

Minutes
USOC Board of Directors Meeting
Omaha, Nebraska
30 June 2016

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) took place on 30 June 2016 following notice duly given pursuant to the USOC Bylaws. Present were Larry Probst (Chair and IOC Member, *ex officio*), Robbie Bach, Jim Benson, Scott Blackmun (USOC CEO, *ex officio*), Anita DeFrantz (IOC Member, *ex officio*), Dan Doctoroff, Nina Kemppel, Susanne Lyons, Bill Marolt, Steve Mesler, Dave Ogreaan, Whitney Ping, Angela Ruggiero (IOC Member, *ex officio*), Kevin White, and Robert Wood. Attending by telephone was Ursula Burns. Attending Board members constituted a quorum of the Board under USOC Bylaws.

Present from the USOC were Rick Adams, Alan Ashley, Lisa Baird, Larry Buendorf, Jon Denney, Morane Kerek, Patrick Sandusky, Pam Sawyer, and Michelle Stuart. Also present was Kevin Penn. The minutes were recorded by Christopher McCleary, Secretary.

1. Call to Order and Welcome

The Chair called the meeting to order at 7:58am local time and welcomed the Board and attending USOC staff. The Chair noted the Board’s first-hand view of the previous night’s session of the US Olympic Team Trials for swimming, the great competition, and the excellent facilities and logistics put in place by USA Swimming for the event.

2. Advance Materials Q & A

USOC CEO Scott Blackmun introduced Kevin Penn, noting Mr. Penn’s attendance at the current meeting as an observer, preparatory to his July start as the USOC’s new Chief of Business Operations.

Referring to advance materials provided to the Board on the topics of USOC year-to-date financial results, marketing revenue, brand and fan engagement, and the planned transfer of the USOC Olympic Training Center at Chula Vista, California, Mr. Blackmun asked for any Board questions or discussion on these items, as the authors of each were on hand to provide further information.

During the ensuing discussions, Mr. Blackmun noted that the USOC’s year-to-date 2016 results were in line with the budget. He also cited the work of Chief Marketing Officer Lisa Baird and her team in building brand and fan engagement.

3. Year-End Forecast

Scott Blackmun introduced USOC Chief Financial Officer Morane Kerek, who presented the Board with detailed status and forecast information on forecasted year-end financial results.

Building on that information, Mr. Blackmun introduced USOC Chief Development Officer Jon Denney to offer further detail on financial projections for the US Olympic and Paralympic Foundation (“USOPF”) and its fundraising efforts on behalf of the USOC. Mr. Denney detailed a number of 2016 challenges in this area, including normal Games-year fundraising impacts, which have been exacerbated somewhat by the particular environment and developments around the 2016 Rio de Janeiro Games. In that regard, these developments have led to a reduction in Games attendance by donors and potential donors, which negatively affects the USOPF Rio hospitality program. Mr. Denney detailed the likely financial impact of the cancellations.

Board discussion followed, including as to possible mitigation for the hospitality program difficulties, alternative approaches in terms of reserving, purchasing, and securing donor payment for such inventory in the future, and other lessons learned from the turns of events in connection with the Rio Games. Mr. Denney articulated mitigation plans and possibilities based on previous work and on the Board’s input.

Further USOPF discussion involved progress on the planned “Investment Challenge” program previously discussed with the Board, and the Board’s general agreement on the importance of Board member contributions to the USOPF generally.

Finally, Ms. Kerek and the Board discussed further possibilities for benchmark study as to best practices in revenue forecasting for non-profit entities such as the USOC and USOPF, with a goal of further transparency and predictability in this area. Ms. Kerek agreed to pursue this topic further and report back to the Board with results.

4. Rio Games

At this point, US State Department representatives Richard Ingram and Ricardo Colon joined the meeting.

Scott Blackmun led off a series of comprehensive presentations on the Rio Games by introducing USOC Chief of Sport Performance Alan Ashley to discuss sport and athlete preparations.

Mr. Ashley reviewed the status of and prospects for Team USA at the Rio Games, estimating total team and delegation sizes, specifics on the training efforts and commitment shown across sports and disciplines, measures taken to ensure that all athletes and delegation members have full and up-to-date information on Rio health concerns, and further logistical and operations developments already in place for the

2016 Games. Mr. Ashley provided a detailed account of USOC efforts to protect athlete and delegation health and safety, whether in connection with sickness or injury.

