

Minutes

Board of Directors Meeting Chicago, IL September 25-26, 2014

A meeting of the Board of Directors (the "Board") of the United States Olympic Committee ("USOC") occurred on September 25 and 26, 2014 over two sessions, following notice duly given pursuant to the USOC Bylaws. The first session commenced at 2:45 p.m. local time on September 25. The following members of the Board were present in person for the first session: Larry Probst (Chair), Robbie Bach, Jim Benson, Scott Blackmun (CEO), Bob Bowsby, Ursula Burns, Anita DeFrantz, John Hendricks, Susanne Lyons, Bill Marolt, Mary McCagg, Dave Ogreaan, Whitney Ping and Angela Ruggiero. Jim Easton participated in the meeting by telephone. The above present members constitute a quorum of the Board under the USOC Bylaws Section 3.16. Nina Kemppele was unable to attend.

Present from the USOC were Jon Denny, Malia Arrington, Rick Adams, Lisa Baird, Patrick Sandusky, Benita Fitzgerald-Mosley, Walt Glover, Alan Ashley, Larry Buendorf, Michelle Stuart and Rana Dershowitz. Gordon Smith, Skip Gilbert and Maureen Shaffer were also present for the meeting. The minutes were recorded by Ms. Dershowitz.

Session I

1. Call to Order and Welcome

The Chair called the meeting to order at 2:45 and welcomed the Board.

2. US Olympic Endowment

Mr. Bill Hybl, Chair of the US Olympic Endowment and Mr. Bill McCarron, President of Prime Buchholz, updated the Board regarding the assets and management of the US Olympic Endowment. Mr. Hybl explained that Prime Buchholz is the independent advisory firm that the USOE utilizes to strategize regarding its investments. Mr. McCarron then shared with the Board information regarding the long and short term performance history of the USOE. He provided the Board with insight into the strategies used, shared the liquidity profile and geographic exposure of the USOE and identified the various managers involved. A Board member inquired as to the diversity reflected among the USOE investment managers. The Board discussed the fees associated with Prime Buchholz work and then thanked Prime Buchholz and the USOE for the great work done protecting the endowment of the US Olympic movement.

Mr. Hybl and Mr. McCarron departed the meeting.

3. USOC Financial Results

Mr. Walt Glover, Chief Financial Officer, reported to the Board on the USOC's year to date financial results. He reported that the USOC is projecting that it will end the year ahead of target with regard to revenue and below target with regard to expenses. He provided the Board with insight into the USOC's operating cash position versus budget as well.

4. Development Update

Mr. Jon Denney reported to the Board on the US Olympic and Paralympic Foundation's results for the year to date. He presented the Board with information regarding historic Games-year fundraising trends and explained his intent to achieve greater success than historic trends would predict. Mr. Denney provided the Board with his revised forecast for the year as well as prospects and strategies for the final quarter of the year.

Mr. Denney next updated the Board on staffing changes and hires within the division.

Mr. Denney then shared with the Board plans for the USOPF's new annual fund, the Team USA Fund. He explained how the annual fund differed from the USOC's direct mail efforts and gave the Board insight into the USOPF's plans for testing and implementation of the new initiative.

Next, Mr. Denney spoke to the Board regarding some of the challenges that could arise with an increase in principal gift level gifts, particularly in connection with restricted gifts, associated expenses and the USOC's budgeting process. The discussion turned to the necessity of ensuring balance between restricted and unrestricted gifts.

The Board asked about interest levels for Rio hospitality, which Mr. Denney explained is very high. A discussion then occurred regarding capacity for such hospitality in Rio.

5. Safe Sport

Mr. Blackmun reminded the Board of the prior discussions regarding Safe Sport as well as the Board's prior direction to staff. He explained what has been done to date and noted that while at one time support for the initiative was unanimous, one NGB had now indicated it had concerns. Mr. Blackmun invited representatives from the NGB Council and the U.S. Tennis Association to share their points of view.

Ms. Malia Arrington, Director of Ethics and Safe Sport, then reported to the Board on current structural development and fundraising efforts in support of the Safe Sport initiative. Ms. Arrington advised the Board that a draft of the proposed bylaws for the new entity are largely complete and will be circulated to the NGBC and AAC shortly,

with a goal of having them presented to the USOC Board in December. She further advised that staff has been working with an outside insurance consultant to best ensure that the new entity will be able to attain appropriate coverage. Finally, Ms. Arrington introduced Ms. Maureen Schafer to the Board, explaining that Ms. Schafer has been spearheading the fundraising efforts on a volunteer basis.

