievement of the students who participate in its athletic programs and that it is the expectation of the University, its President, and the Board of Regents that Employee will emphasize the importance of academic achievement to the students who are athletes at the University. Employee agrees to fully cooperate with the faculty and administrators of University in connection with the academic pursuits of student-athletes and promote those efforts.

(e) Employee shall perform and administer to the reasonable satisfaction of the Director the duties and responsibilities ordinarily associated with and performed by a Head Football Coach at a major university that is a member of the NCAA participating in the FBS.

(f) Employee must cooperate fully in the infractions process, including the investigation and adjudication of a case. Full cooperation includes, but is not limited to: (a) affirmatively reporting instances of noncompliance to the NCAA in a timely manner and assisting in developing full information to determine whether a possible violation has occurred and the details thereof; (b) timely participation in interviews and providing complete and truthful responses; (c) making a full and complete disclosure of relevant information, including timely production of materials or information requested, and in the format requested; (d) disclosing and providing access to all electronic devices used in any way for business purposes; (e) providing access to all social media, messaging and other applications that are or may be relevant to the investigation; and (f) preserving the

integrity of an investigation and abiding by all applicable confidentiality rules and instructions. If Employee is found to be in violation of Governing Athletic Rules while employed by University, Employee shall be subject to disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedures or Conference Rules. Furthermore, in addition to any other provisions contained in this Contract, Employee shall indemnify the University for all (i) reasonable third party attorney and consulting fees, not to exceed \$200,000.00, incurred by University in responding to the attributable portion of any official inquiry of the NCAA resulting in a show cause penalty or suspension against Employee by the NCAA Committee on Infractions as a result of a finding of a Level I or Level II violation, or (ii) fines or assessments imposed upon the University by the Conference as a result of Employee's actions.

(g) Employee will exercise due care to avoid involvement with non-employee "representatives of the institution's athletic interests" as that term is defined in NCAA rules, during games, practices, or team travel, in the locker room, or as part of recruiting activities.

(h) Any television, radio, consultant, endorsement, or outside employment agreement or contract of any nature, as well as all other activities related to Employee's involvement in University athletics will be under the supervision, direction, and control of the Director. All such arrangements and activities must first be approved annually in writing by the Director and shall not conflict with the best interest of the University.

(i) Employee may operate sports camps or other activities using the University's name or facilities, provided such activities shall only be conducted with prior notice to and subject to the approval of the Director. Such activities shall at all times be in strict compliance with any applicable NCAA and Conference policies and those policies, laws, or regulations applicable to University, including those, if any, requiring the payment of fees for the use of University facilities (which shall not exceed five percent (5%) of the gross revenue from the camp or activity). Employee shall be entitled to retain the net income (gross revenue less ordinary and necessary camp expenses, including the University fee referenced above) from the operation of all youth Football camps held at University facilities.

(j) It is specifically understood that Employee shall not use, directly or by implication, the name of the University or its logos in the endorsement of commercial products or services for personal gain without the prior written approval of the President.

(k) It is recognized that the Director is responsible to the President who is ultimately responsible to the Board of Regents for the operation, review, and periodic evaluation of the entire intercollegiate athletics program, including the Football program. Employee recognizes and acknowledges the importance of the maintenance and observance of the principles of institutional control as contemplated by NCAA rules over every aspect of

the program. Employee agrees to recognize and respect those relationships and the organizational structure of University.

(l) To ensure consistency with NCAA bylaws, Employee must provide to University annually in accordance with University Rules and Governing Athletic Rules an account of all athletically-related income and benefits received from sources outside University.

2.03 Reporting Relationship. Employee shall report directly to the Director. Employee's job duties and responsibilities may be reviewed and revised from time to time by the Director provided that such duties and responsibilities are reasonable and consistent with duties typical of a Head Football Coach at a major university that is a member of the NCAA participating in the FBS.

2.04 Assistant Coaches. Subject to the approval of the Director and in accordance with University Policy or individual contracts, Employee shall have authority to select, establish the salaries of, and dismiss assistant football coaches, and to direct the scope of their duties, provided the costs of employment of such coaches shall remain within the University's allotted budget for said purposes.

### ARTICLE III - TERM

3.01 Term. This Contract shall begin on the Effective Date and end December 31, 2023, unless otherwise extended as specifically provided in this Section 3.01. This Contract also remains subject to earlier termination in accordance with the provisions of Article V. This Contract shall continue for a rolling four (4) year term, automatically extending by an additional year each January 1<sup>st</sup> hereafter, unless the University provides Employee written notice to the contrary on or before December 31<sup>st</sup>. For purposes of this Section only, such notice shall be in writing and may be transmitted by hand-delivery or any form of generally accepted electronic transmission (currently fax, email, etc.) to Employee, and such notice shall be considered effective on the date of such transmission. If such notice is provided, the term of this Contract shall expire at the end of the then-current term without any additional extensions and without the need for any additional notice, unless subsequently terminated earlier in accordance with Article V.

### ARTICLE IV - COMPENSATION

#### 4.01 Compensation

(a) The compensation paid by University to Employee for services and satisfactory performance of the conditions of this Contract shall be at the annual salary rate of \$500,000.00 per annum, prorated for partial years, payable in monthly installments out of legally available funds by University to Employee on the last day of each calendar month

during the term of this Contract. In addition, Employee shall receive from legally available funds bonuses earned, if any, based on the performance incentives attained in the football season of the then-current fiscal year in accordance with "Exhibit A" entitled "Financial Incentives," attached hereto and made a part herein. It is agreed that the compensation so paid shall be subject to the same payroll deductions (for example, state and federal taxes, F.I.C.A. withholding, and retirement plans) that apply to Exempt University employees. Employee shall be entitled to annual vacation or leave time and sick leave in accordance with University policy governing Exempt employees; however, no terminal vacation leave (i.e., accrued but unused annual leave) shall be due or claimed by Employee upon any termination from University employment. Employee shall be eligible to participate in group insurance and retirement programs and voluntary payroll deduction programs on the same basis, and with the same employer contributions, that apply to Exempt employees.