At Mr. Blackmun's invitation, Lisa Baird offered comments on the USOC's approach at US Olympic Team Trials regarding non-sponsor branding and ambush marketing. Ms. Baird contrasted that with non-commercial activism and social commentary. She underlined the USOC's resolute stand against ambush marketing at the Trials, contrasting that with a desire to permit free expression of non-commercial ideas and views by athletes and others around the Trials provided that such expression does not violate applicable USOC or NGB rules or otherwise cause harm to other athletes or spectators.

Next, USOC Chief of Paralympic Sport and NGB Organizational Development Rick Adams discussed USOC preparations for the Rio Paralympic Games. Mr. Adams discussed medal prospects, team selection progress, and the USOC's efforts to support athlete preparation and focus. He noted that 2016 is the first time since 2004 that US teams have qualified to participate in all team sports at the summer Paralympic Games. He also discussed ongoing Paralympic Team trials in the US, including USOC's efforts to ensure that US Paralympic Team Trials in Charlotte, North Carolina (set to take place shortly after the current Board meeting) would be a welcoming and comfortable event for all athletes and attendees alike.

Ms. Baird then updated the Board on plans and preparations for the USA House facility in Rio. She noted that preparations for its public retail outlet are on track and that the inventory of products for sale had reached its destination on time. She noted the numerous events already scheduled to take place at the USA House during the Games, supporting NGBs, sponsors, and other stakeholders. Ms. Baird also reviewed the USOC's 2016 athlete processing center operation, based in Houston, Texas and ready to accommodate hundreds of US athletes, each needing to be fully and carefully outfitted in order to maximize his or her experience and chances for success at the Games. She noted that this facility will be the most sophisticated and athlete-focused processing operation to date.

Board discussion followed on sport, athlete health and safety, and other service topics for US Olympians and Paralympians.

Following that, Jon Denney discussed Rio plans for USOPF hospitality guests, and opportunities for Board members to help with these programs and interact with the guests. Based on a Board request, Mr. Denney indicated that he would provide the Board with further information and detail in order to maximize such opportunities.

USOC Chief Communications Officer Patrick Sandusky presented the Board with information concerning his group's plans for Rio, particularly in the areas of athlete support in press interactions and social media, and work with Games press and broadcasters. He noted that an already launched USOC "We Love Rio" campaign on-

line and in social media had attracted appreciation and favorable impressions in Brazil especially.

Finally, USOC Chief Security Officer Larry Buendorf gave the Board a summary of USOC's security plans and preparations. He described close communication and coordination among USOC security staff and US and Brazilian governmental organizations. Mr. Buendorf introduced US State Department representatives Mr. Ingram and Mr. Colon, and asked Mr. Ingram to provide the Board with further background from a US Federal government perspective.

Mr. Ingram discussed US governmental efforts in Rio, coordination with local authorities and with those of a number of other countries, and current concerns about crime, political instability, and potential terrorist acts during the Games. He noted that many of these concerns would be the same in a number of large urban environments around the globe, and detailed protections and resources in place in Brazil in an effort to protect US citizens.

Board questions and discussion followed, during which Mr. Buendorf provided information about US delegation safety and emergency communications plans and resources to be in place during Games time.

5. LA Update

At this point Gene Sykes, Chief Executive Officer of the Los Angeles bid committee ("LA 2024") joined the meeting, along with his colleagues Janet Evans (LA 2024 Vice Chair and Director, Athlete Relations), John Harper (LA 2024 Chief Operations Officer), and Jeff Millman (LA 2024 Chief Communications Officer). USA Wrestling Executive Director Rich Bender also joined.

At the Chair's invitation, Mr. Sykes provided the Board with a detailed report on LA24's work and accomplishments since the time of its last discussion with the USOC Board in March 2016. He commented on the strong team in place at LA204 and its highly qualified outside advisors. He took the Board through a number of elements of the developing technical bid, designed to offer the IOC an exciting and forward-looking opportunity, while also demonstrating clear competence and dependability. Mr. Sykes discussed LA 2024's growing plans to make technology a point of differentiation for the bid and potential Los Angeles Games. He further discussed positive engagement with International Federations, particularly as to potential Los Angeles Games venues and other resources. Finally, he reviewed upcoming milestones in the IOC bid submission process and LA 2024's progress on upcoming submissions.

Board discussion followed, centering on relative bid strengths and areas for development, the importance of legacy (including, potentially, a "digital legacy") in the bid planning process, and the excellent teamwork shown by LA 2024 and USOC staff to date.

