

Minutes
Board of Directors Meeting
June 11, 2013
Oak Brook, IL

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) occurred on June 11, 2013 at 8:00 a.m. CST, following notice duly given pursuant to the USOC Bylaws. The Chair called the meeting to order at approximately 7:55 a.m. The following members of the Board were present in person for the meeting: Larry Probst (Chair), Robbie Bach, Jim Benson, Scott Blackmun (CEO), Bob Bowsby, Ursula Burns, Anita DeFrantz, Nina Kemppel, Susanne Lyons, Dave Ogreaan, and Whitney Ping. Angela Ruggiero participated by teleconference. The above present members constitute a quorum of the Board under the USOC Bylaws Section 3.16. Jim Easton, John Hendricks, Mary McCagg and Bill Marolt were unable to attend the meeting.

Present for the meeting from USOC management were: Alan Ashley, Lisa Baird, Rana Dershowitz, Walt Glover, Charlie Huebner, Patrick Sandusky, Chris Sullivan, Jason Thompson, Kirsten Volpi and Michelle Stuart. Gordon Crawford attended the beginning of the meeting as a guest.

The minutes were recorded by Rana Dershowitz, Secretary.

1. Call to Order and Welcome

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

2. Financial Report

Walt Glover, Chief Financial Officer, reported to the Board on the USOC’s financial results. Mr. Glover advised the Board that he is forecasting that the USOC will end the year favorable to budget with regard to revenue, and essentially at budget regarding expenses. He explained to the Board that the expected variance is driven by success in the USOC’s marketing efforts. Mr. Glover indicated that cash flow projections are also favorable.

3. Foundation Proposal

Mr. Blackmun then discussed with the Board implementation plans regarding the creation of a new fundraising foundation as had been conceptually approved at the March 2013 Board meeting. He directed the Board to draft corporate documents for the foundation contained in the board materials and walked the Board through the basic framework being contemplated. Mr. Blackmun particularly focused on the engagement between the USOC and the new foundation, the governance structure of the new foundation, and the transition plan being contemplated for the existing trustees. He noted, however, that there remain decisions to be made, and confirmed the importance of

having input from the new Chief Development Officer for the USOC (who will also be the President of the new foundation).

Mr. Blackmun then explained his desire to have Mr. Gordon Crawford appointed as the Chairman of the Board of the new foundation and asked Mr. Crawford to provide the Board with his perspective on the Olympic Movement and reasons for wanting to get involved with the foundation. Mr. Crawford explained his engagement with the Olympic movement and shared with the Board his passion for supporting the USOC and his desire to give back. Mr. Crawford provided the Board with some insight into his views of how to grow the foundation.

The discussion next turned to the name proposed for the new foundation. Mr. Blackmun explained his desire to have the foundation named in a manner to most effectively ensure its fundraising success and noted that there are several different points of view within the Olympic and Paralympic movements regarding how to achieve this. He noted for the Board that the Paralympic Advisory Committee had adopted a resolution requesting that the name be the “United States Olympic and Paralympic Foundation” to show clearly that the foundation’s purpose will be to support both Olympic and Paralympic efforts. Following an extensive discussion regarding the pros and cons of various names for the foundation, with input from various perspectives, the Board determined that the name of the foundation should be the United States Olympic and Paralympic Foundation, but directed that the foundation should also file to do business as the United States Olympic Foundation as well as the United States Paralympic Foundation, each when appropriate.

Subject to the corporate documents reflecting the name the “United States Olympic and Paralympic Foundation”, the Board then unanimously approved the resolutions contained in the board materials to rename the existing United States Olympic Foundation to be the United States Olympic Endowment; incorporate the new United States Olympic and Paralympic Foundation; implement the transition plan as described; and name Gordon Crawford as Chairman of the Board of the new foundation.

Mr. Blackmun next updated the Board on the search for the Chief Development Officer. Following this discussion, Mr. Crawford left the meeting.

