

Minutes
USOC Board of Directors Meeting
New York City, NY
December 8, 2017

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) took place on December 8, 2017 following notice duly given pursuant to the USOC Bylaws. Present were Larry Probst (Chair and IOC Member, *ex officio*), Robbie Bach, Jim Benson, Scott Blackmun (USOC CEO, *ex officio*), Cheri Blauwet, Anita DeFrantz (IOC Member, *ex officio*), Dan Doctoroff, Nina Kemppel, Susanne Lyons, Bill Marolt, Steve Mesler (attending by telephone), Dave Ogreaan, Whitney Ping, Angela Ruggiero (IOC Member, *ex officio*), 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, Angela Brunner, Jon Denney, Mark Jones, Morane Kerek, Kevin Penn, Pam Sawyer, and Bridget Toelle. The minutes were recorded by Christopher McCleary, Secretary.

Also in attendance was Athletes’ Advisory Council Chair Han Xiao.

1. Call to Order and Welcome

The Chair called the meeting to order at 8:00am local time and welcomed the Board and attending USOC staff. He noted the heavy meetings schedule of the week including those involving the US Olympic Endowment, the US Olympic and Paralympic Foundation, and the USOC itself, and thanked those participating in and helping make each of these a success.

Turning to recent developments involving the IOC’s Oswald and Schmid Commissions’ investigations of allegations of systematic doping, the Chair invited Board members who also sit on the IOC’s Executive Board to update the Board on that body’s recent decisions as to Russian participation in the upcoming Pyeongchang Olympic Winter Games. Board members Anita De Frantz and Angela Ruggiero led a Board discussion on this topic and related concerns and prospects in the area of anti-doping reform globally. Further Board discussion concerned re-allocation of medals from athletes found to have committed doping violations to clean athletes, and how best to help American athletes celebrate re-allocated medals they receive, in a way that most nearly affords them the honor and recognition they deserve.

2. Advance Materials Q & A

USOC CEO Scott Blackmun referred to advance materials provided to the Board on the topics of USOC year-to-date 2017 financial results, the 2017 financial forecast, and diversity. He asked for any Board questions or discussion on these items, as the authors of each were on hand to provide further information.

He introduced USOC Chief Marketing Officer Lisa Baird to brief the Board on ongoing discussions with the IOC on how the USOC's agreed share of IOC global TOP sponsorship program revenues would be affected in a number of scenarios involving changes to the TOP program overall. Ms. Baird took the Board through several key points on how the revenue share agreements work and how they would play out in a number of such instances. She underlined that the discussions with the IOC on these topics had been productive and useful in helping the parties arrive at a clarified and positive understanding. Board discussion followed, including on several possible TOP developments and the interplay between TOP and the USOC's position with LA 2028 in a Games-hosting environment.

Mr. Blackmun briefed the Board on recent successes in the USOC's internal efforts to promote diversity & inclusion in its hiring practices. Board questions and discussion focused on engaging and retaining diverse staff members after the hire and their importance in maintaining the organization's progress on diversity & inclusion generally.

Finally, Board members engaged in discussion on the US Olympic and Paralympic Foundation (USOPF) and its ongoing efforts in an environment of organizational growth and change. There was general agreement that cost-per-dollar fundraising metrics should form a key part in ongoing goal-setting and performance management for the USOPF.

3. AAC Update & Discussion

The Chair and the Board welcomed Athletes' Advisory Council Chair Han Xiao to the meeting and invited him to brief the Board on the AAC's activities and perspectives.

Mr. Xiao started by referring to the AAC's extensive work on updating and streamlining its own bylaws to make them consistent and easy to understand. He described a number of areas where opportunities for clarification and improvement were found, and noted potential counterpart opportunities for the USOC Bylaws. Referring to advance materials for the meeting, he noted that the AAC had voted to approve a specific set of language updates to the AAC bylaws, and that the AAC now seeks USOC Board approval of the updated bylaws. Board discussion followed, and on a motion duly made and seconded, the Board voted to approve the revised AAC bylaws as set out in the advance material for this meeting.

