

## EMPLOYMENT CONTRACT

This agreement is made and entered into on August 19, 2009, by and between Rutgers, The State University of New Jersey ("Rutgers" or "the University") and Tim Perneti ("Mr. Perneti").

WHEREAS, Rutgers desired to employ Mr. Perneti as Director of Intercollegiate Athletics ("Director") effective April 1, 2009 for a term extending through June 30, 2014; and

WHEREAS, the Mr. Perneti desired to accept the position of Director for the term April 1, 2009 through June 30, 2014; and

WHEREAS, Mr. Perneti and the President of Rutgers signed a Memorandum of Agreement on February 24, 2009 and February 26, 2009, respectively, which sets forth the material terms of Mr. Perneti's employment as Director; and

WHEREAS, on February 26, 2009, the Rutgers Board of Governors, upon the recommendation of the Committee on Intercollegiate Athletics and the Committee on Executive Compensation, Nominations, and Governance, concurred with the President's selection of Mr. Perneti to serve as Director, and approved the appointment of Mr. Perneti to serve as Director; and

WHEREAS, the aforementioned Memorandum of Agreement currently constitutes the contract between Mr. Perneti and Rutgers with respect to his employment as Director; and

WHEREAS, Mr. Perneti and Rutgers desire to incorporate the terms of the Memorandum of Agreement into this expanded Employment Contract;

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter set forth, it is agreed as follows:

### **I. TERM**

The term of Mr. Perneti's employment shall be effective from April 1, 2009 through June 30, 2014, subject to the provisions in this Employment Contract.

### **II. DUTIES**

A. Mr. Perneti shall serve as the Director of Intercollegiate Athletics at the University's New Brunswick/Piscataway campus. The duties shall be as described in the attached job description. The job description may be updated and revised by the

University as it deems appropriate but shall do so only after consulting with Mr. Perneti. The revised or updated job description shall be provided promptly to Mr. Perneti.

B. The Director shall report to the President and shall be a member of the President's Cabinet. The Director shall work with the administrative leadership and the governance structure of the University as described in the job description.

C. The position of Director is a full time position. Mr. Perneti agrees faithfully and diligently to use his best efforts to perform the duties of the position as described more fully in the job description and to devote such time, attention and skill to the performance of the duties of the position so as to allow Rutgers Athletics to achieve its goals.

### **III. SALARY**

The annual base salary rate shall be \$410,000 which shall be paid in accordance with the University's regular payroll practices. Future salary increases shall be based upon performance reviews conducted by the University in accordance with the performance-based salary program that is available from time to time for members of the senior administration, and upon budgetary considerations, and shall be made at the reasonable discretion of the President.

### **IV. BENEFITS**

Mr. Perneti shall receive the standard benefits package applicable to senior administrative employees. By way of example only, these benefits currently include the pension, life insurance and disability insurance plans that are part of the Alternate Benefit Program. These benefits also include health insurance, tax-deferred savings plans, flexible spending accounts, and vacation and sick leave. Some of these benefits are provided by the State of New Jersey and are subject to state legislation, rules and regulations. With respect to both benefits furnished by the State of New Jersey and benefits furnished by Rutgers, these benefits may change from time to time and Mr. Perneti shall be subject to changes applicable to other senior administrative employees. With respect to those health benefits for which a waiting period is required, the University shall reimburse Mr. Perneti for any COBRA premiums he paid for health benefits coverage during this waiting period upon submission of documentation showing the amount of payments made by Mr. Perneti. The parties acknowledge that Mr. Perneti has furnished such documentation and shall be reimbursed \$3,956.54.

### **V. BONUS**

Mr. Perneti shall be eligible for consideration to receive an annual bonus payment up to \$50,000 based upon achievement of the academic, athletic and financial performance thresholds established by the President and communicated to Mr. Perneti in writing each year prior to July 1. The annual bonus payment, if any, shall be paid by August 31 following conclusion of the prior academic year or by such other time as

prescribed by the bonus plan. Thus, the first annual bonus payment, if any, which Mr. Perneti shall be eligible for consideration to receive shall be paid by August 31, 2010 or by such other time as prescribed by the bonus plan. The bonus shall be paid only if Mr. Perneti is serving as Director on the day the academic, athletic or financial performance threshold(s) giving rise to the bonus amount is achieved .