4. Management Report

Alan Ashley, Chief of Sport Performance, updated the Board. He provided the Board with a report on winter NGB outcomes to date, as well as expectations for the Sochi Olympic Winter Games. Next, Mr. Ashley updated the Board regarding the Chef de Mission/Team Ambassador plans for Sochi, explaining that the Chef de Mission position will be an operational role, and Team Ambassadors (Olympic athletes from prior Games) will undertake the honorary functions often expected of the Chef.

Mr. Ashley next spoke to the Board regarding the winter resource allocation process. He reminded the Board of the guiding principles used for resource allocation

and explained that a number of NGBs had expressed concern regarding their funding particularly given the higher costs expected in Sochi. Mr. Ashley explained to the Board the limitations the USOC is acting under, as well as the new medal opportunities available in Sochi. Mr. Ogreaan provided his perspective as a winter NGB leader. He confirmed that while NGBs may not be satisfied with their allocation, they do not believe there is any bias in the process.

5. IOC License and Usage Agreement

Lisa Baird, Chief Marketing Officer, reported to the Board on a proposed new agreement between the IOC and the USOC regarding use and licensing of archival Olympic Games footage within the United States as well the IOC's ability to commercialize Olympic archival footage on global digital platforms. She walked the Board through the basic structure of the new agreement, including its benefits and limitations. Following the discussion, the Board approved the USOC entering into the agreement.

Mr. Blackmun commended Mrs. Baird for her success in concluding the agreement as well as for her significant commitment of time and energy while overseeing both marketing and development during the search for a new Chief Development Officer. The Board expressed its appreciation as well.

6. Marketing and Development Update

Mrs. Baird walked the Board through the 2013-2016 marketing revenue outlook. She then updated the Board on the efforts that have been occurring in development including the continuation and enhancement of the fundraising strategy begun in 2012. Mrs. Baird particularly noted the efforts to focus on analytics and aligning the major gift officers with the USOC's budget requirements. She shared with the Board draft case statements that had been developed as well as a financial toolkit for use by the major gift officers.

Mrs. Baird then turned to a discussion of the direct marketing program, noting that its net returns have been roughly flat since 2001, though its costs have increased substantially. Mrs. Baird explained that her recommendation is to cut back on, and shift, new acquisition efforts. A discussion occurred regarding how acquisition should occur and what that might look like going forward.

Finally Mrs. Baird provided a more detailed revenue update for 2013. In light of current revenue projections, the Board approved a \$1.2 million increase in authorized 2013 expenditures, which amount is expected to be covered by revenues in excess of budget.

7. Warrior Games Update

Charlie Huebner, Chief of Paralympics, reported to the Board on the Warrior Games. He shared some of the highlights of the 2013 Warrior Games, and explained how programs like the Warrior Games help not only Paralympic specific aspects of the USOC's operations, but also more general operating plan elements, particularly in the area of government relations. At Mr. Blackmun's request, Mr. Huebner next provided the Board with his thoughts regarding the future of the Warrior Games.

8. Colorado Springs OTC Update

Kirsten Volpi, Chief Administrative Officer, updated the Board on the construction work being done at the Colorado Springs OTC. She provided the Board with details regarding the status of the various projects being worked on as well as costs and timelines for the remainder of the project. Mr. Blackmun noted that the USOC has not, to date, received the level of support for the capital campaign that he had hoped for.

9. Olympic Museum

Mr. Blackmun briefed the Board on discussions regarding a possible Olympic-themed museum. The Board agreed that the possibility should be explored further subject to certain restrictions and controls.

At this time Pam Sawyer, Managing Director of Human Resources, joined the meeting.

10. Diversity Report

Mr. Blackmun introduced Jason Thompson, the USOC's Director of Diversity and Inclusion, to the Board. Mr. Thompson updated the Board on the USOC's diversity and inclusion efforts, diversity strategy and tactics. Mr. Thompson explained to the Board the USOC's strengths regarding diversity as well as the areas where there is room for improvement, noting particularly how the Olympic movement fares compared to other sports entities. Mr. Thompson explained to the Board the steps the USOC takes to ensure that there are diverse candidates considered for every position.

Mr. Thompson advised the Board that the USOC will be co-hosting a conference in October with the NFL on sports and diversity. He also advised the Board on a number of other programs the USOC is undertaking to enhance diversity. Next Mr. Thompson spoke to the Board regarding work he is doing with NGBs to enhance diversity across the broader Olympic movement, including in both sport administration and sport participation.

