

Minutes
USOC Board of Directors Meeting
Washington, D.C.
June 22, 2018

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) took place on June 22, 2018, following notice duly given pursuant to the USOC Bylaws. Present were Larry Probst (Chair and IOC Member, *ex officio*), Robbie Bach, Jim Benson, Cheri Blauwet, Anita DeFrantz (IOC Member, *ex officio*), Dan Doctoroff (attending by telephone), Nina Kemppe, Susanne Lyons (USOC Acting CEO, *ex officio*), Bill Marolt, Steve Mesler, Dave Ogrea, Whitney Ping, Kikkan Randall (IOC Member, *ex officio*) (attending by telephone), Kevin White, and Robert Wood. Attending Board members constituted a quorum of the Board under USOC Bylaws.

Present from the USOC were Rick Adams, Alan Ashley, Lisa Baird, Jon Denney, Morane Kerek, Kevin Penn, Patrick Sandusky, Pam Sawyer, Bridget Toelle, Kacie Wallace, and Ashley Wedlake. The minutes were recorded by Christopher McCleary, Secretary.

1. Call to Order and Welcome

The Chair called the meeting to order at 7:50am local time and welcomed the Board and attending USOC staff. He thanked members of the Board for their extra work in recent weeks on important matters such as the USOC’s ongoing athlete safety initiatives and the search for a new USOC CEO.

2. Advance Materials Q & A and Administrative Items

2.1 Advance Materials Q & A

USOC Acting CEO Susanne Lyons referred to advance materials provided to the Board on the topics of USOC year-to-date 2018 financial results and 2018 financial forecast, information about USOC allocations of resources, and IOC-related topics. She asked for any Board questions or discussion on these items, as the authors of each were on hand to provide further information.

At Ms. Lyons’ invitation, USOC Chief Financial Officer Morane Kerek described work on a proposed approach for management of USOC long term cash reserves, which would preserve liquidity while also yielding opportunity for growth. She described a discussion at the previous day’s meeting of the USOC Audit Committee wherein members of that committee expressed support for moving longer-term reserves to the US Olympic Endowment to manage, as it does certain other USOC funds, as one component of the strategy.

Board discussion on this topic followed, after which, and upon a motion duly made and seconded, the Board voted to approve the transfer of USOC's long term cash reserves to the US Olympic Endowment for management on behalf of the USOC.

Next, Ms. Kerek referred to advance materials for the meeting in describing revised communication materials that set out the USOC's approach to allocation of resources, including the multiple means of athlete support as well as marketing, fundraising, and administrative expenses. These materials could be used to raise awareness about the USOC's application of its revenues towards its organizational mission and in particular towards elite athlete support. Board questions and answers on this topic explored details of this information and possible approaches to communicating it as clearly and simply as possible. Ms. Kerek thanked the Board for its suggestions and recommendations for further work on these materials. She agreed that a further Board report on this topic would be forthcoming.

Finally, USOC Chief Marketing Officer Lisa Baird briefed the Board on current topics related to the IOC global TOP sponsorship program and the USOC's role in it, and on developments and next steps in the formation and launch of the marketing joint venture between the USOC and the Los Angeles 2028 Organizing Committee.

2.2 Athlete Safety Policy Revisions

Next, and again referring to advance materials for the meeting, Mr. McCleary discussed the USOC's Athlete Safety Policy, most recently updated at the Board's previous meeting, and the value of a particular clarifying edit identified at recent Congressional hearings on athlete safety.

Board discussion followed, after which and on a motion duly made and seconded, the Board approved the revised USOC Athlete Safety Policy in the form presented in advance materials for the current meeting, effective immediately.

2.3 NGB Membership Item

Mr. McCleary briefly reminded the Board of the placement of several additional sports on the program for the 2020 Olympic Games in Tokyo, and that, in the case of each of these sports, current USOC member organizations have sought or are preparing to seek USOC Olympic Sport Organization status in anticipation of the Tokyo Games. He invited USOC Chief of Sport Performance Alan Ashley and Chief of Sport Operations Rick Adams to update the Board on the progress of one such organization: USA Skateboarding.

Mr. Adams opened the discussion by describing the review process employed in considering whether USA Skateboarding should be granted NGB status at this time. Mr. Ashley added his thoughts on the development of the organization and some of its key

players, as well as international considerations involving the sport's international federation and the IOC. Board discussion on these topics focused on the importance of organizational strength and stability for NGBs in general and new NGBs in particular, skateboarding as a sport at the Tokyo 2020 Games, and the advisability of periodic review of USA Skateboarding's progress especially in its early days.