## **VI. AUTOMOBILE STIPEND**

Mr. Perneti shall receive an annual automobile stipend in the amount of \$12,000 which shall be paid in accordance with the University's regular payroll practices. Mr. Perneti may use this stipend for the purchase or lease of a vehicle as he deems appropriate. Mr. Perneti shall be responsible for the insurance, maintenance and upkeep of his vehicle. Should Mr. Perneti be required to use his vehicle for the purpose of conducting University business he shall receive mileage reimbursement pursuant to the University's policy governing reimbursement of travel expenses.

## **VII. COMPLIANCE**

A. Mr. Perneti shall know and comply, to the very best of his ability, with all applicable rules, regulations and requirements of the NCAA, of the BIG EAST Conference or other conference/organization of which Rutgers is a member, and of Rutgers Athletics. This includes without limitation applicable reporting and disclosure requirements, including NCAA Bylaw 11.2.2 regarding athletically related income (see Section VII. D below). Further, Mr. Perneti shall be subject to all University regulations, policies and procedures, and legal requirements, generally applicable to other senior administrative employees, including ethical standards and conflict of interest requirements. All such rules, regulations, requirements, policies, procedures and legal requirements collectively shall be referred to as "standards."

B. Mr. Perneti, as Director, is responsible for using all reasonable means to assure that employees in the Division of Intercollegiate Athletics and student athletes comply with the standards set forth in Section VII. A above.

C. Mr. Perneti shall cooperate fully with any compliance effort or investigation initiated by the University, the NCAA, the BIG EAST Conference or other conference/organization of which Rutgers is a member. The University may suspend Mr. Perneti with pay pending the outcome of a compliance investigation until a determination or resolution is reached. If the determination or resolution results in a major violation, then the University may suspend Mr. Perneti without pay. If the determination or resolution results in other than a major violation, then Mr. Perneti shall be reinstated. Nothing herein shall be construed to diminish or to prevent the University from exercising its rights to discipline or terminate Mr. Perneti pursuant to Section IX of this Employment Contract.

D. Mr. Perneti shall comply with NCAA reporting, approval and disclosure requirements for athletically related income and benefits from sources outside the

University. Mr. Perneti agrees that in accordance with NCAA Bylaw 11.2.2 (Athletically Related Income), and any amendments or subsequent versions of this Bylaw, he shall seek approval for, and shall annually provide a written detailed account of, income and benefits from all sources as prescribed by NCAA Bylaw 11.2.2. Sources shall include, but are not limited to, the following: income from annuities; sports camps; housing benefits; country club memberships; complimentary ticket sales; television and radio programs; and endorsements or consultation contracts with athletic shoe, apparel or equipment manufacturers.

E. Mr. Perneti is required to maintain a valid driver license and a safe and appropriate driving record.

F. Nothing in this Employment Contract shall be intended to or deemed to diminish the Compliance responsibilities set forth in the attached job description

### **VIII. OUTSIDE ACTIVITIES AND APPROVAL OF ACTIVITIES**

A. The duties of Director require a substantial commitment of time and attention (see Section II. C above) and the position of Director is a prominent and high profile position. Further, the position of Director is one where there may be opportunities for the Director to play a leadership role in organizations related to intercollegiate athletics on a statewide or national level. In view of the foregoing and in accord with applicable ethical standards and conflicts of interest rules, the parties agree that, except as provided for elsewhere in this paragraph, Mr. Perneti shall seek approval from the President prior to undertaking any outside activities, whether compensated or not, including, without limitation, appearances, endorsements, commercial activities and professional activities. This approval requirement is in addition to the approval required for Athletically Related Income (see Section VII above). The purpose of seeking approval is to permit the University to make a determination whether the proposed activity presents a conflict of interest or conflict of commitment and whether the proposed activity is consistent with the interests of Rutgers as it may, in its sole discretion, determine. However, this approval requirement shall not apply to appearances before constituencies within the State of New Jersey as set forth in the job description, unless payment to Mr. Perneti of a fee or honorarium is proposed, in which case approval is required. This approval requirement also shall not apply with respect to activities in which Mr. Perneti's participation is sought or volunteered based upon his status as a parent or member of his local community, rather than upon his status as Director of Intercollegiate Athletics, unless payment to Mr. Perneti of a fee or honorarium is proposed, in which case approval is required. By way of example only, such activities may include local school programs, scouting activities, local recreational activities and activities involving Mr. Perneti's house of worship.

B. Mr. Perneti shall cooperate with the University's efforts to secure sponsors and financial support for Rutgers and Rutgers Athletics, including making himself reasonably available for commercial activities and endorsements as the University may require of Mr. Perneti. Rutgers reserves the right to use all such commercial activity, and Mr. Perneti gives Rutgers the right to use his name and likeness in such manner and

at times it sees fit to promote Rutgers and Rutgers Athletics and to secure financial support for same.