11. Athlete Career Development Program

Patrick Sandusky, Chief Communications and Public Affairs Officer, next presented to the Board regarding a proposed Athlete Career Development pilot program. Mr. Sandusky noted that he had shared his proposal with the AAC and confirmed that they were generally supportive of the direction. He explained that the Pilot Program would offer different tracks of support, depending on whether the athlete involved had or was obtaining a college degree; was interested in vocational/entrepreneurial opportunities; or simply needed short term income during training. The pilot program would require athletes to apply for consideration to be included.

After explaining the program, Mr. Sandusky then provided the Board with details regarding the program's costs, resources and challenges. He explained that if the Board approved the recommendation, his department would oversee a limited pilot through 2016, and would then use the learnings from that program to develop a broader program. Mr. Sandusky noted that much of the program would use VIK already committed, and Mr. Blackmun indicated that the USOC's recommendation is that the pilot not commence unless the additional funding required for it can be raised separately. The Board engaged in a discussion about the proposal. A recommendation was made to explore whether it would be more effective to outsource the program versus running it in-house at the USOC. It was noted that it would be beneficial to have the program in place by the time of the Winter Olympic Games as athletes will likely look to transition at the end of the Games.

Following the discussion, the Board confirmed its support for the program to move forward subject to the necessary funding being obtained.

12. Potential Olympic Games Bid Report

Mr. Blackmun next gave the Board an update on the USOC's 2024 bid evaluation process. He advised the Board regarding the cities that have expressed an interest.

The Board next discussed proposed guidelines that had been suggested by the Ethics Committee regarding engagement by Board members with potential bid cities. Rana Dershowitz, General Counsel and Ethics Officer, explained to the Board the purposes of the proposed guidelines. She explained that prior to formally adopting the guidelines, the Ethics Committee desired feedback from the Board to ensure that all perspectives were considered. The Board expressed its support for the guidelines.

13. USADA

Mr. Blackmun reminded the Board of the presentation it had received from USADA at the March Board meeting. He requested that Ms. Dershowitz provide the Board with background regarding the worldwide anti-doping system in general and the creation of USADA. The Board expressed its recognition that USADA is a leader in the global fight against anti-doping and its desire that it stays that way. It noted that the

USOC Board has an obligation to appropriately steward any funding provided to USADA and ensure that US athletes and NGBs are having their needs met, while simultaneously respecting USADA's necessary and appropriate independence. Ms. Dershowitz advised that in order to enhance engagement between the USOC Board and the USADA Board, a USOC Board member would be welcomed at a portion of USADA's next Board meeting in September. It was determined that Robbie Bach would act as the USOC Board's representative at this meeting. The Board also directed that feedback regarding USADA be sought from the AAC at the next AAC meeting.

14. International Relations Update

Larry Probst reported to the Board regarding Sport Accord in St Petersburg as well as the UN-IOC conference on sport recently held in NY. He detailed the USOC's attendance, activities and participation. He noted that the ANOC General Assembly would be held in Lausanne in three days, and explained how the USOC intended to engage during this event. Mr. Probst noted the possibility of the US hosting the 2015 ANOC Assembly in Washington DC, and the Board expressed its support.

Mr. Probst then reported on the international event schedule for the rest of the year. As a part of this, the Board discussed the importance of the decisions that would be made at the September IOC session in Buenos Aires. Anita DeFrantz provided the Board with her perspective on upcoming international events, the September IOC session and the extraordinary session of the IOC scheduled for July. Ms. Defrantz expressed her appreciation for the support she has been receiving from the USOC in support of her candidacy for the IOC Executive Board.

At this time Don Thompson, CEO of McDonalds, visited with the Board.

Following his visit, the Board broke for lunch. During lunch, Kelly Clark, Olympic champion in the sport of Snowboard Halfpipe, and Mike Jankowski, Head Snowboard Halfpipe Coach joined the Board. Ms. Clark and Mr. Jankowski spoke to the Board about snowboarding, preparations for Sochi, their experiences, and their perspectives on the Olympic movement.