(b) University, as additional compensation to Employee, shall make arrangements for Employee to receive on a loan basis an automobile for his use. It is further agreed that University shall provide and make available to Employee appropriate gasoline credit cards for Employee's use in the performance of his duties with University pursuant to this Contract, which cards shall be available to Employee throughout the term of this Contract. University further agrees to provide appropriate liability and comprehensive automobile insurance to cover Employee in the use and operation of said vehicle, during the term of this Contract.

(c) The University shall provide the Employee, at no cost to Employee, one "Party Suite" on the Club Level for the University's home football games. The suite shall include no more than twenty-five (25) tickets per game which shall be used by Employee in his sole discretion in discharging his official responsibilities under this Contract. Any additional tickets must be approved by the Director.

(d) The University shall pay all fees and dues for Employee's membership at the Karsten Creek Golf Club, subject to the written approval of the Director, which membership is required for the conduct of development activities and entertainment associated with Employee's official responsibilities. All personal charges and expenses not related to University associated activities shall be paid by Employee.

(e) The University shall provide the Employee, at no cost to Employee, four (4) tickets at Gallagher-Iba Arena for OSU Men's Basketball home games, located in the 100 level.

## ARTICLE V - TERMINATION

5.01 Automatic Termination Upon Death or Disability of Employee. Should Employee be unable to perform his duties under this Contract by reason of disability or death, this Contract, and University's obligations hereunder shall terminate immediately.

5.02 Termination by University. Employee recognizes that his promise to remain as a University employee through the entire term of this Contract is of the essence of this Contract to University. It is also recognized that certain limited circumstances may make it appropriate for University to terminate this Contract prior to the completion of its entire term.

5.03 Termination by University for Just Cause.

(a) This Contract may be terminated by the Director for "just cause" prior to its expiration. The term "just cause" shall include, in addition to and as examples of its normally understood meaning in employment contracts, any of the following:

1. *Dishonesty.* Demonstrated dishonesty of Employee, including any material misrepresentations of Employee's educational or other qualifications for employment as Employee hereunder;
2. *Material Neglect.* Material neglect by Employee of properly and reasonably assigned duties consistent with Employee's position;
3. *Improper Personal Conduct.* Personal conduct that materially impairs Employee's fulfillment of assigned duties and responsibilities, including use or consumption by Employee of alcoholic beverages, drugs, controlled substances, steroids or other chemicals in such degree and for such appreciable period as to impair significantly or materially his ability to perform his duties hereunder or failure by Employee to fully cooperate in the enforcement and implementation of any drug testing program established by University for student-athletes;
4. *Violations of Code of Conduct.* Material violation by Employee of University Rules or other applicable policies governing athletics or University employees, including any cause adequate to sustain the termination or suspension, as the case may be, of any other University employee;
5. *Conflicts.* Material violation by Employee of conflict of interest laws;
6. *Governing Athletic Rules Violations by Employee.* Significant, intentional or repetitive violation of Governing Athletic Rules (including, without limitation, the rules relating to sportsmanship, illegal gambling, illegal betting and bookmaking) by Employee;
7. *Governing Athletic Rules Violations by Others.* Significant or repetitive violation of Governing Athletic Rules (including, without limitation, the

rules relating to sportsmanship, illegal gambling, illegal betting, and bookmaking) by program personnel or a student-athlete, and the violation occurs or continues to occur after Employee knew or should have known that it was about to occur or was occurring;

8. *Convictions.* Conviction of or plea of *nolo contendere* by Employee of a criminal act that constitutes either a felony, a misdemeanor involving moral turpitude or any other criminal act which demonstrates that Employee is not fit to serve in the position of Head Coach;
9. *Conduct Affecting University.* Participating in any conduct, committing any act, or becoming involved in any situation, occurrence, or activity that brings Employee into public disrepute, contempt, scandal, or ridicule or that reflects unfavorably on the reputation or the high moral or ethical standards of University;
10. *Insubordination.* Employee's failure or refusal to obey a directive from the Director after reasonable opportunity to comply, and/or failure by Employee to maintain communication with Director as may be reasonably necessary to maintain a proper working relationship; or
11. *Breach.* A material breach by Employee of any provision of this Contract.
12. *Failure to Report.* Failure by Employee to promptly make a report under applicable state and/or federal law, including, but not limited to, mandatory reporting under Title IX of the Civil Rights Act of 1964.

(b) "Just Cause" sufficient to satisfy the provisions of Section 5.03(a) herein shall be determined by the Director. Once such determination is made, the Director shall have the administrative authority to take one or more of the following actions that he deems appropriate: (1) termination of employment; (2) suspension, with or without pay, for a period of time as the University shall determine; (3) forfeiture or reduction of Financial Incentives listed on Exhibit A; (4) modification of duties; or (5) reassignment to other employment duties within the University. Provided, termination of employment by the University may occur only after recommendation of such action by the Director and President and approval thereof by the Board of Regents. If termination is recommended, the President shall notify Employee in writing, specifying the grounds for termination with cause, and allowing Employee three (3) business days to respond or otherwise address the concerns of the Director, before presenting any such recommendation to the Board of Regents.