## **IX. DISCIPLINE AND TERMINATION FOR CAUSE**

A. If Mr. Perneti is found to have willfully violated NCAA rules or regulations, whether while employed by Rutgers or prior to employment by Rutgers, or to have failed to report or to prevent or stop a violation of which he knew or knows, he shall be subject to disciplinary or corrective action, including termination of employment or suspension without pay for significant or repetitive violations.

B. The University may terminate Mr. Perneti for cause, or impose other discipline for cause, for material breach of this Employment Contract, neglect of duty, willful misconduct, act of moral turpitude, conduct tending to bring shame or disgrace to the University as reasonably determined by the President, violation of University regulations, policies, procedures or directives not remedied after thirty (30) days written notice to Mr. Perneti, violation of requirements and standards referenced in Section VII above, a criminal conviction, or willful absence from duty in excess of thirty (30) days without the consent of the President unless caused by illness.

C. Failure to impose disciplinary or corrective actions in any particular instance of breach or violation, or with respect to any particular conduct or incident, shall not act as a waiver of the University's right to later discipline or correct Mr. Peretti in connection with any breach, violation, conduct or incident, whether the same or different in degree or type.

D. If the University terminates Mr. Perneti for cause, the University shall not be liable for payment of salary or benefits after the date of termination.

## **X. TERMINATION WITHOUT CAUSE**

The University may terminate Mr. Perneti without cause, as cause is defined in Section IX above, as it deems necessary to further the best interests of the University. In such an event, the University shall continue to pay Mr. Perneti his full base salary and health and pension benefits, but no other amount or item, as of the date of termination until the expiration date of this Employment Contract or the date on which Mr. Perneti secures other employment, whichever date shall first occur. Mr. Perneti shall notify Rutgers promptly of his securing other employment. Notwithstanding the foregoing, the University also shall pay Mr. Perneti 1) bonus amounts which were earned and not yet paid as of the date of termination based upon achievement of academic, athletic or financial performance thresholds set forth in the bonus plan established pursuant to Section V. above, and 2) automobile stipend pursuant to Section VI. above for the remainder of the fiscal year (July 1-June 30) in which he is terminated. Mr. Perneti agrees to accept these payments of full base salary and health and pension benefits, any earned bonuses and automobile stipend as described herein in full settlement of all claims

and demands which may accrue to Mr. Perneti under this Employment Contract and Rutgers shall not be liable to Mr. Perneti for any other damage, loss or amount.

#### **XI. TERMINATION UPON DEATH OR DISABILITY**

This Employment Contract will terminate upon the death of Mr. Perneti or upon his total and permanent disability. Total and permanent disability shall mean physical or mental incapacity of a nature which prevents Mr. Perneti, in the sole judgment of Rutgers, from performing his duties under this Employment Contract for a period of six (6) consecutive months. In case of death or disability, as described above, death or disability benefits contained in benefit plans in which Mr. Perneti participates shall be paid to his personal representative or other designated beneficiaries, or to Mr. Perneti, as the case may be.

#### **XII. TERMINATION BY MR. PERNETTI**

Mr. Perneti may terminate this Employment Contract by providing the University ninety (90) days advance written notice to the President. In such event, Rutgers' obligations under this Employment Contract shall terminate upon the effective date of termination. Upon receipt of such notice from Mr. Perneti, Rutgers may, in its sole discretion, relieve Mr. Perneti of his duties as Director of Intercollegiate Athletics. In such event, this shall be treated as termination for cause and Rutgers shall not be liable for payment of salary or benefits after the date it has relieved Mr. Perneti of his duties.

#### **XIII. TRAVEL**

Mr. Perneti's wife may accompany him on team charter flights to football games (including bowl games), men's basketball games and women's basketball games (including NCAA Tournament games). The University shall furnish overnight accommodations for Mr. Perneti and his wife and shall provide transportation to and from the airport and game site. Mr. Perneti's children may accompany him on charter flights to football bowl games and the University shall provide transportation to and from the airport and game site for Mr. Perneti and his family. The University shall not provide or be responsible for meals or other expenses except as stated herein. Mr. Perneti shall pay for overnight accommodations for his children and for other uncovered expenses for his wife and children either by advance payment or by promptly reimbursing the University for the costs.

Mr. Perneti's wife may accompany him to annual BIG EAST Conference spring and summer meetings which contain spouse events, at the expense of the University.