Next, Mr. Sykes introduced Janet Evans to discuss LA24 work with athletes during the preceding weeks. Ms. Evans reported on the growth and engagement of the LA 2024 Athletes Commission, as well as the series of athlete “town hall” meetings held in a number of US cities, during each of which US athletes had the chance to hear about the Los Angeles bid, discuss questions and concerns, and offer input on bid planning for a Los Angeles Games. She indicated LA 2024’s belief that US athletes can be a positive facet of the Los Angeles bid overall.

Finally, Mr. Sykes reviewed LA 2024’s plans in connection with the upcoming Rio Games, which presents a number of opportunities for learning and enhancement of the Los Angeles bid.

Further Board discussion included questions and comments on the importance of continued USOC and LA 2024 cooperation and teamwork, the bid impact of a number of US and international developments in the world of sport and elsewhere, and opportunities for Board members to advance the bid as time goes on.

As the Board prepared to move on to the next agenda item, Scott Blackmun introduced Rich Bender and Mr. Bender offered his thoughts and appreciation for the Board’s attention to NGB concerns and support for NGB growth and development generally.

6. Olympic Channel

Scott Blackmun opened a discussion with the Board regarding recent discussions among the USOC, IOC, and NBC over developing IOC plans for a digital Olympic Channel. Mr. Blackmun provided the Board with information on early discussions towards potential agreements among the parties to enable these plans. He reviewed existing USOC rights and activities in these areas and the need to protect USOC’s connection with US fans and US athletes.

The Board discussed these concepts and the ways they inter-relate with other IOC and USOC plans, discussions, and issues. Mr. Blackmun and Lisa Baird provided further detail and points for consideration. Mr. Blackmun underlined the importance of achieving a good result for all parties in this matter and indicated more detail should be forthcoming for future Board consideration.

7. Annual Fund

Referring to the Board’s March 2016 discussion on the topic, Jon Denney updated the Board on USOC work on existing direct mail and “Team USA Fund” fundraising efforts, and recommendations for updating and improving the USOC’s approach in this area (particularly as to seeking small donations on a large scale) going forward.

Mr. Denney and Lisa Baird reviewed recent results and plans, indicating that the updated “Team USA Fund” approach will start with the same database contact information but shift towards on-line communications efforts that bring more focus and customization to acquisition, conversion, retention, and engagement efforts with both current and potential USOC donors. Current planning and projections indicate that this shift will provide comparable short term results and a stronger long-term outlook when compared to the current approach.

Board members discussed the specific elements of the revised approach, including elements tailored to allow for continued engagement with contacts that prefer physical rather than on line materials, and commented that it seems to reflect best practices in this area of non-profit entity management.

8. Diversity

Following on previous Board discussions and questions on the topic of diversity and inclusion, Scott Blackmun updated the board on plans for rolling out USOC and NGB “scorecards” in the area of diversity and inclusion, planned for finalization and roll out at the USOC Assembly in September. During subsequent Board discussion, Mr. Blackmun noted that the plans have been presented to and favorably received by the NGB Council and Board members emphasized their own support.

9. Safe Sport Proposal

Rick Adams provided the Board with an update on the new Center for Safe Sport entity, and plans for launching its services. He provided the Board with detailed and updated operational plans, including as they reflect reduced overall initial funding from external stakeholders (other than the USOC and NGBs). He indicated the entity board of director’s belief that it is important to launch services and build a track record as an entity and in handling safe sport issues in order to fully prove itself as a concept and offer an attractive platform for fundraising, while bearing in mind that the entity would need to start life with a tight focus on initial priorities: training and investigations. Mr. Adams noted that a CEO search for the entity is well underway, as is building necessary infrastructure for launch.

Robert Wood, who has been contributing time and effort to this matter, offered his own comments on the Safe Sport entity’s plans and prospects, noting that a strong board of directors is in place as well as a good start on infrastructure. He underlined the importance of a high-quality CEO to further progress and characterized near-term operational priorities as infrastructure, financial stability, brand-building, and raising overall awareness.

Board discussion on the matter focused on the advantages and disadvantages of launching the entity with the reduced initial funding discussed, the importance of consistent coordination and communication with NGBs throughout the process, and the overall value of the services the entity will be able to provide.

After this discussion, and upon a motion duly made and seconded, the Board voted unanimously to approve the launch of the Safe Sport entity as discussed, on the timing, with the priorities, and upon the financial plan all reflected in the advance materials for this meeting.