Next, Mr. Xiao discussed a number of priorities that he and his AAC leadership team had identified and begun to work on in their first year in office. One of these was NGB-level issues and discussions, and working more closely with NGBs and other stakeholders in the US Olympic Movement. In this regard, Mr. Xiao expressed the AAC's support for the USOC's recent work in the area of NGB compliance. He also discussed the good that can come from more frequent and close contact between the AAC and the National Governing Bodies Council and Multi-Sport Organizations Council on matters of common interest.

Another AAC priority discussed by Mr. Xiao was global anti-doping reform; he thanked the USOC and especially Angela Ruggiero for her work in this area and he noted the AAC's generally positive reaction to the IOC's recent rulings on Russian participation in the Pyeongchang Games. As well, he noted the AAC's concern that this positive step should be seen through to full effectiveness in the lead up to, and during those Games.

Mr. Xiao went on to describe AAC positions and concerns in areas of athlete health and safety, including in SafeSport matters and athlete mental health. He noted the difficulties in many cases that athletes face in seeking help and the power of well-known athletes speaking out to encourage them.

Finally, Mr. Xiao expressed the AAC's support for and appreciation of the USOC Athlete Ombudsman Office and its work. He reflected on that office's varied and important duties, and the need for adequate resources for it to serve US athletes in the best way possible. Mr. Xiao discussed a number of suggestions to ensuring that the Ombudsman Office continues to build and bring to bear its capabilities.

There was further discussion among Board members and Mr. Xiao on these topics and other areas of potential cooperation between the AAC and the USOC.

With the thanks of the Board, Mr. Xiao then left the meeting.

4. Working Groups

Referring to the previously-discussed working groups on the topics of youth sport and NGB compliance, Scott Blackmun invited these working groups to share their thinking and progress with the Board and to engage the Board in discussion on next steps.

First, USOC Chief of Sport Operations Rick Adams briefed the Board on the progress of the youth sport working group. Referring to advance materials for the meeting, he described that working group's specific recommendations to configure youth sport development pilots for conduct with selected NGBs in their respective sports. Board discussion followed, focusing on the importance of ensuring that any such efforts are sufficiently well-targeted and provisioned so that they can be effective and meaningful. Board members discussed opportunities to link such efforts with third

party youth sport programs to increase impact, appropriate means to set measurable goals and then track performance, and possibilities to further sharpen the overall strategic goals that should drive particular tactical decisions for this effort.

After this discussion, it was generally agreed that the working group would take on board the suggestions and guidance offered by the Board in further sharpening the initial proposal and clarifying its strategic context.

Next, Mr. Adams turned to the Board working group on NGB compliance. Referring again to advance materials for the meeting, he reviewed that working group's specific work product including a detailed NGB compliance checklist, review process, and clarified sanctioning approach. Board discussion followed, including on specific suggestions for wording of the materials and next steps for implementation.

After this discussion, and on a motion duly made and seconded, the Board voted to approve implementation of the NGB checklist and sanctioning documents as set out in the advance materials, as edited per the Board's discussion.

At the Chair's invitation, Board member and USOC Collegiate Advisory Council member Kevin White briefed the Board on the initial discussions and work product of that group, made up of volunteers from among a number of NCAA collegiate sports programs. He noted the importance of the group and its work, particularly in light of statistics that indicate approximately 80 percent of US Olympians and 40 percent of US Paralympians come from the ranks of NCAA collegiate athletic programs. He reviewed the group's initial work and focus on building stronger and deeper relationships between the USOC and the collegiate world, including via initial projects concerned with mission and operational goals. Board discussion followed and members of the Board expressed their strong support for and appreciation of the efforts of Kevin, the USOC, and the Collegiate Advisory Council.

