

Minutes

Board of Directors Meeting

September 23-24, 2011

Colorado Springs, CO

12:30 pm – 5:40 pm MST September 23 (Session 1)

8:00 am – 10:30 am MST September 24 (Session 2)

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) occurred on September 23 and 24, 2011, commencing at 12:30 p.m. local time, pursuant to notice duly given pursuant to the USOC Bylaws. The Chair called the meeting to order at approximately 12:30 p.m. The following members of the Board were present in person at the meeting’s commencement: Larry Probst (Chair), Robbie Bach, Scott Blackmun (CEO), Bob Bowlsby, Ursula Burns, Anita DeFrantz, John Hendricks, Nina Kemppe, Susanne Lyons, Mary McCagg, Angela Ruggiero, and Dave Ogrea. Jair Lynch joined the meeting telephonically for the first hour of the first session. Ursula Burns left the Board meeting at the end of Session 1 and was unable to attend Session 2. Jim Benson was unable to attend Session 1, but joined the meeting for the Session 2. Mike Plant and Jim Easton were unable to attend the meeting. The above present members constitute a quorum of the Board under the USOC Bylaws Section 3.15 for the entire period of both sessions.

Present for the commencement of the meeting from USOC management were: Rick Adams, Malia Arrington, Alan Ashley, Lisa Baird, Rana Dershowitz, Walt Glover, Janine Musholt, Patrick Sandusky, Michelle Stuart and Kirsten Volpi.

The minutes were recorded by Rana Dershowitz, Secretary.

1. Call to Order and Welcome

The Chair called the meeting to order. He welcomed the Board.

2. YTD Financial Results

Walt Glover, Chief Financial Officer, provided the Board with a report on the USOC’s 2011 year-to-date financial results as well as projections for year end. Mr. Glover reported that, as of August 31, 2011, revenue was unfavorable to budget, however, this was due to timing on receipt of certain Paralympic-focused federal funds and is expected to reverse. A discussion occurred regarding federal funding of Paralympic activities and certain changes that had occurred regarding the way these funds would be provided, managed and awarded. As of August 31, 2011, the USOC was favorable on the expense side, but this too is partially tied to federally supported Paralympic program activities and this is expected to reverse once the anticipated federal funds are received.

Mr. Glover then advised the Board that, for year-end, the USOC is forecasting that it will be favorable in revenue but unfavorable in expense (primarily due to a) increased sponsorship and licensing revenue and b) higher than projected use of VIK). Revenue over expense is expected to remain favorable to budget, however.

With regard to the projected quad budget, the USOC is forecasting to have a larger positive variance of revenue over expense compared with December 2010 forecast. The USOC now expects to end the quad with a larger reserve of operating cash than initially projected.

A discussion then occurred regarding the US Olympic Foundation funding of the USOC.

3. CEO Report

A. Development

Janine Musholt, Chief Development Officer, updated the Board regarding revenues from the USOC's development efforts. The USOC is forecasting to end the year well ahead of budget in major gifts, which has been extremely strong. Mrs. Musholt noted particularly the success to date of the Paralympic Champions Fund. At Mrs. Musholt's request, Robbie Bach then provided the Board with a description of the donor cultivation event he had hosted at his home in Seattle. He noted that feedback from the event was very positive. Mr. Bach suggested that other members of the Board consider hosting similar events and noted that Mrs. Musholt's team took responsibility for the logistics.

Mrs. Musholt next advised the Board regarding the USOC's direct mail and digital fundraising efforts. She explained that direct mail is still expected to be down at the end of the year, but noted that digital revenue is beginning to grow. Mrs. Musholt discussed the USOC's strategies and goals for this segment of the business.

Next Mrs. Musholt discussed the Development Department's work with NGB fundraising. Development and NGB Organizational Development share one headcount focused solely on NGB fundraising and the USOC's matching gift program is going to be launching in the next few weeks.

A discussion then occurred among the Board regarding the strategy, head count and structure of the USOC's Major Gift efforts.