10. LA Bid Revenue Share

Scott Blackmun reviewed an item currently under discussion between the USOC and LA 2024, the result of which would soon be presented to the IOC as part of the bid process: Final numbers and approach for sharing marketing revenue between the USOC and a Los Angeles organizing committee, should Los Angeles be awarded the Games. Mr. Blackmun reviewed the agreed underlying principles for the share calculation (including that the USOC must be left in no worse a position than it would have faced in the absence of a Los Angeles Games) and took the Board through alternatives for revenue sharing. He described LA 2024's proposals to date and the process being pursued by the parties to agree upon and finalize an approach.

The Board discussed these points, including as to the ways similar considerations were approached for previous US bids and the importance of reaching a timely and principled agreement to present a solid package to the IOC voters.

11. Athlete Eligibility Discussion

At Scott Blackmun's invitation, Alan Ashley and USOC General Counsel Chris McCleary provided the Board with background information and recent developments in the area of sport participation and eligibility classifications for transgender individuals.

Mr. McCleary reviewed relevant statements, policies, and positions of other international and US domestic sports bodies and the current state of flux on this issue. He underlined that as an employer and provider of facilities to guests, the USOC's policy is to prohibit discrimination based on gender identity. As to classifications and eligibility determinations for participation in sport, Mr. Ashley noted the importance of ensuring that no USOC policy or approach has the effect of disadvantaging US athletes by being out of step with the rules these athletes would face in international competition.

Mr. McCleary and Mr. Ashley discussed USOC plans to stay abreast of developments in this area and work with the IOC and other international bodies on the underlying science. Subsequent Board discussion centered on this developing science, potentially applicable laws as they may impact the USOC, NGBs, and other entities, and the overall importance of ensuring that US athletes can train and compete in an environment that is inclusive and supportive overall. The Board encouraged that USOC staff make efforts to remain well-informed and ready to manage through future developments.

12. Anti-Doping Update

Scott Blackmun opened a discussion of recent developments in global anti-doping. He referred to recent discussions with the IOC, the World Anti-Doping Agency (“WADA”), USADA, and other parties involved in current controversies and disagreements widely reported around the world. He underlined his strong sense that anti-doping in sport is not functioning in an acceptable way and that all parties involved need to help make international sport less vulnerable to doping among athletes and those who would foster and conceal it for them. He emphasized that the USOC must play a strong role in helping to foster these improvements, and that direct conversations and efforts were likely to bring better results than efforts to bring pressure via the media. He praised the ongoing work and example set by USADA, and expressed his hope and belief that the IOC and WADA will take appropriate steps to put WADA on a similar footing in terms of independence, responsibilities, and capabilities.

13. Committee Reports and Executive Session

At this point, USOC staff (other than Scott Blackmun and Chris McCleary) left the room. In each case at the Chair’s invitation, a number of committee leaders provided reports to the Board.

13.1 Strategic Plan

Scott Blackmun led a short Board discussion on the continuing work of the *ad hoc* Board-level team formed to identify USOC strategic priorities and how best to address them. He recounted the previous day’s meetings of that group, wherein they reviewed and updated proposed USOC guiding principles and progress and planning on strategic projects intended to foster future USOC growth and continued improvement. Several members of the *ad hoc* group added their own impressions and thoughts on the projects and on the strategic effort overall, including the general agreement among members of the group that as an organization, the USOC is primed to take advantage its current reputation and credibility in order to carry out further positive and influential efforts in the future.

13.2 Nominating and Governance

Nominating and Governance Committee Chair Dave Ogrea reviewed the previous day’s meeting of that committee and its work on planning and executing a search for the one independent Board seat due to open in January 2017. Board discussion followed as to that process and potential candidates, and Mr. Ogrea expressed his hope to have a short list of potential candidates for Board discussion at its September meeting. The Board also discussed the relative merits of seeking to have a representative of the USOPF on the USOC Board at some point in the future.

Mr. Ogrea also discussed the committee’s review and consideration of the current pattern of staggered Board member terms, and its finding that this pattern offers

strong advantages for the USOC in terms of Board member continuity and balance from year-to-year, including as to full and effective representation among NGB, AAC, and independent Board members.

13.3 Ethics

Ethics Committee Chair Nina Kemppel updated the Board on the ongoing work of that committee, including as it implements the USOC's annual conflicts of interest disclosure process and Board-level conflicts of interest questions as they arise.

