

Minutes
Board of Directors Meeting
Cambridge, MA
June 10, 2014

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) occurred on June 10, 2014 commencing at 8:00 a.m. local time, following notice duly given pursuant to the USOC Bylaws. The following members of the Board were present in person for the meeting: Larry Probst (Chair), Robbie Bach, Jim Benson, Scott Blackmun (CEO), Bob Bowlsby, Ursula Burns, Anita DeFrantz, John Hendricks, Nina Kemppel, Susanne Lyons, Bill Marolt, Mary McCagg, Dave Ogreaan and Whitney Ping. Jim Easton participated in the meeting by telephone. Mary McCagg joined the meeting at approximately 8:15 a.m. The above present members constitute a quorum of the Board under USOC Bylaws Section 3.16.

Present in the room at the commencement of the meeting were Rana Dershowitz, Secretary and Sarah Konrad, Chair of the Athletes Advisory Council. The minutes were recorded by Ms. Dershowitz.

1. Call to Order and Welcome

The Chair called the meeting to order at 8:00 and welcomed the Board.

2. AAC Report

AAC Chair Sarah Konrad spoke with the Board. Ms. Konrad explained that her goal for the day was to engage the Board in a dialog regarding two topics: how to develop more engaged and productive interaction between the AAC and the USOC Board and how to ensure more effective athlete representation on NGB boards.

Turning first to the topic of NGB boards, Ms. Konrad expressed the AAC’s perspective that having effective, strong athlete representatives increases trust and communication in both directions and is fundamental to the mission of the Olympic Movement. The Board concurred with this assessment and engaged in a discussion regarding how best to ensure this occurred. Ms. Konrad used an example involving athlete representation on a particular NGB to speak about some of the challenges that occur when the athlete representative – board relationship breaks down. Mr. Blackmun shared with the board the particular NGB’s perspective on the specific situations referred to by Ms. Konrad. The Board discussed the benefits of board orientation and the importance of clear understandings around board member responsibilities generally. As a part of this discussion the Board discussed potential ways USOC staff could be involved in supporting the development of NGB boards.

Ms. Konrad next shared with the Board her desire for there to be more engaged dialog between the USOC Board and the AAC. She noted that the AAC truly values being engaged as thought leaders to provide input and guidance and believes that it is valuable for the movement. She suggests bringing issues through the athlete representatives to the AAC before decision. The Board expressed its belief that in appropriate situations AAC engagement is critical, however, it is also important to appreciate that there are certain types of decisions that must remain solely within the USOC board. The Board expressed its belief that the current athlete representatives on the USOC board do a good job of engaging with the AAC as and when appropriate. Several non-athlete board members noted that they would be interested in attending AAC meetings when schedules permit to allow for greater engagement.

The Board then discussed the Ombudsman's role and function as well as expectations for the position.

At this time the following members of USOC management joined the meeting: Rick Adams, Malia Arrington, Alan Ashley, Lisa Baird, Jon Denney, Walt Glover Patrick Sandusky and Chris Sullivan. Ms. Konrad remained in the meeting room.

3. Supplemental High Performance Funding

Mr. Blackmun reminded the Board that at the last meeting it had discussed the possibility of providing additional high performance funding and had requested a prioritized list of the projects for which such funding would be most beneficial. Mr. Blackmun confirmed that Alan Ashley, Chief of Sport Performance, had developed a prioritized project list, but recommended that the Board evaluate budget projections and expected revenues before discussing additional funding.

The Board discussed the funding proposals and projections for 2014 revenue. Following the discussion, the Board determined to consider the question of increased high performance spending at the September Board meeting.

4. Supplements

Mr. Ashley spoke to the Board regarding dietary supplement usage by athletes. He explained the USOC's current approach to supplements, noting that the USOC's approach is in line with that of USADA. The Board discussed general concerns regarding supplements in light of the fact that violations of the WADA Code have resulted from tainted and/or inappropriate supplement use. Mr. Ashley shared with the Board different approaches used by a number of other countries. The Board discussed the pros and cons of becoming more proactive in this area as well as the dynamics of government programs in this space. The suggestion was made to explore potential partnerships with countries that have developed respected programs with government support. Staff will continue to evaluate the issue and will come back to the Board with a recommendation.

5. Development

Jon Denney, Chief of Development, spoke to the Board regarding financial results from Development year to date, as well as plans for the second half of the year. Mr. Denney discussed with the Board his perspective on operations over the course of the year.

6. Collegiate Sports Strategy

Mr. Ashley shared with the Board a proposal regarding how the USOC should address potential changes in the collegiate sports landscape with a goal of minimizing negative effects on Olympic sports and Olympic athletes. Mr. Ashley provided the Board with perspective on the impact NCAA programs have on both the USOC's medal count and other countries' medal counts.

