

FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT

This is a Fourth Amendment to an Employment Agreement ("Fourth Amendment") between Eli I. Capilouto, D.M.D., Sc.D., M.P.H. ("Dr. Capilouto" or the "President") and the University of Kentucky (the "University"), effective December 14, 2021.

WITNESSETH

WHEREAS, the President and the University entered into an Employment Agreement effective July 1, 2011, and amended through a First Amendment effective December 17, 2013, a Second Amendment effective June 24, 2016 and a Third Amendment effective June 19, 2020 (collectively, the "Agreement");

WHEREAS, the University wishes to amend the Agreement in certain respects as set forth in this Fourth Amendment;

WHEREAS, the Board of Trustees of the University (the "Board") has duly approved this Fourth Amendment and has authorized the Chair of the Board to execute it; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

A. **Term.** The term of the President as set forth in Section A of the Agreement shall be amended to **June 30, 2025**.

B. **Renewal/Extension.** Section B of the Agreement is deleted in its entirety and replaced with the following:

"Renewal/Extension. Unless this Agreement has been otherwise terminated under other sections of this Agreement, the term stated in Section A of the Agreement shall be extended automatically by one year every July 1st, starting July 1, 2022. For example, if Dr. Capilouto is still serving as President under this Agreement on July 1, 2022, the term under Section A of the Agreement shall automatically be extended to June 30, 2026."

C. **Base Salary.** Section D.1 of the Agreement is deleted in its entirety and replaced with the following:

"1. Annual Base Salary. As compensation for the services to be performed by Dr. Capilouto pursuant to this Agreement, the University shall pay, effective January 1, 2022, an annualized base salary of \$ 1,035,646.00 ("Base Salary"), less applicable deductions. Commencing with the fiscal year beginning July 1, 2022, this Base Salary shall be increased by the same salary increase percentage for which other University employees are eligible. Base Salary shall not be decreased at any time during the Term of this Agreement unless the University has declared a state of fiscal exigency."

D. **Retirement Contribution.** To clarify an inadvertent typo in paragraph E of the Third Amendment, the parties agree that Section D.3 of the Agreement should read as follows:

“The University shall make an annual contribution on Dr. Capilouto’s behalf to the University’s retirement plans in an amount equal to the aggregate of employee and University contributions stated for all eligible employees for the same fiscal year under the University’s retirement plan and administrative regulations.”

E. **Retention Incentive.** A new Section D.4 of the Agreement is hereby added to read as follows:

“4. Retention Incentive. Starting with the 2021-2022 fiscal year, so long as Dr. Capilouto is employed as President on June 30th of each agreement year, the University will pay Dr. Capilouto an annual retention payment no later than end of the following month (“Retention Payment”). The initial amount of the Retention Payment paid if Dr. Capilouto is President on June 30, 2022, shall be \$125,000, and the Retention Payment shall increase by \$200,000 on each subsequent June 30th. For example, if Dr. Capilouto is President on June 30, 2022, he will receive \$125,000 no later than July 31, 2022. If he is President on June 30, 2023, he will receive \$325,000 no later than July 31, 2023.”

F. **Post-Presidency Employment.** Section F.8 of the Agreement is deleted in its entirety and replaced with the following:

“8. Post-Presidency Appointments. If this Agreement is terminated for any reason other than Cause, death, or disability (as defined in this Agreement), Dr. Capilouto may, at his election, step down into a Special University Representative position. Dr. Capilouto may be employed in this position for a period of up to two (2) years after the termination of this Agreement, and shall be compensated at an annual rate equal to half of his Base Salary as of the termination of his presidency. The specific title and responsibilities of this Special University Representative position shall be determined by the Chair of the University’s Board of Trustees and Dr. Capilouto at the time of the termination.”

G. **Termination Without Cause.** Section I.2 of the Agreement is deleted in its entirety and replaced with the following:

“2. Termination Without Cause.

(a) The University may terminate this Agreement without Cause at any time prior to April 1, 2023, for the convenience of the University upon thirty (30) days prior written notice to the President. If the University terminates this Agreement without Cause prior to April 1, 2023, Dr. Capilouto shall receive a lump sum payment equal to the Base Salary and Retention Payments he would have continued to earn or receive through June 30, 2024, plus the following amounts: (i) \$684,000 if termination is effective prior to June 30, 2022; (ii) \$456,000 if termination is effective after June 29,

2022 and before June 30, 2023; or (iii) \$228,000 if termination is effective after June 29, 2023 and before June 30, 2024. Dr. Capilouto shall also be entitled to any other benefits provided by the University's benefits plans and this Agreement that are not affected by the termination of his employment as President.

- (b) Effective April 1, 2023, either the University or the President may terminate this Agreement without Cause upon fifteen (15) months' written notice to the other party.
- (c) Termination of this Agreement by virtue of the President's disability or death (as set forth in Sections I.4 and I.5 of this Agreement, respectively), shall not be construed as termination without Cause."

H. **Resignation.** Section I.3 of the Agreement is amended by adding "Prior to April 1, 2023," at the beginning of the first sentence.

I. **Deferred Compensation.** Section I.7(a) is amended by replacing "and 2023" at the end with "2023, and 2024, as well as July 1st of any additional contract year added to the term of the Agreement pursuant to Section B of the Agreement."

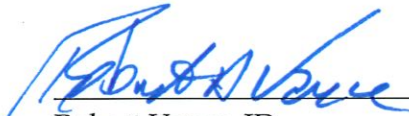
J. The University may make such addendum or amendment to its Supplemental § 415(m) Arrangement, Supplemental § 403(b) Plan, and Deferred Compensation Agreements under its 457(f) Plan as may be appropriate and necessary for the years 2021-22, 2022-23, 2023-24, 2024-25, and any additional years added to the term of the Agreement pursuant to Section B of the Agreement.

K. All other terms and conditions of the Agreement not expressly amended by this Fourth Amendment remain in full force and effect and are hereby ratified and reaffirmed by the parties.

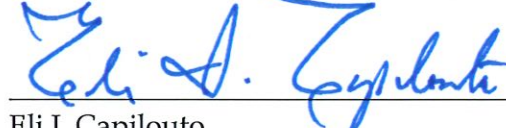
IN WITNESS WHEREOF, the parties have executed this Fourth Amendment as of the date shown below.

UNIVERSITY OF KENTUCKY

ELI I. CAPILOUTO, D.M.D., Sc.D., M.P.H.



Robert Vance, JD
Chair, Board of Trustees
Dated: DEC 14, 2021



Eli I. Capilouto
President
Dated: 12/14/2021

Approved as to form and legality:



William E. Thro, General Counsel