B. Marketing

Lisa Baird, Chief Marketing Officer, updated the Board on several aspects of the USOC's marketing efforts. She summarized several marketing initiatives that had launched in 2011, including July 4th Team USA Celebrations, the Team USA Grant

Program awarded via Facebook fan voting and Team USA: Britain Bound, noting the sponsor activation and promotional exposure that had occurred.

Ms. Baird next reported to the Board on the USOC's digital media efforts. She noted that the USOC has passed 1,000,000 fans on Facebook, and are continuing efforts to increase our traffic, including through several webcasting and web-video efforts. For example, the USOC's "Road to London" webcasting series aims to allow the American public to get to know our athletes in advance of London. The Team Behind the Team web-video is currently the second most viewed video in September on the USOC's website. A discussion then occurred regarding how best to promote these digital efforts to build the USOC's fan base. Ms. Baird then advised the Board that the USOC will be relaunching our website in December, and provided the Board with a sample of the intended new look and feels.

A discussion then occurred regarding certain future marketing and fundraising efforts planned for the lead up to the London Olympic Games.

Ms. Baird next reported to the Board on the USOC's marketing revenue to date as well as revenue projections for the 2009-2012 quad and the 2013-2016 quad. A discussion occurred regarding these projections and the USOC's expectations going forward. As part of this discussion, Ms. Baird reported to the Board regarding certain ongoing negotiations with potential new sponsors.

C. Sport Performance

Alan Ashley, Chief of Sport Performance, updated the Board regarding competition results from World Championships in Olympic sports, particularly as compared to the USOC's targets and expectations. Mr. Ashley advised the Board regarding certain results trends, successes and challenges in the lead up to the London Olympic Games. Mr. Ashley shared with the Board the efforts the USOC is undertaking to help the athletes obtain their best performances in London. Mr. Ashley next updated the Board regarding assessments being undertaken on a variety of sports as well as some of the tools he and his team are using to assess medal opportunities sport by sport and discipline by discipline.

Mr. Ashley next reported to the Board regarding the USOC's implementation of the guiding principles for high performance funding that the Board approved in June. Mr. Ashley explained to the Board how high performance funding would interplay with NGB Organizational Development funding. A thorough discussion then occurred regarding the USOC's funding intentions, the effects it is expected to have on the USOC's medal projections and on NGB operations as well as the effects it would have on 2012 USOC expenses and the projected quadrennial budget. The Board then requested further information regarding the funding plan and the effects it would have across the NGB family. It was determined to table the discussion until Session 2 when Mr. Ashley would be able to put the additionally requested information in front of the Board.

D. Safe Sport Implementation

Ms. Malia Arrington, Director of Ethics and Safe Sport, was introduced to the Board. She reminded the Board of the recommendations made by the Safe Training Working Group and then updated the Board regarding the USOC's activities towards implementing those recommendations. She provided the Board with visibility into the stand-alone website being created for the USOC's safe sport initiative and walked the Board through the site's planned structure, content and functionality. Next Ms. Arrington explained to the Board the USOC's rollout timeline and plans. A discussion then occurred regarding how the initiative was being communicated to the USOC's constituents.

At this time, Olympian Micki King joined the Board and challenged the Board with some Olympic trivia.

4. Paralympian Sam Kavanagh

After Ms. King left the Board meeting, Paralympian Sam Kavanagh and his coach Craig Griffin joined the Board. Mr. Kavanagh and Mr. Griffin were introduced to the Board by Charlie Huebner, Chief of Paralympics. Mr. Kavanagh then shared his story and experiences with the Board. Mr. Griffin explained his role to the Board and provided the Board with insight into the US's Paracycling program, its strengths and its challenges.

5. Sponsor Appearance – BP Management Team

Ms. Baird reminded the Board that a renewal of the USOC – BP sponsorship had been announced the day before the Board meeting and advised the Board that BP had determined to become the presenting sponsor of the Jack Kelly Fair Play Award. She then introduced several members of the BP management team to the Board, including Crystal E. Ashby, Executive Vice President of State Government and Public Affairs for BP America, Luc Bardin, Group Chief Sales & Marketing Officer and a Group Vice President, BP plc, and J. Douglas Sparkman, SPU Leader, Midwest Fuels Value Chain, BP Products North America, Inc. Mr. Bardin spoke to the USOC Board on behalf of the group. He explained to the Board why the USOC sponsorship so effectively aligns for BP and complemented the USOC for the manner in which it has handled the partnership. He then spoke to the Board about some of the ways BP plans to work with the USOC and the value these efforts may bring to both.