After this discussion and upon a motion duly made and seconded, it was resolved that by action of the USOC Board of Directors and pursuant to Section 220521 of the Act and Section 8.1 of the USOC Bylaws, USA Skateboarding is recognized as the NGB for the sport of Skateboarding in the United States and is admitted as an Olympic Sport Organization member of the USOC.

2.4 September Meeting Plans

Finally, USOC Chief of Business Operations Kevin Penn discussed plans for an in-depth Board working session on the USOC mission and its application going forward, which will be added to the agenda for the Board's next regular meeting in September 2018. Board discussion followed on the timeliness and importance of such a working session and logistics around extending the scheduled meeting to enable it.

3. USA Gymnastics Update

At this point, USA Gymnastics CEO Kerry Perry joined the meeting.

Susanne Lyons introduced Ms. Perry and invited her to share an update with the Board on USA Gymnastics' progress on the governance and structure improvements called for in previous USOC communications.

Ms. Perry thanked the Board for the opportunity to address it in person and to give it a sense of USAG's progress to date in a difficult period. She reviewed her early priorities as USAG CEO and changes already implemented at all levels of the organization as well as plans for the coming months. She described new USAG programs for bringing in more direct athlete voices in the organization and for helping victims of sexual abuse get needed resources. She invited a frank exchange of questions and ideas with the Board.

Extensive discussion followed among Board members and with Ms. Perry on specifics around USAG efforts and plans in the areas of athlete support, culture change, staffing and leadership, athlete safety training, background check resources and approaches, implementation of recommendations in the 2017 Deborah Daniels independent investigation report, and future revenue sources. Ms. Perry reiterated her commitment to ensuring that USAG emerges from its current challenges as a stronger and more athlete-centric organization.

With the Board's thanks, Ms. Perry left the meeting.

Further Board discussion followed, including on USOC support and assistance provided to USAG in its ongoing reform work, and the importance of the independent investigation of both USAG and the USOC currently underway.

4. CEO Search

USOC staff other than Board Secretary Chris McCleary left the meeting room and Jim Citrin of the executive search firm Spencer Stuart joined the meeting.

Dave Ogreaan, chair of the committee formed to lead the USOC CEO search, opened a discussion on the search and its progress. He introduced Mr. Citrin to describe the work of Spencer Stuart in support of the search.

Mr. Citrin thanked the Board for the opportunity to support the search and provided the Board with a detailed review of the approach taken by the search committee and Spencer Stuart since the launch of the search effort. He described rounds of interviews with key stakeholders and members of the Olympic community as well as strong candidates for the position from a number of backgrounds and sectors.

Board discussion with Mr. Citrin followed, including as to the process overall and what steps remain, the good work of the working group formed to lead the search and the importance of the independent voices in that group, and a detailed discussion on the finalist candidates coming out of the search.

After this discussion, and on a motion duly made and seconded, the Board expressed its preferences between the finalist candidates and authorized the USOC Compensation Committee to seek and finalize an agreement with the Board's preferred candidate for employment as the USOC CEO on the general terms presented at the meeting.

As the discussion concluded, Ms. Lyons noted that USOC Managing Director, Human Resources Pam Sawyer would be leaving the USOC in the coming weeks to relocate closer to family in the eastern U.S. She and members of the Board thanked Ms. Sawyer for her service to the USOC, not least in her diligence in support of the current CEO search.

5. Litigation Report

Referring to reports included in advance materials for the meeting, Mr. McCleary briefed the Board on the current status of active litigation matters wherein the USOC is a party, and of ongoing matters brought to the USOC for resolution under USOC Bylaws Sections 10 and 11. In particular, Mr. McCleary reviewed the status of a number of lawsuits

brought by athletes based on allegations of sexual abuse wherein the USOC is named as one of the defendants.

Board discussion between the Board and Mr. McCleary followed as to these matters and he promised further updates as developments unfold.

At this point, members of USOC senior staff returned to the meeting room.

6. Operation Gold Discussion

Susanne Lyons invited USOC Chief of Sport Performance Alan Ashley to lead a Board discussion on the USOC Operation Gold athlete reward program.