Ms. Schafer spoke to the Board about her involvement with the effort. She shared her perspective on the importance of the initiative and explained her fundraising approach. Ms. Arrington and Ms. Schafer then walked the Board through proposed fundraising collateral. The Board provided feedback on the collateral and engaged in a discussion around the focus of the entity. Ms. Ruggiero commented that the IOC and the broader global movement could benefit from all the work being done.

Mr. Gordon Smith, USTA Executive Director and Chief Operating Officer, spoke to the Board regarding USTA's perspective on the USOC's Safe Sport initiative. He expressed USTA's support for Safe Sport efforts generally, but explained that USTA does not believe that a single mandatory national entity is the best way to approach the issue. He shared his reasoning and concerns with the Board and recommended that the initiative move forward in a manner that enables a National Governing Body to opt out of the centralized structure if that entity independently meets specified stringent Safe Sport related standards on its own.

Mr. Rich Bender then shared with the Board the perspective of the NGBC, joined by Mr. Steve Penny and Mr. Doug Beal. They expressed the Council's appreciation for how much engagement there has been with the NGBs and how actively collaborative the development of the construct has been. Mr. Bender, Mr. Penny and Mr. Beal confirmed that the NGBC is strongly in support of the creation of a centralized independent entity to address safe sport issues, and believe it is critical that there be 100% NGB participation.

The Board engaged in a discussion regarding the currently proposed structure. The Board explored the benefits and challenges of mandating participation. The discussion turned to the scope of the Safe Sport effort with dialog about the education elements as compared to the investigative elements.

Following the discussion, Mr. Smith, Mr. Gilbert, Mr. Bender, Mr. Penny and Mr. Beal then left the meeting. The Board continued its discussion, exploring various potential alternative structures. The Board then determined to table the discussion until the following day's executive Board session to enable all Board members to give it further thought.

6. NCAA

Mr. Blackmun reported to the Board regarding meetings that have occurred among USOC personnel, between USOC personnel and representatives of the NCAA and NCAA member institutions and between USOC and NGB personnel regarding the direction of collegiate sports. He explained the concerns raised by the issues surrounding

the NCAA and commented upon how structural changes within the NCAA could negatively affect Olympic programs and the Olympic pipeline globally. Mr. Bob Bowsby shared his perspective on the challenges facing the NCAA and how the outcomes might affect the Olympic pipeline. Mr. Bowsby indicated that no one has a clear view into where things will go at this point, noting that the outcomes will take several years to play out and may be very different at different member institutions.

Mr. Blackmun advised the Board that there will be a discussion about collegiate sport at the NGBC meeting tomorrow and offered the Board the opportunity to join.

7. Pat Ryan Presentation

Mr. Pat Ryan, former chairman of the Chicago 2016 bid effort, joined the Board to provide his perspective of and observations about whether the USOC should or should not bid for the 2024 Olympic and Paralympic Games. Mr. Ryan spoke about the lessons learned from the Chicago bid, while noting that he is hopeful that conditions will exist or can be created to enable a winning bid from the United States. Mr. Ryan shared some of the legacy successes of the Chicago bid, despite not winning the Games. The Board discussed with Mr. Ryan some of the international dynamics around the Chicago bid and some changes that may occur in the bidding process.

At this time the Board adjourned for the day.

Session II

Chairman Larry Probst was unable to participate in Session II of the Board meeting and, pursuant to USOC bylaws Section 3.20, designated Scott Blackmun to run the meeting. Other than Mr. Probst, all members of the Board present for the first session were present for the second session, though Mr. Hendricks and Mr. Bowsby joined the meeting at 12:50 and Mr. Easton joined telephonically at 1:30. Mr. Doug Arnot was also present for the meeting.

8. Call to Order

Mr. Blackmun called the meeting to order at 12:35. He began the meeting by requesting that Board members share their views of the various council meetings that had occurred that morning. Bill Marolt and Ursula Burns reported on the NGBC meeting. Robbie Bach reported on the USOPA meeting. Dave Ogreaan reported on the MSOC meeting. Susanne Lyons reported on the AAC meeting. A discussion then ensued regarding dynamics occurring within the AAC and how the USOC Board might be able to help.