5. SafeSport

At Scott Blackmun's invitation, Rick Adams led a Board update and discussion on SafeSport matters. Mr. Adams began by reviewing the independent audit commissioned by the USOC for itself and each NGB, and progress of the USOC and the NGBs in addressing the audit findings and recommendations published in October. He indicated that NGB progress was generally strong and noted that many NGBs were undertaking responsive measures during the current month, in advance of the 90-day deadline set in the audit findings. He reminded the Board that updates on NGB progress, and any gaps in that progress, were planned for publication when the deadline is reached at the beginning of January. In terms of the USOC's own progress on addressing the independent auditor's USOC report, Mr. Adams noted that the USOC had completed its steps to address the audit findings.

Mr. Adams introduced USOC General Counsel Chris McCleary to discuss the additional recommendations in that audit report. Mr. McCleary noted that the independent auditor's recommendations for the USOC were principally concerned with clarity and explicitness in the USOC's requirements of NGBs in their SafeSport-related athlete safety programs. He reminded the Board that these requirements were captured in a particular USOC policy that had been updated in June 2017: The USOC NGB Athlete Safety Policy. Referring to advance materials for the current meeting, Mr. McCleary reviewed a specific set of further updates to that policy that could effectively address the auditor's recommendations, and asked for Board discussion of these proposed updates.

Board discussion followed, including as to NGB progress on SafeSport matters and various means (not limited to policy updates) available to the USOC to help ensure further, continued, and lasting improvements in NGB SafeSport practices. The Board discussed progress and prospects for improvement in this area at USA Gymnastics, and the importance of strong and positive cultural influences within the USOC and each NGB, including ones that foster athlete comfort with asking questions and raising concerns without fear of retaliation of any kind. Further discussion concerned the importance of leadership and tone at the board level of each organization in fostering a positive culture, and further work that the USOC and other entities can pursue in this regard. It was generally agreed that USOC management would pursue these matters further and report back to the Board.

After this discussion, and on a motion duly made and seconded, the Board voted to approve the updated USOC NGB Athlete Safety Policy as set out in the advance materials for the meeting.

6. Winter Bid

Scott Blackmun and the Chair updated the Board on developments and discussions around the IOC bid city process for the 2026 and 2030 Olympic and Paralympic Winter Games and the possibility of a future US bid to host these or other Games. Mr. Blackmun described some of the factors leading to the general sense that, were there to be such a US bid in the near future, a 2030 bid would be preferred over a 2026 bid. The Chair added his thoughts in this regard and reminded the Board of the necessity that any such bid would need to take fully into account the needs and goals of the Los Angeles 2028 Organizing Committee. The Board agreed that it would discuss these matters, and if appropriate the manner and means by which the USOC would select a specific US city in offering such a bid, at a future meeting of the Board.

7. Anti-Doping Update

At the Chair's invitation, Scott Blackmun introduced further Board discussion on international anti-doping programs, reform efforts, and organizational

developments. The Board discussed progress and plans of the IOC's new Independent Testing Authority ("ITA") and the way it would likely interact with other anti-doping entities such as WADA and national anti-doping agencies.

8. Operating Plan and Budgets

Scott Blackmun introduced a wide-ranging discussion on strategic and budget planning for 2018 and for the current (2017-2020) quadrennium. He noted that recent clarifications in important external factors (e.g., the fact of a US-hosted Games in 2028 and the USOC's coming need to work effectively with an LA 2028 Organizing Committee) create important context for this planning.

Initial Board discussion concerned overall strategic planning and opportunities for the USOC to build its engagement with fans and Americans in general, especially with a US-hosted Games on the horizon. Board members discussed planning and strategic resources that could be brought to bear in this important effort, and agreed to pursue this topic further.