Referring to a Board discussion on this topic at its most recent previous meeting, Mr. Ashley built on and extended that discussion, focusing in particular on various views and arguments coming from a number of interested parties on the Operation Gold program generally, and on the relationship between Operation Gold funds for the Olympics on the one hand and the Paralympics on the other. Mr. Ashley and members of the Board discussed conflicting arguments on this topic and possible approaches for a revised USOC approach. Based on this discussion, it was generally agreed that revision of the program may be appropriate and that further input, particularly from the Athletes Advisory Council, would be helpful in optimizing such revisions so that the Operation Gold program serves U.S. athletes in the best way possible. Mr. Ashley committed to pursuing that input and reporting back to the Board on results.

7. Development Update

At the Chair's invitation, USOC Chief Development Officer Jon Denney provided the Board with a progress report on 2018 development efforts. He discussed strong performance against budget projections, programs that are seeing the most success, and plans for the balance of the calendar year. Board discussion and questions followed, including on possible approaches for innovation in terms of specific types of donations to the USOC and the impact they could have for athletes and the USOC generally.

8. Athlete Safety Programs Discussion

Susanne Lyons opened a Board review and discussion of the multi-element athlete safety program initiatives currently underway across the USOC organization. She noted that since the time of the last Board discussion on this work each of the areas of emphasis were seeing progress and good collaboration across organizational functions and with subject matter experts both inside and outside the USOC. As well, she indicated that the

ongoing work in each area was uncovering further areas worthy of time and resources even as progress was being made on the original priorities, and that it would be important for the Board and USOC staff to prioritize and address particular project elements in order to best serve overall athlete safety needs now and in the future.

8.1 Athlete Engagement and Education

USOC Chief Marketing Officer Lisa Baird provided a review of ongoing athlete outreach efforts aimed at creating stronger and more frequent USOC-athlete communications. Referring to advance materials for the meeting, she reviewed initial results of a new USOC elite athlete survey that had garnered nearly 1,000 responses and yielded a number of insights already being accounted for in ongoing athlete services planning. She discussed plans to extend the information sharing initiated by this survey and find more new ways to make athlete voices a central and ongoing element of more USOC efforts and decisions.

Finally, Ms. Lyons indicated that, with her impending move to the marketing joint venture being launched by the USOC and the Los Angeles 2028 Organizing Committee, Ms. Baird would be transitioning leadership of this project area to Alan Ashley.

8.2 USA Gymnastics

Rick Adams and USAG Board liaison Robbie Bach provided the Board with a review of USAG's efforts and progress in specific areas of organizational reform and improvement. In that regard, Mr. Adams led a continuation of the day's earlier discussion with USAG CEO Kerry Perry and a further exchange of ideas about exactly how the USOC can best support, and hold USAG accountable in this work. Board discussion followed as to contingencies and operational planning the USOC can account for in order to make sure U.S. gymnasts are best supported in any likely scenario.

Mr. Bach discussed developments around USAG's victim assistance fund and the USOC's contribution to that effort, in particular focusing on the specific sorts of support that appear to be most and least valued by eligible athletes, and potential adjustments to implementation of the fund in order to maximize its effectiveness for victims of sexual abuse.

8.3 Athlete Safety Programming and Support

Next, Kevin Penn took the Board through a number of elements of the USOC's current work in building stronger and more accessible athlete safety support through the Olympic and Paralympic community. Board discussion in this area centered on ongoing work with the U.S. Center for SafeSport and that organization's progress and prospects, and what the USOC can do to be most helpful as the USCSS makes progress against early challenges. Further discussion concerned internal USOC work on athlete safety-related policies and procedures and efforts to work within and without the USOC to architect an effective

Olympic community-wide resource for information sharing on SafeSport violations and sanctions.

8.4 USOC Athlete and NGB Structure

USOC General Counsel Chris McCleary updated the Board on the creation and launch of the special USOC Athlete and NGB Engagement Working Group. Referring to advance materials for the meeting, Mr. McCleary reviewed the purpose and charter of the working group and reported that WNBA President Lisa Borders has agreed to serve as its Chair. He described work with Ms. Borders to identify and invite other members of the working group and indicated her hope to have the group assembled and launching its work as soon as possible.

Further Board discussion concerned progress and prioritization of particular structure-related issues and efforts that can be addressed even before the working group makes its findings.

8.5 Congressional Inquiries

Mr. McCleary next reported to the Board on the USOC's ongoing cooperation and compliance efforts in connection with ongoing Congressional inquiries and hearings in both the House of Representatives and the Senate. He and the Board discussed specifics around recent and coming hearings, meetings, and other communications with lawmakers and Congressional staff.