Mr. Perneti understands and agrees that travel and other expenses furnished by the University may be taxable to him in accord with applicable IRS regulations.

**XIV. MISCELLANEOUS**

A. This Employment Contract represents the entire agreement between the parties and supersedes any previous verbal or written agreements concerning the employment and terms and conditions of employment of Mr. Perneti. No other promises, representations or agreements shall be binding unless executed in writing by the parties. However, it is understood and agreed to by the parties that Mr. Perneti shall enjoy and be subject to all University regulations, policies and procedures generally applicable to other Division of Intercollegiate Athletics employees, to other Managerial/Professional/Supervisory/Confidential employees and to other members of the senior administration, except as may be otherwise specifically provided for in this Employment Contract.

B. No amendment to this Employment Contract shall be valid and binding upon the parties unless made in writing and signed by Mr. Perneti and an authorized representative of the University.

C. This Employment Contract shall be interpreted and enforced under the laws of the State of New Jersey.

D. If any provision of this Employment Contract is determined to be void, invalid, unenforceable or illegal, it shall not affect the validity or enforceability of the remaining provisions.

RUTGERS, THE STATE UNIVERSITY  
OF NEW JERSEY

By: Richard L. McCormick  
Richard L. McCormick  
President

Witness Carol Kuncsal

Date: August 19, 2009

Tim Perneti  
Tim Perneti

Witness Lina Esposito

Date: August 19, 2009

## **Tim Perneti Bonus Plan**

This is the bonus plan established pursuant to Section V of Mr. Perneti's Employment Contract.

### **I. Academic Success** (\$10,000 possible)

GPA bonus: \$2,500 if cumulative GPA for the prior year for all student-athlete population in New Brunswick/Piscataway meets or exceeds GPA for entire undergraduate population in New Brunswick/Piscataway. Calculation shall be made at conclusion of summer session term after grades are submitted. Calculation should be made in September if possible with payment by October 15.

Football APR bonus: \$2,500 if football APR meets or exceeds APR for Football Bowl Subdivision as published by the NCAA. Payment made within 30 days after NCAA issues its report.

All sports APR bonus: \$2,500 if all teams other than football meet or exceed the APR benchmark figure of 925 established by the NCAA for Football Bowl Subdivision. (threshold to be adjusted if NCAA adjusts the APR benchmark figure) Payment made within 30 days after NCAA issues its report.

GSR bonus: \$2,500 if Rutgers GSR meets or exceeds GSR for overall Division I. Payment made within 30 days after NCAA issues its report.

### **II. Progress Towards Financial Balance** (\$10,000 possible)

Declining University support bonus: If amount of University support for Athletics does not increase AND the amount of University support for Athletics as a percentage of the Athletics budget declines, then a \$10,000 bonus shall be paid. Calculation to be made and payment made within 30 days after issuance of University's Financial Report.



**III. Integrity of Program** (\$10,000 possible)

No violations bonus: \$5,000 bonus if there are no reported major or intentional secondary violations for the prior academic year.

Bonus for Uniform Adherence to Enforcement Policy (for missed classes, study hall hours and academic meetings): \$5,000 bonus if there is uniform adherence to Enforcement Policy as set forth in Student-Athlete Handbook.

Academic Support Services for Student-Athletes shall maintain reliable records of adherence to the Enforcement Policy and shall report results of adherence to the Policy at the conclusion of the academic year to the Executive Vice President for Academic Affairs and to the Athletic Director. Bonus shall be awarded if reliable records are maintained and there has been uniform adherence to the Enforcement Policy by all coaches and all teams as reflected in the records maintained by Academic Support Services for Student-Athletes and as reported to the Executive Vice President and to the Athletic Director.

**IV. Competitive Success** (\$20,000 possible)

Winning season bonus: \$5,000 if all three revenue sports have a winning season AND majority of other sports finish season in top half of Big East Conference A winning season means better than .500 record, including post-season. A top half finish in Big East Conference includes regular season only.

NCAA basketball tournament bonus:

\$2,500 if men's basketball team participates in NCAA basketball tournament

\$2,500 if women's basketball team participates in the NCAA basketball tournament.

Football bowl bonus:

\$10,000 if football team competes in a bowl game

In addition, in the case of a BCS bowl game, the President shall discuss with the appropriate committees of the Board of Governors and the full Board as necessary whether an additional bonus is justified.

Richard L. McCormick 8/19/09  
Richard L. McCormick, President      Date

Acknowledged: T. P. Peretti 8/19/09  
Tim Peretti      Date