(c) University Obligations to Employee for Termination for Just Cause. In the event of a termination under Section 5.03(a), all obligations of University to make further payments and/or to provide any other considerations hereunder shall cease as of the end of the month in which such termination occurs. In no event shall University be liable to Employee for the loss of any collateral business opportunity or any other benefits, perquisites or income resulting from any activities. Provided, that a termination under Section 5.03(a)(10), shall require the University to pay Employee a sum equal to Five Hundred Thousand Dollars (\$500,000.00) per year for each year or portion thereof remaining on the term of this Contract.

1. Bargained For Consideration. The parties have bargained for this liquidated damages provision for a termination under Section 5.03(a)(10), giving consideration to the following:
  - i. This is a contract for personal services.
  - ii. The parties recognize that a termination of this Contract by University prior to its natural expiration would cause Employee to lose his salary, Talent and Personal Services compensation, camp contract, fringe benefits, certain other University-provided benefits and possibly other income and benefits provided by third parties which damages are difficult to determine with certainty.
  - iii. The parties further agree that the payment of such liquidated damages by University and acceptance thereof by Employee shall constitute adequate and reasonable compensation to Employee for the damages and injury suffered by Employee as a result of such termination. The foregoing shall not be, nor be construed to be, a penalty.
  - iv. The parties agree that Employee shall not be entitled to recover any other damages, of any kind, from University and these liquidated damages shall constitute Employee's sole and exclusive remedy.
2. Timing of Payment. Any payment due for a termination under Section 5.03(a)(10) will be made in monthly installments or other such reasonable payment schedule as determined by University.
3. Mitigation of Damages. Notwithstanding the provisions of Sections 5.03(a)(10) and 5.03(c), Employee agrees to mitigate University's obligation to pay the liquidated damages set forth in Section 5.03(c) for a termination under Section 5.03(a)(10) and to make reasonable and diligent efforts to obtain comparable employment (i.e., in the football industry), including,

but not limited to, a coaching position at a university or professional team or other similar employment involving athletics, as soon as reasonably possible after termination of this Contract by University under Section 5.03(a)(10). After Employee obtains such new employment, University's financial obligations under this Contract, including this Section 5.03(c) for a termination under Section 5.03(a)(10), shall be reduced proportionally by any compensation received from such new employment during the term of this Contract.

(d) Employee Obligations to University for Termination for Just Cause Due to Governing Athletic Rules Violations. If this Contract is terminated under Section 5.03(a)(6) or 5.03(a)(7), relating to Governing Athletic Rules violations, any performance bonus paid subsequent to the date of the infraction of Governing Athletic Rules under this Contract between Employee and University will be refunded by Employee to University. If this Contract is terminated under Section 5.03(a)(6) or 5.03(a)(7), in addition to the refund of any performance bonus as set forth above, Employee will pay to University as damages, and not as a penalty, an amount not to exceed \$200,000.00, provided that such damages are sustained by University as a direct result of a significant or repetitive violation of Governing Athletic Rules, which violation occurred during the period of Employee's employment at University. Any claim by University, if disputed by Employee, that such damages have been sustained will be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Any arbitration commenced shall be held in Payne County, Oklahoma. Any amount payable by Employee under this subparagraph of Section 5.03 will be paid within sixty (60) days after written notice from University as provided in Section 6.11, or, if there is an arbitration, within sixty (60) days after the final determination by the arbitrator.

5.04 Termination by University Without Just Cause; Liquidated Damages. This Contract may be terminated by the Director at any time without just cause upon written notice to Employee.

(a) Liquidated Damages. In such event, University will pay Employee liquidated damages in the amount of a sum equal to fifty percent (50%) of the total monetary compensation which would otherwise be payable under Section 4.01 (a) of this Contract and Section 3.01(a) and Section 3.01(d) of Employee's Talent and Personal Services Contract (hereinafter referred to as "Talent Contract" and attached hereto as Exhibit B) over the remainder of their respective terms.

(b) Bargained For Consideration. The parties have bargained for this liquidated damages provision, giving consideration to the following:

1. This is a contract for personal services.

2. The parties recognize that a termination of this Contract by University prior to its natural expiration would cause Employee to lose his salary, Talent and Personal Services compensation, camp contract, fringe benefits, certain other University-provided benefits and possibly other income and benefits provided by third parties which damages are difficult to determine with certainty.
3. The parties further agree that the payment of such liquidated damages by University and acceptance thereof by Employee shall constitute adequate and reasonable compensation to Employee for the damages and injury suffered by Employee as a result of such termination. The foregoing shall not be, nor be construed to be, a penalty.
4. The parties agree that Employee shall not be entitled to recover any other damages, of any kind, from University and these liquidated damages shall constitute Employee's sole and exclusive remedy.

(c) Timing of Payment. Any payment due under this Section 5.04 will be made in monthly installments, with the entire amount of such liquidated damages less mitigated amounts paid within the remaining term of the Contract.

(d) Mitigation of Damages. Notwithstanding the provisions of this Section 5.04, Employee agrees to mitigate University's obligation to pay liquidated damages under this Section 5.04 and to make reasonable and diligent efforts to obtain comparable employment (i.e., in the football industry), including, but not limited to, a coaching position at a university or professional team or other similar employment involving athletics, as soon as reasonably possible after termination of this Contract by University without just cause. After Employee obtains such new employment, University's financial obligations under this Contract, including this Section 5.04 shall be reduced proportionally by any compensation received from such new employment during the term of this Contract.

5.05 Other Employment. Employee agrees not to personally, whether directly or indirectly or through any agent or other representative, seek, negotiate for, or accept other full-time or part-time employment of any nature during the term of the Contract without first having obtained written permission from the Director.