Turning to budget matters, Mr. Blackmun introduced USOC Chief Financial Officer Morane Kerek to review 2018 and quadrennial budget plans and assumptions. Ms. Kerek referred to advance materials for the meeting in setting out specific budgetary plans and proposals for 2018. Board discussion followed as to a number of these proposals, including operational and previously-approved additional athlete support expenditures, all in the run up to the 2018 Olympic Winter Games.

After this discussion and on a motion duly made and seconded, the Board voted to approve the 2018 budget and proposed expenditures, including those directed toward 2018 Olympic Winter Games plans, as set out in the advance materials for the meeting.

Next, the Board discussed recently proposed US tax reform legislation currently being developed in the US House and Senate, including as to particular elements of that legislation that had been drafted in a way likely to create a significant new tax burden for the USOC and US NGBs in connection with sponsorship revenues. Board members reviewed these elements and the USOC's leadership in broad-based efforts to ensure that lawmakers understood the issues they would create for athletes and the non-profit entities that support them. Mr. Blackmun underlined that these efforts appear to have been fully successful in removing the relevant portions of the legislation, at least as of the time of the current meeting, and that the USOC and others would continue their work to monitor and help with the legislative process as necessary until the legislation is resolved.

At Mr. Blackmun's request, and again referring to advance materials for the meeting, Ms. Kerek reviewed the current accrual-based accounting method currently applied to the fundraising activities of the USOPF. She noted that one effect of this accounting

method, particularly apparent given the relatively early-stage, growing nature of USOPF fundraising efforts, was to recognize multi-year donations in an uneven way (typically an entire four-year donation commitment is recognized for accounting purposes entirely in its first year, rather than recognizing each year's portion of such a donation in the year it is received by the USOPF). She discussed the relative advantages, particularly in terms of transparency and planning, of a cash-based accounting method for fundraising revenues, which would generally recognize such revenues each year in the year they are actually received. She also cautioned that changing from the current accounting method to a cash-based method would necessarily result in a disruption of USOPF revenue numbers (i.e., they would be revised downward) in initial years, as certain revenues already recognized using the accrual method are reversed and applied yearly over the term of affected multi-year donations.

Board discussion followed, including as to the long-term benefits of greater accounting transparency and direct relation to actual cash revenue during each year. It was noted generally that this cash-based accounting method is often seen as a best practice for non-profit entities generally.

After this discussion, and on a motion duly made and seconded, the Board voted to approve the change of accounting methods for USOPF fundraising revenue from an accrual method to a cash-based method, as set out in the advance materials for the meeting.

At the Chair's invitation, USOC Chief of Sport Performance Alan Ashley introduced a discussion about the Colorado Springs Olympic Training Center and how the USOC can configure, utilize, and fund this important resource in a way that most effectively addresses athlete and Team USA needs and goals. He discussed particular facilities and functions that might be most impactful for elite athletes and their training and development, and other functions that may be less impactful in that regard. He described ongoing work to sharpen views in this area and to return to the Board with a set of specific proposals for configuration and funding of the training center. Board discussion on these topics followed, during which the Board reflected on the need for the USOC to continuously seek to advance and improve its athlete support and training operations, the stakeholder needs that need to be taken into account in making any training center changes (e.g., athletes, NGBs, other training center users), and similar efforts ongoing within other National Olympic Committees internationally. The Board expressed general support for the direction of the efforts described by Mr. Ashley and asked him to continue this work and report back at a future meeting.

Finally, Mr. Blackmun updated the Board on internal USOC work on simplifying, clarifying, and making more impactful a statement of organizational values intended to help USOC employees understand and engage directly with these values. He described a number of specific proposals in this regard and informed the Board of planned next steps. Board discussion on this topic included a number of suggestions

for the effort and reflected the sense that such articulations of organizational values are important tools and worthwhile of continued effort.