At this point, 3:15, the Board took a 10 minute break. After the break all USOC staff other than Rick Adams, Rana Dershowitz, Patrick Sandusky Pam Sawyer, Michelle Stuart and Kirstin Volpi left the room. Frasier Bullock also joined the meeting at this time.

6. Other Business Update

Mr. Blackmun advised the Board that the City of Colorado Springs had completed its funding obligations to the USOC under the Economic Development Agreement. He also pointed the Board to certain historic materials that had been pulled out of the USOC archives and placed on display around the room. Mr. Blackmun explained that the USOC plans to hire a new archivist to oversee the Olympic memorabilia and other archived items stored by the organization, as well as to ensure that the USOC continues to collect these types of important items of historical value.

7. Diversity Working Group

Denise Parker, CEO of USA Archery, was invited to join the meeting to report to the Board on the work of the Diversity Working Group. The DWG was tasked with developing near term, relevant, realistic recommendations for how the USOC might help to improve diversity in the US Olympic family. Ms. Parker explained that the group's recommendations constituted a first step, not the whole plan. In undertaking its work, Ms. Parker advised the Board that the DWG had adopted the following vision statement: "The US Olympic and Paralympic Family embraces the spirit of differences for better athletic performance and business results." Ms. Parker advised the Board that the DWG had a really strong group of volunteers and great staff support.

Ms. Parker walked the Board through the DWG's assessments, noting that diversity is not just about demographics, but rather is about bringing together different perspectives and different points of view which will create problem solving benefits. Further, the group noted that while diversity itself is important, it is also critical to maintain an inclusive environment or an organization will not be able to realize the full benefits a diverse work population could bring. Finally, Ms. Parker explained that the DWG felt it critically important to show the business case for enhanced diversity, particularly through its effects on athletic performance and resources.

Ms. Parker then explained to the Board what the DWG saw as within its charge and what it saw as beyond the scope of its work (though still important). Thereafter, Ms. Parker provided the Board with information regarding the US Olympic and Paralympic Family's current demographics.

Next Ms. Parker advised the Board of the best practices that the DWG had identified, and outlined for the Board the DWG's four main recommendations. These recommendations were:

First: To "widen" the pathways into the Olympic Movement. That is, to actively reach out to, and partner with, relevant organizations to reach underrepresented groups for job opportunities. Ms. Parker explained that the DWG strongly believes that this type of outreach cannot be done alone, but must be done through existing organizations, with shared databases of diverse candidates. Only in this manner will the Olympic family be able to gain access to new pools of potential candidates.

Second: To create an inclusive environment. In order to do this, the USOC and the Olympic movement will need to undertake education, create awareness about the issue of diversity, and develop training materials on managing diversity. In doing so, examples of successful diversity initiatives should be shared.

Third: To celebrate and share diversity stories. In order to ensure that the Olympic family appreciates the benefits of diversity, examples of diversity and instances that encourage underrepresented athlete participation should be identified, and plans to support these initiatives and examples should be developed.

Finally: To focus on and develop specific fundraising initiatives for both the USOC and NGBs for diversity program development. The DWG believes that there is money available specifically to support diversity programming. The Olympic family needs to facilitate opportunities to access this funding in order to offset costs.

In order to implement these recommendations in the near term, the DWG recommends that in 2012, the USOC focus on hiring a Director of Diversity and Inclusion who should report to the CAO; investing in technology to create a resource for recruiting and reaching diverse candidates; and creating a toolkit for NGBs. In doing so, the DWG recommends that the USOC include a modest budget for this effort in its 2012 budget, one that will not take resources in a manner that might hurt NGB funding.

A discussion regarding the work and recommendations of the DWG then occurred among the Board. The Board noted the need for there to be metrics in place around this initiative, although they specifically noted that the metrics might not be based upon percentages of diverse employees at any one time. The discussion then turned to how the recommendations might be implemented at smaller NGBs with few resources.