5.06 Termination by Employee.

(a) Termination with Permission. Employee may terminate this Contract with the prior written permission of the Director. Permission to terminate this Contract shall be in addition to any permission obtained pursuant to Section 5.05. Employee and University

agree that at the time Employee seeks permission pursuant to Section 5.05 or this Section 5.06(a), Employee shall identify to the University the potential employer(s) and position(s) Employee wishes to consider and/or accept. If Employee does not secure permission pursuant to Section 5.05 or this Section 5.06(a), Section 5.06(b) shall apply. If Employee terminates this Contract with permission, Employee shall not be liable to the University for liquidated damages but shall be liable for damages in any amount mutually agreed to in writing by the parties at the time such permission to terminate is granted. In no circumstance shall the damages imposed pursuant to this subsection 5.06 (a) be less favorable to Employee than the terms of the liquidated damages prescribed by subsection 5.06(b), if any.

(b) Termination without Permission. In the event Employee terminates this Contract without the prior written permission of the Director, the following shall apply:

1. Liquidated Damages. In such event, Employee will pay University liquidated damages in the amount of Four Million Dollars (\$4,000,000.00). The amount of liquidated damages shall be reduced by One Million Dollars (\$1,000,000.00) each year that the Contract is not automatically extended pursuant to Section 3.01. The liquidated damages shall be increased to Four Million Dollars (\$4,000,000.00) if the University later extends the term to four (4) years.
2. Bargained For Consideration. The parties have bargained for this liquidated damages provision, giving consideration to the following:
  - i. This is a contract for personal services.
  - ii. The parties recognize that a termination of this Contract by Employee prior to its natural expiration would cause University to incur administrative, recruiting and resettlement costs in obtaining a replacement for Employee, in addition to potentially increased compensation costs if Employee terminates this Contract prior to its expiration, which damages are extremely difficult to determine with certainty.
  - iii. The parties further agree that the payment of such liquidated damages by Employee and acceptance thereof by University shall constitute adequate and reasonable compensation to University for the damages and injuries suffered by it because of such termination by Employee. The foregoing shall not be, nor be construed to be, a penalty.

- iv. The parties agree that University shall not be entitled to recover any other damages from Employee and these liquidated damages shall constitute University's sole and exclusive remedy unless Employee voluntarily terminates this Contract and University subsequently learns that Employee violated Governing Athletic Rules, in which event University may also seek to recover additional damages as set forth in Section 5.03(d).
3. Timing of Payment. Any payment due under this Section 5.06 will be made within sixty (60) days of Employee's termination of this Contract if Employee is employed within such sixty (60) day period as (i) head coach by another intercollegiate football team, or (ii) head coach of a National Football League team. Otherwise, such payment will be made in equal monthly installments over a period not to exceed three (3) years.

5.07 Force Majeure. If during the term of this Agreement, due to any occurrence - even if foreseeable - that (1) would make either party's performance under this contract impossible or impracticable or which occurrence causes a significant decrease in Athletic Department revenue as determined by the Director in his sole and absolute discretion; and (2) is beyond the reasonable control of such party including, but not limited to, delay of transportation services or access to means of transportation, natural disasters, floods, fires, earthquakes, tornadoes, riots, strikes, epidemics, pandemics, quarantines, acts of God, war (declared or undeclared) compliance with any act, regulation, order or request of any governmental authority or agency, including declarations of a state of emergency, whether local or national, or any other causes, whether direct or indirect, not within the reasonable control of such party (collectively, "Force Majeure"), the University shall have the right upon twenty-four (24) hours prior notice to Employee to reduce Employee's Compensation for the duration of such Force Majeure. The Director shall have the unilateral discretion to determine the appropriate amount and duration of reduction and such percentage reduction and duration will be no greater than the percentage reduction and duration of the Director's compensation.

## ARTICLE VI - MISCELLANEOUS

- 6.01 No Tenure. The parties hereby confirm their understanding that Employee's employment as Head Coach is a non-tenure track position and will not lead to tenure.
- 6.02 Headings Contained in this Contract. The section and paragraph headings contained in this Contract are for reference purposes only and will not affect in any way the meaning or interpretation of this Contract.
- 6.03 Choice of Law. This Contract shall be governed by and construed in accordance with the laws of the State of Oklahoma, without regard to conflicts of laws principles.

6.04 Forum Selection. The forum for any proceeding or suit in law or equity arising from or incident to this Contract shall be located in the State District Court of Payne County, Oklahoma, or the Federal District Court with jurisdiction over Payne County, Oklahoma.

6.05 Filing of Action. No such action may be filed until the party claiming to be aggrieved shall first have delivered to the other a written notice of intention to file suit, including an outline of complaints. This notice shall be delivered at least thirty (30) days before any suit is filed, and the parties shall use that period to engage in good-faith negotiations aimed at resolving the dispute without litigation. This paragraph is not intended to limit or circumscribe the legal rights of any party thereto, but rather to ensure that the parties exhaust all avenues of seeking a mutually agreeable accommodation of their differences before instituting litigation. In any situation where the terms of this paragraph might affect the legal rights of any party hereto, the parties shall stipulate to appropriate extensions of limitation periods and other matters to eliminate any such potential effect.

6.06 Contract Not Assigned. Employee's rights and interests under this Contract may not be assigned, pledged, or encumbered by Employee.

6.07 All Prior Agreements Superseded. This Contract constitutes the full and complete understanding and agreement of the parties with respect to the employment of Employee by University and supersedes all prior understandings and agreements, oral or written, regarding Employee's employment by University. Employee and University have bargained for and specifically agree that any and all University grievance procedures shall not apply to this Contract and all remedies are exclusively limited to the provisions contained herein.