8.6 Independent Investigation

Finally, USOC Chief of External Affairs Patrick Sandusky and Chris McCleary updated the Board on USOC understandings about the progress of the independent investigation being carried out by the law firm of Ropes & Gray. They discussed the USOC's ongoing cooperation in that process and plans for how best to configure and launch USOC follow-up work so that it can be most prompt and responsive, upon the release of the final Ropes & Gray report.

9. New Board-Related Governance Concepts

Related to item 8.4 above and the USOC's desire to take steps immediately that can help address athlete and NGB engagement issues even before benefitting from the coming work of the USOC Athlete and NGB Engagement Working Group, Susanne Lyons opened Board discussion on two developing proposals in the area of USOC governance.

First, she described work on configuring a possible new committee of the USOC Board. She indicated that the working name for the proposed committee was the "Athlete and

NGB Engagement Committee.” Referring to advance materials for the meeting, Ms. Lyons reviewed the work and purposes that could be addressed through such a committee and the importance of cementing enhanced USOC commitment to athlete engagement and NGB oversight, at the Board level.

Ms. Lyons asked Chris McCleary to review the proposal in greater detail. Mr. McCleary described specifics of the proposal as to committee configuration, responsibilities, and oversight. He reviewed comments on the concept received from leadership of the Athletes Advisory and National Governing Bodies Councils.

Board discussion followed, including as to the specifics of the proposal and possible alternatives, ideas for leadership within the committee, and the overall benefit of this new Board-level point of input and issue management, particularly with regards to athletes.

After this discussion, members of the Board proposed that the draft Bylaw language in the advance materials for the meeting, including as it may be adjusted to address points made in the discussion, should be considered by the Board for adoption and posted for public comment in line with standard USOC requirements for Bylaw amendments.

Next, Chris McCleary described a proposed revised approach to seeking, identifying, and electing athlete representatives to the Board. He reviewed recent exchanges on this topic with AAC leaders, and with other athletes and athlete advocates. He offered a set of specific proposals that together would be intended to have the effect of incorporating greater and more direct AAC input on selection and retention of AAC representatives on the Board (with like adjustments for the NGBC as to NGBC representatives on the Board), and on ensuring a strong Paralympic perspective within this representation.

Steve Mesler provided the Board with further context on this issue, taking it through specific ideas and proposals he had received from AAC leadership. Board discussion followed on the concept and possible means for advancing it, particularly with regard to direct engagement with the AAC to finalize a specific and effective approach. After this discussion, it was generally agreed to pursue this effort with the aim of amending the USOC Bylaws as appropriate.

10. Executive Session, Committee Reports

At this point, USOC staff (other than Chris McCleary) again left the meeting. At the Chair’s invitation, committee leaders provided reports to the Board.

10.1 Audit

Audit Committee member Whitney Ping reported on the Committee's meeting of the previous day. She noted that the Committee continues to include cyber risks as a point of emphasis and reviewed discussions and ongoing work in that area. She discussed the Committee's review of USOC 2018 financial year-to-date results and plans, the coming 2018 external auditor's report, and finalization and release of the 2018 Form 990. Finally, she reported the Committee's discussion and plans for further review of the work of the Partnership for Clean Competition and the USOC's role in that entity.

Board discussion followed, including as to the USOC internal audit function and its work on NGB audits as well as those of the USOC itself, and potential approaches in this area going forward. Ms. Ping indicated that the Committee would be pursuing these further and would report back to the Board.

10.2 Compensation

Compensation Committee Chair Bob Wood updated the Board on the Committee's ongoing work and its meeting of the previous day as well. He provided the Board with further background on the Committee's planned approach on engaging the USOC's next CEO, its mid-year performance review of the organization's performance against plans and goals, and several specific employee performance, retention, and compensation matters.

10.3 Nominating and Governance

Nominating and Governance Committee Chair Dave Ogreaan offered an update on the work and plans of the Committee, including its plans and projected timing for new Board member searches to be carried out and completed during 2018, as well as the work already accomplished on that effort.

10.4 Paralympic Advisory Committee

PAC Chair Jim Benson reviewed the Committee's work on an updated PAC strategic plan and approach aimed at clarifying and focusing PAC efforts to most effectively support Paralympic athletes, Paralympic sport, and the USOC's performance as a National Paralympic Committee. He also led the Board in further discussion on the Operation Gold topic and next steps in that area.

11. Adjournment

There being no further business, the meeting was adjourned at approximately 2:40pm.

This document constitutes a true and correct copy of the minutes of the June 22, 2018 meeting of the Board of Directors of the United States Olympic Committee.



Christopher McCleary
Secretary

July 30, 2018
Date