Following the discussion, the Board thanked Ms. Parker and the DWG for the great work done. At this point, Ms. Parker, Ms. Sawyer and Mr. Adams left the Board meeting.

8. International Relations Update

The Board engaged in a thorough and wide ranging discussion of the USOC's ongoing revenue share negotiations with the IOC. The discussion included an assessment of existing economics of the Olympic Movement, potential solutions to the existing dispute and some of the challenges that have arisen during the negotiations.

9. Audit Committee Report

Ursula Burns, Chair of the Audit Committee, provided the Board with a report on the Committee's activities. The Committee had met the day before the Board meeting. They approved minutes from the prior meeting, heard a report from the CFO, and were walked through several NGB audits undertaken by the Internal Audit Department. The Committee discussed the positives and negatives that had come out of the NGB audits.

The Committee next discussed Internal Audit's review of the Sports Performance Department, which would be formally presented at the next Audit Committee meeting. Next the Committee received a briefing from the USOC's external auditors, who confirmed that the USOC's internal Finance Department had solid processes, focus and controls in place. The Committee voted to approve Grant Thornton as the USOC's external audits for 2012. Ms. Dershowitz provided the Committee with a brief litigation report. The Audit Committee then met in executive session.

At 5:40, the Board adjourned Session 1.

The Board reconvened at 8:00 am MST on Saturday September 24, 2011 for Session 2. Present at the commencement of the Session were: Larry Probst (Chair), Robbie Bach, Jim Benson, Scott Blackmun (CEO), Bob Bowsby, Ursula Burns, Anita DeFrantz, John Hendricks, Nina Kempel, Susanne Lyons, Mary McCagg, Angela Ruggiero and Dave Ogrea. Ursula Burns, Jair Lynch and Jim Easton were not able to attend the second Board session. Present from the USOC were Alan Ashley, Rick Adams, Rana Dershowitz, Walt Glover, Charlie Huebner, Michelle Stuart and Kirstin Volpi.

10. High Performance Funding Discussion

The Board began its business with a continuation of the high performance funding discussion that had commenced in Session 1. Mr. Ashley provided the Board with the additional detail previously requested. A discussion occurred regarding how high performance Paralympic funding interacts with funds from the Paralympic Champions Fund. The discussion then turned to how the proposed funding compared to the quadrennial budget targets as well as the requests of the NGBs. Mr. Adams explained to the Board the USOC's plans and goals for its NGB Organizational Development efforts and how the newly proposed funds for this Department would be deployed in coordination with Sport Performance's high performance funding plans.

Following the discussion, a motion was made to authorize up to \$55M total of 2012 high performance funding for NGBs and NGB Organizational Development funding as proposed by Mr. Blackmun, Mr. Ashley and Mr. Adams. The motion passed with one director voting against.

11. Administrative Items

A. Golf National Governing Body Discussion

Ms. Dershowitz explained to the Board that with the sport of golf being added to the Olympic program for the 2016 Olympic Games, it was the responsibility of the USOC to name an NGB to oversee the Olympic sport of golf in the United States. The USOC had received applications from two different entities, USA Golf and USA Golf Federation, Inc. both seeking to be the sport's new NGB. The USOC's Membership Review Task Force had spent significant time with each proposed organization, working

through their structures, governance plans and business plans. The USOC had also held two public hearings regarding the proposed entities. The Board discussed the USOC's Membership Review Task Force's assessment and recommendation. Following the discussion, the USOC Board voted unanimously to support the Membership Review Task Force's recommendation and name USA Golf Federation, Inc. as the NGB for the Olympic sport of golf by adopting the following resolution:

BE IT RESOLVED, THAT USA Golf Federation, by action of the USOC Board of Directors, and pursuant to Section 220521 of the Ted Stevens Olympic and Amateur Sports Act and Section 8.1 of the USOC Bylaws is recognized as the National Governing Body for the sport of Golf and is admitted as an Olympic Sport Organization member of the United States Olympic Committee, provided, however that such approval is conditioned upon USA Golf Federation, Inc. receiving membership in the international federation for golf, and further upon the new NGB showing reasonable diversity among its Board of Directors membership.