6.08 Effect of Waiver. No waiver by the parties hereto of any default or breach of any covenant, term, or condition of this Contract shall be deemed to be a waiver of any other default or breach of the same or of any other covenant, term, or condition contained herein.

6.09 Employee Acknowledgment of Contract Terms. Employee acknowledges that Employee has read and understands the foregoing provisions of this Contract and that such provisions are reasonable and enforceable, and Employee agrees to abide by this Contract and the terms and conditions set forth herein.

6.10 Non-Waiver of University's Rights. It is expressly agreed and understood between the parties that nothing contained herein shall be construed to constitute a waiver by University of its right to claim any exemptions, privileges and immunities as may be provided by law.

6.11 Notice. Any notice (other than a notice pursuant to Section 3.01 of this Contract) or other communication which may or is required to be given under this Contract shall be in writing and shall be deemed to have been given on the earlier of the day actually received or on the close of business on the 5th business day following the day when deposited in the United States mail, first class postage prepaid, addressed to the party at the address set forth after its name below or such other address as may be given by such party in writing to the other:

If to University: VP for Athletic Programs and  
Director of Intercollegiate Athletics  
202 Athletics Center  
Stillwater, OK 74078  
Phone: 405-744-7231

If to Employee: Michael R. Gundy  
West End Zone  
Boone Pickens Stadium  
Stillwater, OK 74078

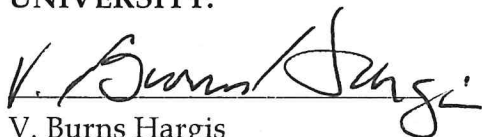
With a copy to: Baker, Ihrig & Corley, P. C.  
P. O. Box 668  
Stillwater, OK 74076

6.12 University Records and Funds. All materials or articles of information, including, without limitation, personnel records, recruiting records, team information, films, videos, statistics, or any other materials or data, furnished to Employee by University or developed by Employee at University's direction or for University's use or otherwise in connection with Employee's employment hereunder are and shall remain the sole and confidential property of University. Upon the expiration or earlier termination of this Contract, Employee shall deliver to University any such materials, as well as all loaned vehicles and all University-owned equipment, keys, credit cards, cellular telephones, pagers, laptop computers, and other property in Employee's possession or control. Employee shall further return to University any advanced recruiting funds or other similar funds previously advanced to Employee by University or a University supporting foundation for Employee's business use.

6.13 Partial Invalidity of Portion of Contract. The invalidity or unenforceability of any provision of this Contract has no effect on the validity or enforceability of any other provisions. It is the desire of the parties hereto that a court judicially revise any unenforceable provisions to the extent required to make them enforceable.

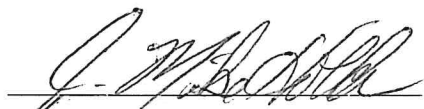
6.14 Binding Effect. It is understood and agreed that this Contract and any amendments, alterations, or interpretations thereof (with the exception of a notice pursuant to Section 3.01 of this Contract) must be in writing, and are subject to the approval of the Board of Regents and shall not be effective until such approval is granted and Contract is signed by the University President.

UNIVERSITY:



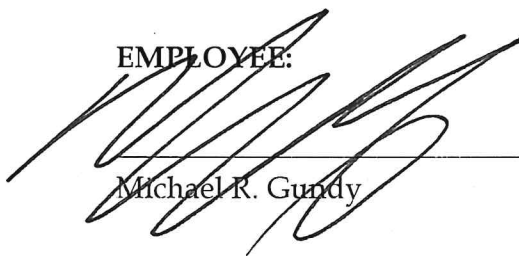
V. Burns Hargis  
President

Date: 7/2/20



Mike Holder  
VP for Athletic Programs and  
Director of Intercollegiate Athletics

EMPLOYEE:



Michael R. Gundy

Date: \_\_\_\_\_



**Exhibit A  
FINANCIAL INCENTIVES**

Appearing in a non-New Year's Six (or successor) bowl game	One and one-half (1 ½) Month's Base Salary as set forth in Section 4.01(a) of Employee's Employment Contract
OR	
Appearing in a New Year's Six (or successor) bowl game	\$125,000
OR	
Winning the Conference Championship Game, finishing first (or tied for first) in the Conference, if there is no Conference Championship Game, or participating in a College Football Playoff (CFP) Semifinal Game	\$150,000

AND

Appearing in the CFP (or successor) National Championship Game	\$350,000
OR	
Winning the CFP (or successor) National Championship Game	\$750,000

For the avoidance of doubt, incentives separated by "OR" are not cumulative. In any one season, only the highest financial incentive achieved will be paid. For example purposes only, if the football team wins the Conference Championship Game and appears in a New Year's Six level (not a CFP Semifinal) bowl game, the Performance Incentive Payment would be \$150,000; if the football team wins the Conference Championship Game in which it participates and appears in the CFP (or successor) National Championship Game, but does not win the game, the Performance Incentive Payment would be \$500,000.

Post Season Bowl Incentive Payments shall not be earned by or payable to Employee if he voluntarily leaves the employment of the University and/or terminates this Contract without cause prior to the official date for signing of the National Letter of Intent for the sport of football following the Bowl appearance. Payment of any earned Performance Incentive shall occur no later than the payroll cycle immediately following the official signing date.

**The decision of the Director shall be final as to any interpretations or disputes pertaining to these financial incentives.**

**Exhibit B**  
**TALENT AND PERSONAL SERVICES CONTRACT**

This Talent and Personal Services Contract (hereinafter referred to as "Contract"), effective July 1, 2020 (the "Effective Date"), is hereby made by and between Oklahoma State University (hereinafter referred to as "University") and Michael R. Gundy (hereinafter referred to as "Coach").