Mr. Ashley indicated that the USOC intends to focus on engagement directly with individual institutions seeking to a) enhance direct communication at the university level, b) develop better awareness of the benefits of Olympic sport to specific college campuses, c) engage regarding growth and sustainability, and d) support high performance management of the student athletes in Olympic sport programs. The Board expressed its support for the direction, but recognized the limitations inherent in the differences in focus between colleges and the Olympic Movement. The discussion turned to alternative strategies that could be utilized in the event the current collegiate structure fundamentally changes.

7. Safe Sport

Mr. Blackmun reminded the Board of the prior discussions regarding Safe Sport as well as the previously provided board materials. The proposal, related budget and NGB support was discussed. Mr. Blackmun confirmed that most, though not all, of the NGBs were completely supportive of the proposal. Particularly, the Board discussed critical importance of requiring all NGBs to participate as a condition of membership as well as the most effective way to ensure that the NGBs fully recognize the necessity and value of the program. The Board discussed the proposed board structure for the new entity, and sought input from AAC Chair Sarah Konrad. Ms. Konrad confirmed the AAC's support for an 11 person board with 2 athletes, provided that the athlete representatives could include AAC members rather than requiring that the athletes be independent of the AAC.

Following the discussion, a motion was made to approve the creation of an independent entity to manage Safe Sport related investigations, adjudication and education for the Olympic movement a) consistent with the structure and scope presented to the Board, b) with mandatory NGB participation as a condition of membership, c) with a total five year budget of \$25M, and d) with roughly \$5 million of funding over 5 years from each of the USOC and the NGBs, and third party sources making up the remainder. The motion further contemplated that launch of the entity be contingent upon obtaining

the necessary third party funding and the ability of the entity to obtain appropriate insurance. The motion passed unanimously.

At this time the Board took a short break and Ms. Konrad left the meeting.

8. Bid Discussion

Mr. Probst turned the discussion to the possible US bid for the 2024 Olympic and Paralympic Games. At this time, Ms. DeFrantz and Mr. Easton stepped out of the meeting.

The Board discussed the engagement that has occurred to date with a variety of cities regarding a potential 2024 Olympic and Paralympic Games bid. The discussion explored the pros and cons of the cities being considered, with the Board ultimately concurring that the list of potential bid cities should be reduced to Boston, Los Angeles, San Francisco and Washington. Mr. Blackmun explained that in-depth due diligence would now occur with each of the remaining cities to determine whether or not the USOC should bid, and if so, with which of the cities.

At this time Ms. DeFrantz, Mr. Easton and Ms. Konrad rejoined the meeting.

9. Athlete Commercial Opportunities

Lisa Baird, Chief Marketing Officer, walked the board through the text and purposes of Rules 40 and 50 of the Olympic Charter as well the application of those rules, globally and within the US. The Board engaged in a discussion regarding the rules. The athletes on the Board expressed their appreciation for the USOC being a leader in this space.

10. Olympic Museum

Ms. Dershowitz, General Counsel, updated the Board regarding the proposed Olympic Museum in Colorado Springs, advising the Board of state based economic development funding that had been awarded to the projects and the steps the project leaders had taken since the last Board update. She further explained that based upon the Board's prior authorization to explore a licensing relationship, the USOC had negotiated a potential 30 year license agreement for the Museum. Ms. Dershowitz detailed the proposed Museum license structure for the Board, advising specifically on the legal protections that had been built in. The Board discussed the Museum, the potential benefits and risks for the USOC.

Following the discussion, a motion was made authorizing the USOC to enter into the proposed license agreement with the Olympic Museum. The motion passed by voting majority, with four directors voting against approval.

At this time the Board broke for lunch and Sarah Konrad left the meeting.

11. NGB Organizational Development

Rick Adams, Chief of NGB Organizational Development spoke to the Board about the activities of the NGB OD department, the resources available to NGBs, the work done with various NGBs, the tools available to help challenged NGBs and some options for alternative approaches. Mr. Adams details a variety of programs already in place, including for example, NGB board training, Team USA Academy, matching grants, communications training, and executive searches.

Mr. Adams next shared with the Board the metrics currently used to evaluate NGBs, including membership numbers, annual revenue, percentage of budget coming from the USOC, financial condition, athlete matters and medal production. Mr. Adams provided the Board with insights regarding some of the highest and lowest performing NGBs. The Board discussed some of the metrics used and some ways those metrics could be further refined.

The discussion turned to the ways the USOC engages with challenged NGBs. Mr. Adams spoke about some of the initiatives underway for the year, and in particular ways in which the USOC is supporting specific NGBs in their areas of weakness.

Mr. Adams shared with the Board some key barriers the NGB OD department faces, as well as potential opportunities to become more effective. The Board discussed the challenges and areas of risk and particularly some disconnects regarding expectations from athletes and third parties. The discussion turned to possible motivational tools to use to drive desired changes and the barriers to applying those tools.

At this time management, other than Ms. Dershowitz, was excused from the meeting.

