

5.0 Compensation, Evaluation and Retirement.

In consideration for services and satisfactory performance of the conditions of this Agreement by the President, the Board promises to pay the President:

5.1 An initial annual salary of \$500,000 (Five-hundred thousand dollars), payable biweekly in equal installments at the end of each regular University pay period. Salary shall be subject to the same payroll deductions (i.e., local, state and federal taxes, FICA withholding, and retirement plans) that apply to the University's management employees.

5.2 The President's performance and compensation shall be reviewed annually by the Board or a committee of the Board and may be increased but not decreased at the discretion of the Board.

5.3 The Board agrees to provide a retention incentive to the President of \$125,000 (One-hundred and twenty-five thousand dollars) upon completion of five years of service. The retention incentive will be paid in a lump sum and will not be added to the President's base salary.

5.4 The Board agrees to provide a deferred compensation payment of \$20,000 per contract year, payable at the end of each contract year. For each year in which the deferred compensation payment is made, the retention incentive referred to in 5.3 above will be reduced by \$20,000. The deferred compensation will be paid in a lump sum and will not be added to the President's base salary.

5.5 The President shall be responsible for any income tax liability incurred as a result of this Agreement.

5.6 The President shall be entitled to retirement benefits, as governed by personnel policies applicable to the University's management employees. For each contract year the President shall receive \$38,000 toward a supplemental retirement plan. (The UConn Foundation also provides her with an auto allowance of \$15,000).