WHEREAS, Coach currently serves as the Head Football Coach for University's Intercollegiate Football team pursuant to an Employment Contract (hereinafter referred to as "Coach's Employment Contract") dated the same day as this Contract, and;

WHEREAS, Coach has agreed to perform certain duties in addition to usual customary coaching and recruiting activities in exchange for additional compensation, the parties desire to set forth in this instrument their agreement pertaining thereto;

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations contained herein, University and Coach mutually agree as follows:

**ARTICLE I - TALENT AND SERVICES**

1.01 Commercial Endorsements. Coach agrees that he shall provide additional services to University, which shall include, but not be limited to, the following:

(a) Personal appearances for the purpose of acting as a spokesperson promoting the businesses, services, activities, and goodwill of University, its sponsors, and any conference of which the University may be or become a member (the "Conference"). Such appearances include, but are not limited to, appearances in "Cowboy Caravans", the annual "Posse Auction", and other meetings and events typically attended by University or Conference head coaches to promote the goodwill of the University or Conference;

(b) Participation as a model in photography sessions for the production of print advertisements to be used to promote the businesses, services, activities, and goodwill of University and its sponsors;

(c) Participation and cooperation in rehearsal and production sessions and other activities related thereto and to perform such services in a competent and professional manner. Coach shall promptly comply with whatever reasonable instructions, suggestions, and recommendations University may give to him in connection with the rendition of such services;

(d) Wear approved clothing at football practices, games, exhibitions (including during locker room activities), clinics and/or sports camps, locker room and/or sideline/courtside celebrations and/or presentations, and other official or University sanctioned activities (including, but not limited to, photo sessions and interviews) during which team members, coaches and staff wear apparel; and

(e) Utilize and endorse various designated products, such as soft drinks and other beverages or food products.

1.02 Television and Radio Programs. Coach agrees that he shall provide additional services to University, which shall include, but not be limited to, the following:

(a) Coach agrees to personally appear, perform, and participate as requested from time to time in radio and television programs produced, or caused to be produced, by University or pertaining to University, particularly its Athletic Department. Appearances in television programs generally and ordinarily will consist of those shows produced for airing during the regular season. The radio shows ordinarily will consist of pregame and postgame programs, weekly call in shows, and daily season report shows; and

(b) Coach agrees to participate and cooperate in rehearsal and production sessions and other activities related thereto and to perform such services in a competent and professional manner. Coach shall promptly comply with whatever reasonable instructions, suggestions, and recommendations University may give to him in connection with the rendition of such services.

1.03 Exclusivity.

(a) During the term of this Contract, Coach shall neither render his services at any time, directly or indirectly, nor authorize or permit the use of his name or likeness to promote or advertise in connection with the advertising, promotion, or endorsement of any products, businesses, or services to or by any third party whatsoever which has not been approved by the University; and

(b) Coach agrees to refer all inquiries by third parties regarding his participation in advertising, promotion, and endorsements of products, businesses, or services to the University. If, after review of the details of any such referred third party request for Coach's personal services, the University decides not to pursue a contract or agreement with that third party, then the University, in its sole discretion, will decide whether Coach shall be permitted to render the personal services requested by the third party. If the University permits Coach to render the personal services requested by the third party, then Coach agrees that he will render such personal services only on the same terms and conditions (including financial) as were described in the third party's request to the University, and in such instances, Coach may retain all revenues derived therefrom. In

the event the Coach is denied permission by the University to render personal services to a third party, Coach agrees that any such denial by the University shall not constitute a breach of or grounds for termination of this Contract or Coach's Employment Contract with the University. Notwithstanding this Section 1.03 and subject to the provisions of subsection 2.02(i) of the Employment Contract, the parties agree that Coach shall be permitted to make appearances, provide services, use his name and likeness, and retain all revenues from sports camps and clinics conducted by Coach.

## ARTICLE II - GRANT OF RIGHTS

2.01 Grant of License. Coach grants to and hereby agrees that University and its successors and assigns, and any other nominee or designee, shall have the right to use without limitation or reservation, except as provided for herein, Coach's name, biographical material, likeness, recorded voice, endorsement, statements, drawings, picture or other likeness, or any of them (hereinafter in this Contract collectively referred to as "likeness") in connection with any and all publicity, advertising, sales, and trade purposes undertaken or developed pursuant to this Contract in any media, whether in a commercial or entertainment format, including, but not limited to, radio, television, videotapes, newspapers, magazines, special features in any media, point of sale, outdoor display, exhibition, merchandise, and art purposes in the United States and elsewhere at any time during the term of this Contract and for a period of six months after the term of this Contract. University, or its assignees, shall make reasonable efforts to have all commercials, printed promotional materials, and photographs withdrawn after the aforementioned six month period; however, it is recognized that some of such material may still be and will remain on display or in use in public beyond this period and such remainder shall not be deemed a breach of this Contract.

2.02 Commercial Ownership/Copyright. Coach agrees that he shall have no right, title, or interest of any kind or nature whatsoever, including copyright, in or to any commercials, advertisements, radio and television shows, merchandise, promotional materials, photographs, videotapes, prints, or negatives, or in or to any component part thereof, produced or created pursuant to the exercise of the rights granted hereunder, and Coach hereby assigns, conveys, and transfers to University any and all rights of copyright therein or thereto. Coach agrees that University shall have the full and complete right to use, distribute, reproduce, rebroadcast, telecast, reprint, copyright, exhibit, and display any such commercials, advertisements, endorsements, and radio and television shows in any manner or fashion in any country or countries. Coach further agrees that University shall be entitled to retain all revenues from all television and radio shows, commercials, advertisements, promotions, sponsorships, endorsements, and other activities produced or undertaken pursuant to this Contract unless otherwise expressly and specifically provided for herein.