12. Audit Committee

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 June 9. The Committee had approved minutes from several Audit Committee calls, and received a financial report, including specific focus on the USOPF. Ms. Burns noted that the Committee has requested enhanced visibility into USOPF revenue and cash tracking on a going forward basis for the remainder of the year. The Committee also received a report on the activities of the internal audit department, noting the proactive training that audit group is doing. The Committee engaged in a broad discussion regarding risk for the USOC, and where within the organization risk oversight should sit, noting that the Audit Committee has a narrow financial focus. Ms. Burns next advised that the Committee had discussed a variety of NGB audits. Finally Ms. Burns noted that the Audit Committee had received a report from the General Counsel.

13. Compensation Committee

Susanne Lyons, Chair of the Compensation Committee, reported to the Board regarding the activities of the Committee at its June 9, 2014 meeting. She noted that the Committee's first topic of conversation was the organizational screen and the USOC's current tracking against that screen. The Committee next looked at performance and incentive structures for the organization and will, later in the year, evaluate whether any changes to these structures should be made for the upcoming three year cycle. The Committee discussed the USOC's performance management reviews as well as certain special incentive plans in place for revenue drivers. The Committee next reviewed executive compensation as compared to benchmarks across the executive team. Ms. Lyons noted that Mr. Ashley had joined the Committee to discuss medal performance goal setting for Rio.

14. Nominating and Governance Committee

John Hendricks, Chair of the Nominating and Governance Committee, updated the Board regarding the process that the Committee will be using to fill four board seats for the upcoming year. He reminded the Board of the qualifications document that had been developed and shared with the Board, explaining that it would be used as the basis on which Nominating Committee evaluations were made. He explained that, absent feedback to the contrary, formal notice would be sent to the AAC and NGBC following the board meeting requesting slates of candidates be provided to the Committee after the Olympic and Paralympic Assembly. Mr. Hendricks advised that a public call for independent candidates would also be made. The Committee would then interview candidates in October and November, with a goal of having recommendations for the Board to consider at the December board meeting.

15. Paralympic Advisory Committee

Jim Benson, Chair of the Paralympic Advisory Committee, updated the Board regarding the activities of the PAC. Mr. Benson advised that those involved with the US Paralympic movement had come away from Sochi extremely enthusiastic and that the PAC was tapping into that enthusiasm to develop a strategic operations proposal. Mr. Benson noted that a productive strategy session had been held in May. He explained that the key element which must be addressed is that there needs to be substantial dedicated revenue developed for the Paralympics (through both sponsorship and philanthropy). At the same time, the PAC believes that high performance and resource allocation integration continues to be the best path. Mr. Benson advised that the PAC also believes that the US needs to become more involved with the Paralympic Movement at the international level.

16. Ethics Committee

Mary McCagg, Chair of the Ethics Committee, provided the Board with an update on the Ethics Committee's activities. She noted for the Board of the proposed ethics

committee guidelines around fundraising in the context of a bid that had been distributed, advising that the Committee affirmatively wanted feedback from the Board recognizing the Board's greater involvement with the specific issues involved. Mr. Bach shared feedback regarding the proposed fundraising guidelines, which Ms. McCagg confirmed she would take back to the Ethics Committee.

17. Strategic Planning

Mr. Blackmun indicated that he will be reconstituting a strategic planning working group of the Board.

18. Administrative Items

A. USA Ultimate

Ms. Dershowitz directed the Board to the recommendation contained in the Board materials regarding USA Ultimate being admitted to membership as a Recognized Sports Organization. A motion was made to approve USA Ultimate as a Recognized Sports Organization. The motion passed unanimously.

B. USA Volleyball

Ms. Dershowitz next directed the Board to the recommendation contained in the Board materials regarding USA Volleyball becoming the governing body of sitting volleyball, a Paralympic sport. Ms. Dershowitz noted for the Board that USA Volleyball has been managing the sport for several years under a contractual arrangement with the USOC. She further noted that the request from USA Volleyball was supported by Sport Performance and US Paralympics. A motion was made to approve USA Volleyball as the governing body of sitting volleyball. The motion passed unanimously.

C. Board dates

Ms. Dershowitz next reminded the Board that proposed Board dates for 2015 had been put forward in the Board materials. She requested that Board members raise any concerns with her within the next two weeks and confirmed that the USOC would do its best to revise the Board meeting dates to be as convenient for as many board members as possible.

D. Other business

Ms. Ruggiero reminded the Board that the Youth Olympics will be held this summer in Nanjing China. She noted that the Youth Olympics will be on the IOC 2020 agenda as part of the discussion.

Ms. DeFrantz inquired regarding the interplay of any bid with the ANOC General Assembly in 2015 and our relationship with ANOC. Mr. Probst confirmed that the

ANOC program will be controlled by ANOC and that the partnership seems to be working well. Ms. DeFrantz suggested that the USOC work with ANOC to ensure any agenda items desired by the USOC are placed on the agenda.

19. Adjournment

There being no further business, the meeting was adjourned at approximately 2:20 p.m. ET.

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

June 30, 2014
Date