Following lunch, all USOC staff other than Rana Dershowitz and Charlie Huebner were requested to leave the meeting.

15. Committee Reports

A. Paralympic Advisory Committee

Jim Benson, Chair of the Paralympic Advisory Committee, updated the Board regarding the activities of the PAC, which had met the day before the Warrior Games. He reported that the PAC had discussed its expanded scope and membership. Mr. Benson explained that the PAC is looking to add three new AAC representatives as well as one additional candidate. Mr. Benson noted how spectacular the Warrior Games were and

commented on the awareness it brought to the Paralympic Movement. Mr. Benson noted that the PAC, in collaboration with the new foundation, needs to be a development arm for the Paralympic Movement and this, together with more strategic advising of U.S. Paralympics, will be the key foci for the PAC going forward. Mr. Benson then requested that Mr. Huebner advise the Board of certain developments with regard to a broadcast of the Paralympic Games, which Mr. Huebner did. Mr. Huebner then left the meeting.

B. Audit Committee Report

Ursula Burns, Chair of the Audit Committee, reported to the Board on the activities of the Audit Committee. The Committee met on June 10, 2013. Ms. Burns reported that the Committee had received and reviewed the same financial reports the Board had received earlier in the meeting and had briefly discussed the audit and 990 as both had been discussed on prior Audit Committee calls. Ms. Burns advised the Board that Grant Thornton had been reappointed as the USOC's auditors. In addition, Trevor Miller, Managing Director of Information Technology, had presented to the Committee on the USOC's IT operations. Ms. Burns indicated that it is the Committee's desire to have IT present to them annually. The Committee next went through all of the internal audits that had been undertaken and confirmed the audit plan and direction of the audit department as presented by the new Managing Director of Audit, Morane Kerek. Ms. Burns reported that the Committee had then discussed a proposed policy regarding restricted gifts, which they supported, subject to certain minor language changes. Next the USOC General Counsel provided the Committee with a litigation report. Finally the Audit Committee had a short executive session.

C. Compensation Committee

Susanne Lyons, Chair of the Compensation Committee, reported to the Board regarding the activities of the Compensation Committee. The Committee met on June 10, 2013. Ms. Lyons reported to the Board on the status of the Compensation Committee's discussion regarding Mr. Blackmun's employment agreement. In addition, Ms. Lyons reported that the Committee discussed performance against the 2013 organizational screen. Next the Committee had looked at the same proposed policy regarding restricted gifts that the Audit Committee had reviewed, and determined it was within the purview of the Audit Committee rather than the Compensation Committee. Ms. Lyons reported that the Committee had looked at the USOC's staff incentive compensation tools as well as benchmarking regarding compensation for the USOC's executives. Mr. Ogrea suggested that it would be beneficial to have similar compensation benchmarking for NGBs, potentially using Deloitte VIK. Mr. Blackmun confirmed he would look into the possibility. Finally, Ms. Lyons advised the Board that the Committee had reviewed a proposed policy regarding USOC employees sitting on for-profit boards.

D. Ethics Committee

Ms. Dershowitz provided the Board with a brief update on the Ethics Committee's activities on behalf of Ethics Committee Chair Mary McCagg. Ms. Dershowitz advised that in addition to the guidance provided regarding Board interaction with Bid Cities that had previously been discussed, the Ethics Committee had also developed the proposed policy regarding USOC employees working on for-profit Boards that Ms. Lyons had referenced as being discussed by the Compensation Committee.

14. Administrative Items

A. Maccabi Games Membership

Ms. Dershowitz advised the Board of a recommendation contained in the Board materials proposing that the Maccabi Games be granted membership in the MSOC. A discussion occurred regarding the membership requirements for the MSOC. A motion was then made to approve the Maccabi Games' membership in the MSOC. The motion passed unanimously.

B. 2014 Board Dates

Next Ms. Dershowitz directed the Board to tentative Board dates and locations for 2014.

15. Adjournment

There being no further business, the meeting was adjourned at approximately 1:30 p.m. CST.

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

July 3, 2013
Date