## ARTICLE III - COMPENSATION

### 3.01 Compensation.

(a) In consideration for the services to be performed by Coach hereunder and the rights granted by Coach to University, University shall pay to Coach out of legally available funds the annual sum of Three Million One Hundred Fifty Thousand Dollars (\$3,150,000.00) (the "Annual Amount") prorated for partial years. The Annual Amount shall be increased by One Hundred Twenty Five Thousand Dollars (\$125,000.00) for each calendar year following 2020 and be payable in twelve (12) equal monthly increments.

(b) All travel and transportation expenses, food and room charges, and telephone charges incurred by Coach in connection with rendering services hereunder shall be paid for or reimbursed to Coach by University at the maximum rate authorized by law and University regulations to the extent that such expenses are not paid for or reimbursed by third parties.

(c) The parties agree that the compensation to be paid to Coach hereunder shall be paid to him as an employee of University and all regular deductions and withholding allowances will be subtracted from the payments.

(d) The University, in order to provide additional incentive for Coach to remain employed with the University and to insure his retention as Head Football Coach, will establish a series of retirement programs as described in this Section. If Coach ceases to be Head Football Coach, then future contributions to the Plans will not occur except as specifically provided in this Section. The parties agree that the terms of the Talent and Personal Services Contract dated January 1, 2009 and amended January 1, 2012, January 1, 2017 and January 1, 2018 govern contributions of the Stay Benefit (defined below) before July 1, 2020 and that this Contract shall govern contributions of the Stay Benefit effective, July 1, 2020. For the avoidance of doubt, the University will contribute a total of Six Hundred Thousand Dollars and No Cents (\$600,000.00) for the calendar year 2020.

University will, at least annually and more frequently if the University so elects, contribute Six Hundred Thousand Dollars and No Cents (\$600,000.00) ("Stay Benefit") in existing tax-qualified or authorized employee retirement programs or plans (the "Plans") established by the University for the benefit of Coach under Sections 401(a), 403(b), 415(m) and 457(b) of the Internal Revenue Code of 1986, as amended (the "Code"). The annual contributions shall be prorated for partial years of employment. Coach will be entitled to the Stay Benefit for each year that he remains employed at the University as Head Football Coach. At such time that Coach is no longer employed with the University, then Coach shall be entitled to the accrued benefit and/or account balance calculated by the terms of each Plan through Coach's date of termination. In the year in which the Contract is terminated and there remain any amounts to be paid to Coach

pursuant to the Employment Contract or this Contract, then, such amounts shall first be contributed to the Plans according to the rules and limitations of the Code. Thereafter, if there still remain any such amounts to be paid to Coach, such amounts shall be paid as provided below.

In the event the Stay Benefit is not provided to Coach by the Plans because of the limitations imposed by the Code, the University shall cause an amount equal to the difference between the agreed University contributions made above and the amount of contributions which should have been contributed to the Plans pursuant to this Contract to be paid to Coach within thirty (30) days after the end of the applicable fiscal year of the University where it has been determined that such amounts could not be contributed by the University to the Plans, and such amounts paid pursuant hereto will be subject to applicable employment and income tax withholdings.

Contributions to the Plans shall be made at the discretion of the University, and shall be distributed from the Plans in accordance with the terms of such Plans. Coach shall not be permitted nor is he required to make any employee contributions to the Plans. Investment of the assets in the Plans shall be made in accordance with the applicable rules of the Code and regulations thereunder. Further, the definitive terms of the Plans shall be contained in the documents, trust, or custodial accounts which are related to the Plans.

#### ARTICLE IV - TERM AND TERMINATION

4.01 Term. Unless earlier terminated as hereinafter provided, the term of this Contract shall correspond to and run concurrently with the term of Coach's Employment Contract with University.

4.02 Termination. If Coach's Employment Contract is terminated by either party with or without cause, then this Contract shall also terminate as of the effective date of the termination of such Employment Contract.

4.03 Force Majeure. If during the term of this Agreement, due to any occurrence – even if foreseeable – that (1) would make either party's performance under this contract impossible or impracticable or which occurrence causes a significant decrease in Athletic Department revenue as determined by the Director of Intercollegiate Athletics in his sole and absolute discretion; and (2) is beyond the reasonable control of such party including, but not limited to, delay of transportation services or access to means of transportation, natural disasters, floods, fires, earthquakes, tornadoes, riots, strikes, epidemics, pandemics, quarantines, acts of God, war (declared or undeclared) compliance with any act, regulation, order or request of any governmental authority or agency, including declarations of a state of emergency, whether local or national, or any other causes, whether direct or indirect, not within the reasonable control of such party (collectively, "Force Majeure"), the University shall have the right upon twenty-four (24) hours prior

notice to Coach to reduce Coach's Compensation for the duration of such Force Majeure. The Director shall have the unilateral discretion to determine the appropriate amount and duration of reduction and such percentage reduction and duration will be no greater than the percentage reduction and duration of the Director's compensation.

#### ARTICLE V - INDEMNITY

5.01 Indemnity. Coach further agrees at all times to indemnify and hold harmless University and University's regents, officers, and employees, the networks and/or stations over which the commercials will be broadcast or telecast, and periodicals or publications in which photographs or any special print feature in which Coach renders services shall be used, and any of their licensees, agents, servants, officers, directors, and/or employees of, from, and against any and all damages, liabilities, costs, and expenses, including reasonable attorneys' fees, arising out of (a) any breach by Coach of any warranty or agreement made hereunder, (b) the use of any materials furnished by Coach hereunder, any acts done or words spoken by Coach other than those furnished by the University or its sponsors, in connection with the production, rehearsal, broadcast, telecast of the commercials or photographs, or (c) any acts done or statements made by Coach which in University's reasonable opinion might tend to subject the University or any of its sponsors to any ridicule, contempt, or scandal.

