

MINUTES OF THE EXECUTIVE COMMITTEE MEETING
BOARD OF TRUSTEES

THE UNIVERSITY OF TENNESSEE

May 10, 2002
Knoxville, Tennessee

The Executive Committee of the Board of Trustees of The University of Tennessee met at 4:00 p.m. Eastern Daylight Time, Thursday, May 10, 2002 in the Board Room, Andy Holt Tower, The University of Tennessee in Knoxville.

Mr. James A. Haslam, II, Chairman of the Executive Committee, called the meeting to order and announced the purpose of the meeting was to act on the employment agreement for President-elect John W. Shumaker.

I. ROLL CALL

The Secretary called the roll, and the following members of the Executive Committee were present:

James A. Haslam, II
Johnnie D. Amonette
Charles Coffey (by telephone)
Emerson H. Fly
Jerry Jackson (by telephone)
Clayton McWhorter (by telephone)
Susan Williams

The Secretary announced the presence of a quorum. Trustees J. Steven Ennis and William B. Stokely, III, also participated in the meeting by telephone.

II. APPROVAL OF EMPLOYMENT AGREEMENT FOR DR. JOHN SHUMAKER

Mr. Haslam called on Ms. Amonette, Vice Chair of the Board, who was delegated authority by the Board to negotiate an employment agreement with Dr. Shumaker.

Ms. Amonette moved approval of the employment agreement presented to the Executive Committee (Exhibit 1), which includes an annual base salary of \$365,000 and a term of six years. Ms. Amonette said the Board has a goal and responsibility to create an environment where The University of Tennessee can accomplish great things, and the cornerstone to great accomplishments is strong leadership. Noting that one of the most challenging positions in the country today is the college presidency, Ms. Amonette explained that the college president is

expected to be, not only an academician and educational leader, but also a corporate CEO, a visionary, a fundraiser, a public relations expert, a politician and public official. Ms. Amonette said the best qualifications deserve appropriate compensation regardless of whether the field of expertise is education, industry or athletics. She said the University is fortunate to have attracted Dr. John Shumaker, and his salary level has been set accordingly. The appointment of Dr. Shumaker is an investment for Tennessee. Higher education is a key tool for economic development. It affects the quality of life on an individual level on a daily basis. Through this agreement, The University of Tennessee is taking another step forward in building a much broader future for the UT system and the entire State of Tennessee.

Upon the Chairman's call for any questions or discussions, Mr. Coffey asked if the Governor and the legislative leadership had approved the agreement. Ms. Amonette responded that the Governor and the constitutional officers have been informed of the terms of the agreement. Mr. Coffey then asked whether the performance criteria for the incentive award have been established. Ms. Amonette responded that a committee will be designated to work with Dr. Shumaker to determine mutually agreed upon goals.

Mr. Ennis said Dr. Shumaker has a challenge ahead of him, and the agreement presented to the Executive Committee is a very realistic one. As Chair of the Finance and Administration Committee, he would recommend the agreement for approval.

Mrs. Williams seconded the motion for approval of the employment agreement, and the motion carried unanimously.

III. APPROVAL OF RESOLUTION AMENDING AUTHORIZATION FOR CHECK SIGNATURES

A motion to approve the Resolution amending authorization for check signatures (Exhibit 2) was made by Mr. McWhorter. Ms. Susan Williams seconded, and the motion carried unanimously.

IV. ADJOURNMENT

There being no further business come before the Executive Committee, the meeting was adjourned.

Respectfully submitted,

Catherine S. Mizell
Vice President, General Counsel and Secretary