B. Paralympic Shooting Discussion

Ms. Dershowitz next advised the Board that USA Shooting had applied to be named as the governing body for the Paralympic sport of shooting, in addition to their status as the NGB for the Olympic sport of shooting. USA Shooting had been managing the Paralympic side of the sport on behalf of the USOC for several years under a management agreement with the USOC. Taking this step would make USA Shooting the sole entity responsible for the Paralympic side of the sport. Following discussion, a motion was made and unanimously approved to adopt the following resolution:

BE IT RESOLVED, THAT USA Shooting, by action of the USOC Board of Directors, and pursuant to Section 220522(b) of the Ted Stevens Olympic and Amateur Sports Act and Section 8.5 of the USOC Bylaws is designated to govern the Paralympic sport of Shooting in the United States.

C. NGB Council Bylaws

Ms. Dershowitz advised the Board that the NGB Council had worked with the USOC's legal department earlier in the year to develop new bylaws. These bylaws had been considered and approved by the NGB Council at their last meeting, in May 2011. Pursuant to the USOC's bylaws, NGB Council bylaws must also be approved by the USOC Board of Directors. Accordingly, the NGB Council was requesting Board approval of their new bylaws at this time. A discussion occurred regarding the new bylaws, with the Board seeking confirmation that USOC legal was comfortable with the changes. Ms. Dershowitz confirmed that USOC legal had been actively involved throughout the process and was comfortable with the changes. Following the discussion, the Board unanimously approved the NGB Council Bylaws as the same had been voted on by the NGB Council in May 2011.

D. Litigation Report

Ms. Dershowitz provided the Board with a brief litigation report.

12. USOC Bylaws

The Board next turned to a discussion of the proposed amendments to the USOC Bylaws that had first been discussed at the June Board meeting. Ms. Dershowitz confirmed for the Board that the proposed revised Bylaws had been posted for public comment on July 18, 2011 and had been sent to the Chairs of the NGB Council, AAC and Multisport Organizations Council as well as the President of the US Olympians. Ms. Dershowitz shared with the Board that the only comments received had come from the MSOC, and those comments had been discussed with MSOC leadership by Mr. Blackmun and Ms. Dershowitz to their satisfaction. Following discussion regarding the changes being proposed, the Board voted unanimously to approve the new Bylaws, with Ms. Anita DeFrantz specifically noting her continued objection to the IOC member voting structure contained in the USOC Bylaws.

13. Committee Reports

A. Paralympic Advisory Committee

Jim Benson, Chair of the Paralympic Advisory Committee, reported to the Board on the Committee's activities. Mr. Benson explained that the Committee had met on Thursday, September 22, 2011, with Mr. Probst, Mr. Blackmun and Mr. Bach joining the Committee for their meeting. The Committee discussed the importance of volunteer leadership, particularly with regard to the governance of Paralympic sport in the US. Mr. Charlie Huebner, Chief of Paralympics, had provided the Committee with a report on the USOC's Paralympic efforts, including both high performance and grassroots, as well as some of the challenges these efforts face. The Committee discussed Paralympic funding, including both government funding as well as fundraising strategies. At this point Mr. Blackmun noted for the Board that much of the government funding of Paralympic activities is, for the first time, subject to the USOC becoming considered a government contractor, with the additional administrative burdens this entails. With regard to Paralympic fundraising initiatives, Mr. Benson reported to the Board on the successes of the Paralympic Champions Fund to date, and expectations for it going forward.

Mr. Blackmun then requested that the Board discuss how best to structure and account for the Paralympic Advisory Committee's fundraising. Mr. Blackmun suggested that the Paralympic Advisory Committee's initiatives be treated as budgeted items, with both revenue and expense targets. The Board agreed with this idea, noting that all funds raised through the Paralympic Champions Fund would be in addition to any funds the USOC determined to budget in support of the Paralympics out of its general funds.

Mr. Benson then advised the Board of certain other fundraising initiatives being explored by and through the Paralympic Advisory Committee.