#### ARTICLE VI - MISCELLANEOUS

6.01 Headings Contained in this Contract. The section and paragraph headings contained in this Contract are for reference purposes only and will not affect in any way the meaning or interpretation of this Contract.

6.02 Choice of Law. This Contract shall be governed by and construed in accordance with the laws of the State of Oklahoma, without regard to conflicts of laws principles.

6.03 Forum Selection. The forum for any proceeding or suit in law or equity arising from or incident to this Contract shall be located in the State District Court of Payne County, Oklahoma, or the Federal District Court with jurisdiction over Payne County, Oklahoma.

6.04 Filing of Action. No such action may be filed until the party claiming to be aggrieved shall first have delivered to the other a written notice of intention to file suit, including an outline of complaints. This notice shall be delivered at least thirty (30) days before any suit is filed, and the parties shall use that period to engage in good-faith negotiations aimed at resolving the dispute without litigation. This paragraph is not intended to limit or circumscribe the legal rights of any party thereto, but rather to ensure that the parties exhaust all avenues of seeking a mutually agreeable accommodation of their differences before instituting litigation. In any situation where the terms of this

paragraph might affect the legal rights of any party hereto, the parties shall stipulate to appropriate extensions of limitation periods and other matters to eliminate any such potential effect.

6.05 Contract Not Assigned. Coach's rights and interests under this Contract may not be assigned, pledged, or encumbered by Coach.

6.06 All Prior Agreements Superseded. This Contract constitutes the full and complete understanding and agreement of the parties with respect to the talent and personal services provided by Coach to University and supersedes all prior understandings and agreements, oral or written, regarding Coach's talent and personal services provided to University. Coach and University have bargained for and specifically agree that any and all University grievance procedures shall not apply to this Contract and all remedies are exclusively limited to the provisions contained herein except as set forth in Section 6.10 below.

6.07 Effect of Waiver. No waiver by the parties hereto of any default or breach of any covenant, term, or condition of this Contract shall be deemed to be a waiver of any other default or breach of the same or of any other covenant, term, or condition contained herein.

6.08 Coach's Acknowledgment of Contract Terms. Coach acknowledges that Coach has read and understands the foregoing provisions of this Contract and that such provisions are reasonable and enforceable, and Coach agrees to abide by this Contract and the terms and conditions set forth herein.

6.09 Coach's Waiver of Claims. Coach agrees that he shall have no claim for defamation, breach of contract, violation of rights of privacy or publicity, or otherwise against University or anyone by reason of the use of his name, likeness, or statements in the exercise of the rights granted hereunder, or by reason of any blurring, distortion, alteration, optical illusion, or use thereof in composite form, whether or not intentional, that may occur in the exercise of any of the rights granted hereunder.

6.10 Non-Waiver of University's Rights. It is expressly agreed and understood between the parties that nothing contained herein shall be construed to constitute a waiver by University of its right to claim any exemptions, privileges and immunities as may be provided by law.

6.11 Notice. Any notice (other than a notice pursuant to Section 3.01 of Coach's Employment Contract) or other communication which may or is required to be given under this Contract shall be in writing and shall be deemed to have been given on the earlier of the day actually received or on the close of business on the 5th business day following the day when deposited in the United States mail, first class postage prepaid,



addressed to the party at the address set forth after its name below or such other address as may be given by such party in writing to the other:

If to University: VP for Athletic Programs and  
Director of Intercollegiate Athletics  
202 Athletics Center  
Stillwater, OK 74078  
Phone: 405-744-7231

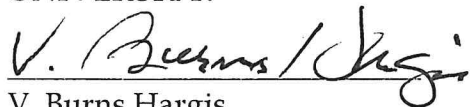
If to Coach: Michael R. Gundy  
West End Zone  
Boone Pickens Stadium  
Stillwater, OK 74078

With a copy to: Baker, Ihrig & Corley, P.C.  
P. O. Box 668  
Stillwater, OK 74076

6.12 Partial Invalidity of Portion of Contract. The invalidity or unenforceability of any provision of this Contract has no effect on the validity or enforceability of any other provisions. It is the desire of the parties hereto that a court judicially revise any unenforceable provisions to the extent required to make them enforceable.

6.13 Binding Effect. It is understood and agreed that this Contract and any amendments, alterations, or interpretations thereof (with the exception of a notice pursuant to Section 3.01 of Coach's Employment Contract) must be in writing, and are subject to the approval of the Board of Regents and shall not be effective until such approval is granted and Contract is signed by the University President.

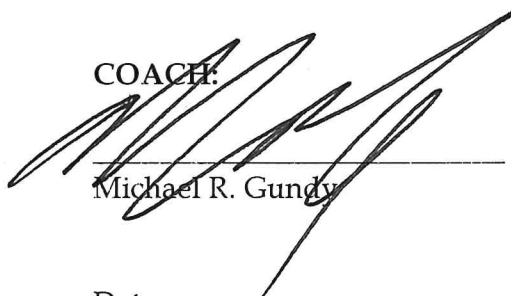
UNIVERSITY:



V. Burns Hargis  
President

Date: 7/2/20

COACH:



Michael R. Gundy

Date: \_\_\_\_\_



Mike Holder  
VP for Athletic Programs and  
Director of Intercollegiate Athletics