9. Pyeongchang Update

Scott Blackmun opened a Board update and discussion on preparations for the 2018 Olympic and Paralympic Winter Games in Pyeongchang, inviting Alan Ashley to update the Board on the USOC's work in the area of athlete and sport preparation and readiness. Mr. Ashley described ongoing operational work and infrastructure preparations, noting that the Pyeongchang Organizing Committee had been cooperative and responsive on these matters. He discussed particular preparations in the areas of athlete safety, transportation, and nutrition. He also reviewed ongoing athlete selection competitions and other processes underway in all Olympic winter sports, and indicated that they are on track as planned.

Next, Rick Adams provided a counterpart report for Paralympic athlete and sport preparations, noting that operational and infrastructure preparations are fully on track. He briefed the Board on discussions with new International Paralympic Committee President Andrew Parsons and IPC CEO Xavier Gonzalez during their recent visit to the US. He also reminded the Board that the IPC would be publicly disclosing its approach to Russian participation in the 2018 Paralympic Games in the coming weeks.

USOC Chief of Development Jon Denney updated the Board on donor hospitality preparations, indicating that plans and preparations are on schedule and that he looks forward to a strong and positive hospitality program. Mr. Denney described cooperation with US Ski & Snowboard on some elements of the program, as that NGB operates a similar and substantial program of its own. He also reviewed plans for domestic Games-time donor events, including in Park City during President's Day weekend.

Lisa Baird reviewed preparations and readiness of the USOC's Games-time "USA House" facility in Pyeongchang. She reviewed locations, logistics, and resources of that facility and others as they will impact US athletes, donors, sponsors, and USOC staff on site at the Games. She noted that the USA House infrastructure is coming along according to plan and should serve as a valuable resource to Team USA.

Finally, USOC Chief of Business Operations Kevin Penn led a Board discussion on Team USA security plans and infrastructure at the Games. He described the USOC's own resources in this regard and its connection points with governmental and law enforcement entities in the US and in South Korea, indicating that preparations and contingency plans are solid. He also discussed cyber security as regards the Pyeongchang Games and the USOC's own plans and preparations in that regard.

At this point Steve Mesler was forced to leave the meeting on account of telephone connection issues.

10. Administrative Items

At the Chair's invitation and referring to advance materials for the meeting, Chris McCleary took the Board through several administrative matters for Board attention or action.

10.1 USOC Bylaw Amendments

Mr. McCleary reminded the Board of its earlier discussion on USOC Bylaw amendments that could be introduced to enact the proposed language created by the qualifications to serve working group. Referring to advance materials for this meeting, he asked for Board discussion of the specific Bylaw edits proposed for this purpose. The Board discussed the value of proactively setting out a clear articulation of qualifications for leadership in the US Olympic Movement, including as it will help in fostering a positive culture and setting a strong example.

After this discussion, members of the Board offered that the proposed USOC Bylaw changes in the advance materials for the current meeting should be considered for approval by the USOC Board, subject to any public comment on these changes. Mr. McCleary agreed that the proposed changes would be posted for public comment and that he would report the results of that process so that the Board could consider approving the USOC Bylaw changes at its next regular meeting.

10.2 Director Indemnification

Next, Mr. McCleary described a meritless cease and desist letter received by a USOC Board member, the subject matter of which was related to good faith performance of duties as a Board member. He described the legal work involved in responding to the letter, and the USOC's approach to director indemnity as outlined in Section 17 of the USOC Bylaws including the relevant standards and considerations involved.

Board discussion and questions followed, after which, and upon a motion duly made and seconded, the Board voted (the affected Board member abstaining) to authorize indemnification of the affected Board member via payment of legal fees and expenses involved in resolving it.

10.3 NGB Probation

Mr. McCleary reminded the Board of the recent (USOC Bylaws) Section 10 matter involving US Bowling, and the Board's previous determination, at the suggestion of the hearing panel in the matter, that US Bowling be put on probation for a period of six months while it works on resolving certain governance issues indicated in that matter. He noted that the six-month probationary period was nearing its end, and

invited hearing panel chair and USOC Board member Bill Marolt to update the Board on US Bowling's progress.