The discussion then turned back to the issue of the importance of volunteer leadership for the Paralympic Movement in the United States. Mr. Blackmun suggested to the Board that from an international perspective, it would be beneficial to have an individual designated as the President of the US Paralympic Committee, as it is too demanding to function as the President of both the USOC and the USPC.

Following this discussion, the Board agreed with Mr. Blackmun regarding volunteer leadership of the US Paralympic Movement and voted to have Jim Benson identified as the President of USA Paralympics. The Board further directed that staff should initiate the process to amend the USOC Bylaws to create a new formally recognized position of the USOC: "President of the USA Paralympics," with the USOC Board of Directors having authority to elect the position.

Finally the Board discussed which Board members would be attending the Paralympic Games in London.

B. Compensation Committee

Bob Bowsby, Chair of the Compensation Committee, reported to the Board on the Compensation Committee's activities. The Compensation Committee had met on Thursday, September 22, 2011. The Committee had adopted a benchmarking structure for the organization for salary, assessed pay grades across the organization, and approved certain changes to compensation to ensure parity around the organization. A discussion had occurred at the Committee level regarding whether the benchmarking structure really works for an organization like the USOC. It was generally agreed that there are certain parts of the business that do not fit into the benchmarking structure quite as well and would need to be assessed further to ensure retention in critical areas. The Committee also spent time discussing the USOC's benefits programs and charged the Human Resources Department with developing a long term strategy that will create savings while providing a program that will attract, retain and motivate people. The Committee discussed the need to enhance the USOC's recruitment process and further staff development. In addition, there was a discussion regarding the need to evaluate the USOC's current FTE model, an effort which Kirsten Volpi, Chief Administrative Officer, will be leading.

C. Ethics Committee

Mary McCagg, Chair of the Ethics Committee, reported to the Board on the Ethics Committee's activities. Ms. McCagg explained that following the Board's discussion at the June Board meeting, the Ethics Committee had developed a proposed policy for handling internationally provided per diems. Ms. McCagg explained the proposed policy to the Board. Following the discussion, the Board unanimously voted to approve the Per Diem Policy. Ms. McCagg next advised the Board that the USOC's

Internal Audit Department had undertaken a follow-up to the 2009 Ethics Survey. Ms. McCagg is working with Ms. Debra Yoshimura to assess the results, which preliminarily look positive.

D. Nominating and Governance Committee

John Hendricks, Chair of the Nominating and Governance Committee, reported to the Board on the Committee's activities. The newly constituted Committee met for the first time on Thursday, September 22, 2011, with its new AAC, NGBC and MSOC representatives. Mr. Hendricks explained the Committee's structure to the Board, noting the need for independence among the representatives from the Councils, and USOC Board representatives who are term limited out of future Board seat consideration. Mr. Hendricks noted that the MSOC representative will need to be changed again, as Wayne Moss had been named, but with his election to the MSOC Chair, he no longer was eligible to serve on the Nominating and Governance Committee. The Committee discussed its upcoming work for the remainder of 2011 and 2012.

14. Other Business

A. Women and Sport Conference

Ms. Anita DeFrantz provided the Board with an update on the IOC's Women and Sport Conference scheduled for February 2012 in Los Angeles. She noted that it is coming together very well, with the program largely set, and some extremely interesting presenters expected. Revenue generation is also going well. The plan is to stream the whole program for those who will not be able to attend.

B. IOC Athletes Forum

Ms. Angela Ruggiero updated the Board on preparations for the IOC Athletes Forum, which will be occurring in Colorado Springs in two weeks. For the first time, the IPC and WADA Athletes Commissions will be participating as well. Ms. Ruggiero noted that planning is going extremely well.

C. Other Items


Mr. Dave Ogrea reported to the Board on certain activities of the NGBC and Ms. Nina Kempel reported to the Board on certain ongoing discussions among the AAC.

Ms. DeFrantz reminded the Board that the World Olympians Association is having a presidential election, and Dick Fosbury is running for reelection.

15. Adjournment

There being no further business, the meeting was adjourned at approximately 9:50 am MST.

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



Rana Dershowitz
Secretary

October 21, 2011

Date