13.4 Audit

Audit Committee Chair Ursula Burns discussed the previous day's Audit Committee meeting and the current work of that committee. She indicated that the committee reappointed USOC external auditors for 2016 and that it is considering plans for future rotations among available external auditors, to ensure optimal scrutiny and effectiveness in the process. She also described committee discussion on USOC risk management efforts and current litigation.

13.5 Paralympic Advisory Committee

Paralympic Advisory Committee ("PAC") Chair Jim Benson reviewed the work of the PAC and its most recent meeting. He noted that the committee has established a strategic planning group to look at external issues (e.g., Special Olympics, IPC developments) and what challenges and opportunities they entail.

13.6 Compensation Committee

Compensation Committee Chair Susanne Lyons updated the Board on that committee's work and its meeting of the previous day, including as it reviewed ongoing USOC employee engagement reports and trends, annual compensation plans, revised Federal rules on exempt and non-exempt employees and USOC steps to ensure compliance, and the need for a bid-related employee retention plan for certain USOC employees.

13.7 Judo Section 10 Matter

Steve Mesler, representing the hearing panel on the ongoing Section 10 matter involving USA Judo, updated the Board on progress in that matter and reported the hearing panel's current recommendation that the existing USA Judo probationary period be extended by six months to allow USA Judo to continue and complete its ongoing compliance work.

Upon a motion duly made and seconded, the Board unanimously approved a six month extension of USA Judo's current probationary period, in order to encourage its further work on resolving identified organizational issues.

13.8 Administrative Items

Finally, Chris McCleary summarized a number of administrative items with the Board.

First, he referred to the recently executed agreement renewal between the USOC and USADA, and asked for comment from Board member Robbie Bach, who lent considerable effort and guidance to the renewal negotiation. Mr. Bach noted that the renewal had not been announced yet but was in place, and that it included an increase in funding previously discussed and approved by the Board. He described several important additions to the agreement agreed upon by the parties, including language that supports non-analytical investigations and also calls for careful preservation of athlete rights in connection with those matters. Finally, Mr. Bach noted that the USOC was considering a one-time supplemental funding amount for USADA in the very near term under the current USOC-USADA agreement, to support ongoing pre-Rio Games athlete testing.

Next, Mr. McCleary referred to advance materials provided to the Board regarding proposed edits to the USOC Bylaws, which would clarify the USOC Compensation Committee's duties in the area of diversity and inclusion (Section 5.4.3) and would add a greater athlete perspective within the composition of the USOC Games Administrative Board (Section 19.2), which is assembled to resolve late-breaking and time-sensitive athlete and team issues occurring during Games time. He noted that these amendments had been previously recommended by a member of the Board for consideration, and that the 60-day public notice period had been implemented and completed.

Upon a motion duly made and seconded, the Board voted unanimously to amend Sections 5.4.3 and 19.2 of the USOC Bylaws as proposed and posted for public comment.

Again referring to the advance materials for this meeting, Mr. McCleary noted that three NGB's have proposed to take over management of their Paralympic sport counterparts: USA Badminton, USA Archery, and US Rowing.

After Board discussion, and upon a motion duly made and seconded, the Board unanimously resolved that pursuant to Section 8.5 of the USOC Bylaws, the USOC Board of Directors hereby designates USA Badminton, USA Archery, and US Rowing to govern their respective Paralympic sport counterparts in the United States.

Mr. McCleary noted that the meeting dates and locations for 2017 USOC Board meetings have been finalized and included in the advance materials for this meeting.

Finally, Mr. McCleary introduced Board member Steve Mesler to provide the Board with information and background on the AAC's consideration and discussion of a certain edit to its own bylaws, which may be presented to the USOC Board for approval during the September Board meeting.

Noting that proposed AAC bylaw language had not yet been finalized by the AAC, he described the principle that the language would be intended to address: Increasing and clarifying Paralympic sport representation among the AAC leadership. Brief Board discussion ensued, during which Mr. Mesler further elucidated the principle and potential means of achieving it. Mr. Mesler reiterated that the Board would not be asked to approve the AAC's planned proposal until full and final AAC bylaw language is first presented.

The Chair closed this discussion by congratulating Mr. Mesler on his impending marriage.

14. Adjournment

There being no further business, the meeting was adjourned at approximately 2:44 pm.

This document constitutes a true and correct copy of the minutes of the 30 June 2016 meeting of the Board of Directors of the United States Olympic Committee.



Christopher McCleary
Secretary

July 25, 2016

Date