Mr. Marolt reviewed the hearing panel's continuing work with US Bowling and progress on the subject governance issues. He indicated the hearing panel's confidence that the issues would be resolved, but noted that resolution would certainly require more time than remained in the six-month probationary period, set to expire later in December 2017.

Board discussion followed, after which, an upon a motion duly made and seconded, the Board voted to extend US Bowling's probationary period by six months in order for it to have adequate time to complete its governance improvements.

11. Committee Reports and Executive Session

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

11.1 Nominating and Governance Committee

Committee Chair Dave Ogrea reviewed that Committee's planning around its upcoming search for four new Board members to be seated as of the end of 2018. He described the projected elements and timing of the search and reminded Board members that any and all strong candidates known to any Board member should be identified to the Committee. Board discussion on this topic involved resources that might be employed in the search, and potential Board candidates for the two independent Board seats to be filled among the four.

11.2 Paralympic Advisory Committee

Committee Chair Jim Benson reported on the work of that Committee and its upcoming plans, including as to a review of the Committee's mission and charter. He indicated that the Committee expected to advance its thinking on this topic and report back to the Board at an upcoming Board meeting in 2018.

11.3 Audit Committee

Dan Doctoroff, Audit Committee Chair, reported on the Committee's meeting of the previous day. He reviewed its discussion of financial plans and results, the USOPF accounting issues discussed by the Board earlier in the day, and risk mitigation matters. He reported that the Committee also held a discussion on cyber security and the need for entities like the USOC to ensure that they bring enough of the right resources to bear to provide reasonable protection against cyber threats, especially given the changing and growing dangers in this area around the world. He indicated

that the Committee would continue to work on this issue with an eye toward specific recommendations for the USOC and possibly guidance for NGBs as well.

11.4 Compensation Committee

Compensation Committee Chair Susanne Lyons reviewed the recent work of that Committee including at its meeting of the previous day. She described Committee discussions and decisions on matters involving USOC 2017 performance against its organizational goals and related incentive program results, planning for 2018 organizational goals, and 2018 USOC personnel impacts that may arise from the formation of the marketing joint venture between the USOC and Los Angeles 2028 and the resultant shift of certain USOC marketing responsibilities to that joint venture entity in 2019. She described the Committee's work on USOC staff salaries and adjustments for inflation, and on staff engagement and motivation generally.

At this point, Scott Blackmun left the meeting and Ms. Lyons reviewed the Committee's work and findings regarding Mr. Blackmun's performance in 2017 and on his salary and incentive compensation in that regard. Board discussion followed, after which, and on a motion duly made and seconded, the Board voted to approve the Compensation Committee's recommendations as to Mr. Blackmun's 2017 salary and incentive compensation.

11.5 Ethics

Committee Chair Nina Kemppe updated the Board on ongoing work of the Committee and at the USOC staff level on ethics matters such as the USOC's updated employee ethics training approach, which began implementation in Q4 of 2017.

12. IOC Update

The Chair noted that Board member Angela Ruggiero's current term as an IOC member is set to come to an end at the close of the upcoming Pyeongchang Olympic Winter Games and that, as such, her term as a member of the USOC Board will also end at that time. He congratulated Ms. Ruggiero on her many accomplishments during her term as a USOC Board member and thanked her for her dedicated service in that role. Ms. Ruggiero expressed appreciation for the Chair's comments and for the support and camaraderie of the Board generally, thanking the Board for the opportunity to serve and to learn from her many experiences doing so. Board members expressed their thanks and congratulations to Ms. Ruggiero.

13. Adjournment

There being no further business, the meeting was adjourned at approximately 1:50pm.

This document constitutes a true and correct copy of the minutes of the December 8, 2017 meeting of the Board of Directors of the United States Olympic Committee.

A handwritten signature in blue ink, appearing to read "C. McCleary".

Christopher McCleary
Secretary

January 8, 2017
Date