



January 8, 2021

James J Harbaugh
Schembechler Hall
1200 South State St.
Ann Arbor, MI 48109

Re: Memorandum of Understanding

Dear Jim,

This Memorandum of Understanding (“MOU”) is dated January 8, 2021, and sets forth the basic terms of an agreement to be entered into between the University of Michigan (“University”) and you for an extension of your employment as Head Football Coach at the University of Michigan. This extension to your employment is contingent upon execution of a full employment agreement within 90 days of signing this MOU, to be mutually agreed upon and negotiated in good faith, or such longer period of time provided that the parties are continuing with maximum and good faith efforts to finalize such full employment agreement. The employment agreement will contain, without limitation, the University’s general terms and conditions; provided, however, that the Term of the agreement, the compensation stated in the attached table (Attachment 1), and the Termination provisions stated herein shall go into effect upon execution of this MOU. Upon execution, the new employment agreement will supersede and replace all prior agreements between you and the University, including without limitation your employment agreement dated December 28, 2014. Your continued employment is subject to your satisfactory performance of your duties as determined by the Sport Administrator and the Athletic Director, and your compliance with NCAA, conference and University rules and regulations, interpretations and by-laws.

Term of Employment: January 11, 2021 – January 10, 2026. Each Contract Year will commence on January 11 of the year stated in Attachment 1 and shall continue through January 10 of the following calendar year. For example, the 2021 Contract Year will commence on January 11, 2021 and continue through January 10, 2022. In consideration of the extended Term of Employment, you have agreed to the financial terms as provided in Attachment 1.

Termination: In the event that the University terminates your employment without cause at any time during the Term of the new employment agreement, you will be entitled to receive the remaining amount of the compensation (Base Salary plus Additional Compensation) for the then current Contract Year (e.g., remainder of \$4,000,000 total in CY 2021) plus the stated Buyout by Michigan amount as set forth in Attachment 1. The remaining compensation for the then current Contract Year and the Buyout by Michigan amount will be paid in accordance with the University’s normal payroll procedures, as shall be referenced in the new employment agreement, shall be the only obligation the University will have to you in the event of your termination without cause and shall not be subject to mitigation or set off by any subsequent employment you may have. In the event that you end your employment with the University for any reason, except for your disability or death, at any time during the Term of the new employment

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agreement, you will pay to the University within 60 days of the end of your employment the Buyout by Harbaugh amount for the applicable Contract Year as stated in Attachment 1.

Compensation: In the event of an act of God; strike, lockout or other labor dispute; power outage; pandemic or epidemic event; quarantine; natural disaster; war; any decision, order, law, rule or regulation, or restriction of the Big Ten Conference or of the National Collegiate Athletic Association, or any successor conference or association of which the University may be a member; any decision, order, law, rule or regulation, or restriction of any federal, state or municipal agency or official; or the occurrence of any other event that is beyond the reasonable control of the University and which results in a significant loss or interruption in Athletic Department revenues, the University shall have the right to reduce any or all categories of your compensation by the same percentage and for the same duration as shall be applied to non-contract and non-union employees of the Athletic Department.

Participation in Car Program: You will be eligible to receive the use of two cars in accordance with the Athletic Department's automobile program for coaching staff as may be in effect from time to time.

Personal Charter Air Travel: You will continue to be entitled to receive private charter flight hours for your personal use on the same terms and conditions as provided in your current employment agreement.

Complimentary Tickets: You will be eligible to receive complimentary tickets and/or suite access at Michigan Stadium for home Football and Men's Basketball games based upon the same terms and conditions as set forth in your current employment agreement and subject to any public health or University rules, laws or regulations regarding spectator access to these events.

It is important for you to understand that as a member of the Michigan Athletic Department, you agree to abide by and comply with the constitution, bylaws, and interpretations of the NCAA and all NCAA, Big Ten Conference, and University rules and regulations. You will also use best efforts to ensure compliance with these rules and regulations by student-athletes, coaches, and staff. If you become aware, or have reason to believe that violations of the NCAA, Big Ten, or University rules may have taken place, you are obligated to report it promptly to the Athletic Director or the Compliance Services Office.

The University and you hereby agree to the foregoing terms upon execution of this MOU:



01/08/2021

James J. Harbaugh
Head Football Coach

Date



01/08/2021

Warde Manuel
Donald R. Shepherd, Director of Athletics

Date

cc: D. Gnodtke
T. Raymond
A. Krievs

	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5
Base Salary	\$605,000	\$605,000	\$605,000	\$605,000	\$605,000
Additional Compensation	\$3,395,000	\$3,496,850	\$3,601,756	\$3,709,808	\$3,821,102
Compensation	\$4,000,000	\$4,101,850	\$4,206,756	\$4,314,808	\$4,426,102
Coach of Year- B1G	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
National Coach of Year	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
APR	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
B1G East (outright)	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
B1G Champions	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
NY6 Bowl Game	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
CFP Semifinal	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CFP Champions	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Max Bonus	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000
Maximum Compensation	\$7,475,000	\$7,576,850	\$7,681,756	\$7,789,808	\$7,901,102
Buyout by Michigan	\$4,000,000	\$3,000,000	\$2,000,000	\$1,000,000	\$0
Buyout by Harbaugh	\$2,000,000	\$1,500,000	\$1,000,000	\$500,000	\$0

AM JH