

Contact: Bob Donley

**EMPLOYMENT CONTRACT WITH DR. STEVEN LEATH**

**Action Requested:** Approve the employment contract with Dr. Steven Leath as shown on the following pages.

At its September 27, 2011, meeting, the Board approved the terms of Dr. Steven Leath's appointment as President of Iowa State University. The motion contained only a partial list of the terms extended to Dr. Leath. The full terms may be found in the contract on the following pages.

The Board is asked to approve the contract in its entirety, which supersedes the motion approved at the September 27<sup>th</sup> meeting.

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October 11, 2011

Steven Leath, Ph.D.  
Vice President for Research and Sponsored Programs  
Interim Vice President for Academic Planning  
University of North Carolina  
910 Raleigh Road, P.O. Box 2688  
Chapel Hill, NC 27515

Dear Dr. Leath:

It is a pleasure to confirm with you the conditions of your employment as President of Iowa State University. Your initial appointment will be for a term of three years commencing on February 1, 2012. The Board of Regents, State of Iowa, will provide you with an annual salary of \$440,000 effective February 1, 2012. Included with the salary will be the usual benefits available to all Iowa State University faculty and administration.

In addition to the usual benefits, you will be provided a Supplemental Life Insurance plan, so that in combination with your Basic Life Insurance, the total coverage amount will be equal to one million dollars.

You will also be provided with an IRS section 457(f) deferred compensation plan and trust. The Plan will commence February 1, 2012. The monthly contribution to the trust will be \$6,250 or \$75,000 annually. Accrued compensation and earnings will vest and be distributed provided you remain continuously employed as President of Iowa State University through January 31, 2015 (three years from appointment date). Accrued compensation and earnings will also vest and be distributed if you become disabled or are dismissed by the Board of Regents for other than good cause. If you do not remain, in continuous employment through January 31, 2015 (three years from appointment date) for any reason other than death, disability, or dismissal without cause, all sums held under the plan, together with all accrued earnings, are forfeited.

Also, the Board will provide the additional benefits unique to the President of Iowa State University, including special allowances for the Office of the President, and housing for you and your family in the Knoll. It is a condition of your employment as President and for the benefit and convenience of the University in having the functions of your office most efficiently discharged, that you reside in the Knoll. As is customary, the Knoll will be available and will be used for University-related business and entertainment on a regular and continuing basis, with private living quarters provided to you and your family within the Knoll. Although unlikely, if it should happen that the IRS or the State of Iowa deems use of the Knoll a taxable benefit to you, the University will reimburse you for the taxes you pay on this account.

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BOARD OF REGENTS  
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Because you will be required to travel frequently on University business, the University will arrange to provide you with a car and/or a car allowance. You will be asked to keep a log of non-business use of the car and make all reimbursements for this travel in accordance with applicable state law and IRS regulations.

The University will also cover your personal moving expenses.

In this position, you serve at the pleasure of the Board of Regents, State of Iowa, and your performance will be evaluated on a yearly basis.

Initially, the basis for your evaluation will be:

1. Achieve progress in commitment to the current ISU mission and each of the major goals contained in the ISU "Strategic Plan for 2010-2015: Meeting the Challenges of the 21<sup>st</sup> Century." It should be made clear that the next President may, consistent with the Board's planning schedule, present adjustments/changes in the ISU Plan, as is possible for all Regent institutions.
2. Demonstrate a cooperative attitude and meaningful coordination with the other Regent institutions and the Board Office in implementing the Plan and in the overall administration of Iowa State University.
3. Demonstrate genuine commitment and responsiveness to the Board of Regent Strategic Plan, Board initiatives, Board policies, and Board directives.
4. Demonstrate a commitment to assisting the State of Iowa in economic and workforce development.

If, in the event you are asked to leave the President's position without cause, you will receive 90 days written notice, and a lump sum payment equal to the remaining term of your appointment.

Because of her many official duties on behalf of the University, your spouse, Janet Leath, will be given the title of President's Associate for use on official stationery, business cards, etc., although there will be no formal salary compensation for her position.

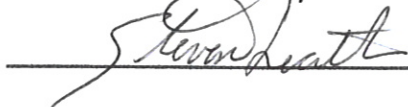
The Board is very pleased that you accepted this position, and we look forward to your assuming the President's position on February 1, 2012. If you have any questions, please feel free to contact me.

Sincerely yours,



Craig A. Lang  
President  
Board of Regents, State of Iowa

I understand and accept the terms of my employment as President of Iowa State University.



Date: October 13, 2011