9. Rio Preparations

Mr. Alan Ashley, Chief of Sport Performance, reported to the Board on preparations for Rio. He focused particularly on the plan to support Team USA in Rio, explaining to the Board the USOC venues that will be used. He shared some of the challenges encountered as well as the elements implemented to date.

10. 2015 Summer High Performance Allocations

Mr. Ashley next spoke to the Board regarding 2015 summer high performance allocations, as well as initial plans for winter allocations leading into 2018. Mr. Ashley shared Sport Performance's 2015 budget targets. A discussion then ensued regarding athlete support through VIK and tuition grants and how such support affects high performance allocation budgets, if at all. The discussion then turned to the philosophy underlying the proposed allocation plan and the ongoing NGB evaluation process undertaken by the USOC. Mr. Ashley then provided the Board with insight into the Paralympic allocation process.

Mr. Ashley shared with the Board his perspective on medal opportunities in Rio by sport. As part of this discussion, Mr. Ashley explained certain new strategies being undertaken with a few sports.

11. Marketing update

Mrs. Lisa Baird, Chief Marketing Officer, updated the Board on sponsor renewals. She then shared with the Board the USOC's media programming strategy, including both traditional and digital media. Mrs. Baird spoke to the Board briefly regarding the USOC's current understanding of the IOC's Global Olympic Channel development.

Next Mrs. Baird spoke to the Board about discussions that had recently occurred among the USOC, NBC and the NGBs about the long term development of media properties in the US. She shared some of the themes discussed as well as the history of collaborative rights development across the US Olympic Movement. She then discussed the USOC's planned use of its NBC bonus payment as well as strategies being explored to enable portions of the funding to further enhance existing initiatives.

12. Athlete Career and Education Update

Mrs. Benita Fitzgerald-Mosley reported to the Board on the USOC's athlete career and education programming. She shared with the Board some of the history of the USOC's efforts in this area, and spoke about where the USOC is hoping to take the program. Mrs. Fitzgerald-Mosley explained some of the learnings the USOC had gleaned from similar and parallel efforts ongoing in other contexts, both national and globally. Next Mrs. Fitzgerald-Mosley reported to the Board on the strategies and tactics being implemented over the next several years to support athlete career and education efforts.

Finally Mrs. Fitzgerald-Mosley shared with the Board key successes that have been achieved with the program in 2014.

At this point the Board took a five minute break.

13. Bid Discussion

Mr. Blackmun next reminded the Board of the work done to date in the bid evaluation process, as well as the guiding principles adopted by the USOC at the front of that evaluation effort. He introduced Mr. Doug Arnot to the Board to help inform the discussion. Mr. Blackmun shared with the Board thinking developed to date regarding the pros and cons of bidding for and/or hosting the Games. He then explained to the Board the selection criteria that have been identified and utilized to date.

The Board discussed the process it would be using to make its decisions regarding the question of whether to bid for the 2024 Olympic and Paralympic Games, and with whom. The Board then discussed the takeaways from all of the engagement to date with each of the four cities being considered. The discussion turned to international dynamics around the bidding process. The Board engaged in a thorough discussion regarding all four cities and their relative strengths and weaknesses.

14. Strategic Plan

Mr. Blackmun presented the Board with a new proposed long term strategic plan, asking several members of management to highlight for the Board the tactics under each of the strategies proposed as part of the plan. The Board determined that additional work should be done through the Paralympic Advisory Committee to further develop and refine the proposed strategic plan.

At this time, 4:30 p.m., all members of staff other than Rana Dershowitz, Malia Arrington and Rick Adams departed the meeting.

15. Safe Sport

The Board engaged in a continuation of the discussion regarding Safe Sport, specifically examining whether to continue down the path of mandating participation in the new national center being developed. The Board particularly explored whether it would be appropriate to enable an NGB to opt out of the entity if it met certain standards independently as recommended by USTA.

Following the discussion, the Board confirmed its continued support for participation in the entity being a requirement of an NGB maintaining good standing with the USOC. The Board also expressed its direction that the USOC must be careful to ensure that the details of the entity continue to be developed collaboratively to ensure that NGB concerns are addressed to the greatest extent possible.

The Board then turned its discussion to the proposed scope of the entity. Ms. Arrington explained to the Board that the proposed scope will be different with regard to education efforts versus investigation efforts, with the entity providing education relating to all forms of physical, sexual and emotional abuse, but only investigating allegations of sexual misconduct (and claims of physical or emotional misconduct associated with a sexual misconduct claim). She explained that any matter that does not involve sexual misconduct will not be handled by the entity, unless the NGB involved specifically requests the entity's participation and the entity agrees. The Board requested certain revisions to the fundraising collateral that had previously been presented to ensure that the scope is clear.

At this time Ms. Arrington and Mr. Rick Adams left the meeting.

16. Nominating and Governance Committee Report

Mr. John Hendricks, chair of the Nominating and Governance Committee, reported to the Board on the Committee's activities. He advised that the Committee had already interviewed each of the NGBC nominees, noting that both are incredibly strong. Mr. Hendricks advised the Board of the Committees planned next steps with regard to interviews for both the independent seats as well as the AAC seat being vacated. Mr. Hendricks also advised that the Committee is looking to place one additional independent individual on the USOC Ethics Committee. Several Board members made recommendations regarding potential candidates.

17. Audit Committee Report

Ms. Ursula Burns, Chair of the Audit Committee, updated the Board regarding the activities of the Committee. She noted that the full Committee had been in attendance at the meeting held on September 25. She reported that the Committee had approved minutes from several Audit Committee calls, and reviewed issued audit reports on several sports. Ms. Burns noted that the Committee reviewed the audit schedule and learned about the NGB financial best practices seminar, which appeared to be a success. Ms. Burns noted that Ms. Morane Kerek, Managing Director of Internal Audit, had reported on the USOC's audit of the OTC construction, which showed extremely good management. Ms. Burns advised that the Committee had further discussed the USATF audit and USATF governance concerns and had spoken about Grant Thornton's audit report plan. The Committee had received reports on the USOC's financial results and spent time hearing from Trevor Miller, Managing Director of IT.

18. Compensation Committee

Susanne Lyons, Chair of the Compensation Committee, reported to the Board regarding the activities of the Committee at its September 25, 2014 meeting. She noted that the Committee reviewed the USOC compensation plan benchmarked against industry. She reported that the Committee had noted with concern the level of vacation accrual at the USOC. The Committee had reviewed the senior employee evaluation

process. At the request of management, the Committee had approved the USOC again having a winter break closure. Finally, the Committee had further discussed Sport Performance goals for the organization, with particular attention to how aggressively the USOC should set its goals and what effects the goal setting philosophy will have on staff.

19. Paralympic Advisory Committee Report

Mr. Jim Benson, Chair of the Paralympic Advisory Committee reported to the Board on the activities of the PAC. He advised that the PAC had held a meeting on Wednesday, September 24. Mr. Benson shared that the PAC had discussed the new Paralympic structure implemented at the USOC, year to date Paralympic achievements, and the philosophy underlying Paralympic resource development and allocation.

20. Administrative Items

Noting that Ms. Rana Dershowitz would be leaving the USOC, a motion was made to adopt the following resolution:

Resolved, that the Board of Directors of the United States Olympic Committee hereby expresses its deepest appreciation to Rana Dershowitz for her tireless and dedicated work as General Counsel and specifically for her extraordinary legal skills, exceptional judgment, collaborative and collegial spirit and passion for advancing the Olympic Movement

The motion passed unanimously.

Ms. Dershowitz then expressed her gratitude to the Board as well.

Ms. Dershowitz next directed the Board to the proposed USOC National Anti-Doping Policy contained in the Board materials. She explained that the new policy was required to conform to the 2015 World Anti-Doping Code being implemented and additionally contained certain policy changes voluntarily proposed to enhance the USOC's efforts in the fight against doping. Ms. Dershowitz requested that one clarification be made from the version provided to the Board, explaining the rationale behind the proposed change. A motion was made to adopt the proposed USOC National Anti-Doping Policy with the one further revision, effective January 1, 2015. The motion passed unanimously.

Ms. Dershowitz next advised the Board that final dates and locations for 2015 USOC Board meetings were contained in the Board materials provided.

21. Adjournment

There being no further business, the meeting was adjourned at approximately 5:15 p.m.

