

Minutes

Board of Directors Meeting December 20, 2012

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) occurred on December 20, 2012 at 8:00 a.m. local time, following notice duly given pursuant to the USOC Bylaws. The Chair called the meeting to order at approximately 7:55 am. 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, John Hendricks, Nina Kemppel, Jair Lynch, Susanne Lyons, Mary McCagg, Dave Ogreaan, Mike Plant and Angela Ruggiero. The above present members constitute a quorum of the Board under the USOC Bylaws Section 3.16. Jim Easton was unable to attend the meeting.

Present for the meeting from USOC management were: Rick Adams, Malia Arrington, Alan Ashley, Lisa Baird, Rana Dershowitz, Walt Glover, Charlie Huebner, Patrick Sandusky, Chris Sullivan, Kirsten Volpi and Michelle Stuart.

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. Bid Discussion

Scott Blackmun introduced former New York 2012 bid leader Dan Doctoroff and requested that Mr. Doctoroff provide the Board with his perspectives regarding bidding for the Olympics, as well as the current plausibility of a U.S. Olympic bid. Mr. Doctoroff did so, noting particularly that even with the loss, he believes that the process in and of itself was beneficial to New York as it resulted in significant sport and other general infrastructure improvements for the city. Mr. Doctoroff discussed his views on the reasons New York lost its bid as well as the steps any U.S. city would need to take to have a chance of winning an Olympic bid. Mr. Doctoroff further noted that any U.S. bid, regardless of the city, would want to have strong support from the federal government. He then recommended that the USOC avoid a protracted and expensive domestic process when it determines to bid again.

Following Mr. Doctoroff’s presentation, the Board engaged in a discussion regarding the learnings from the New York bid as well as the opportunities and challenges of any future U.S. bid. The discussion turned to an examination of the economic analysis of bidding for an Olympic games as well as the emotional appeal of a U.S. games. Finally the discussion turned to an exploration of the best way to structure the leadership of a bid as between the city’s representatives and the USOC.

At this point, Mr. Doctoroff left the meeting. Mr. Blackmun then advised the Board that much of what Mr. Doctoroff said to the Board was consistent with the thinking of the Bid Working Group. Mr. Blackmun updated the Board on the Bid Working Group's activities to date and the recommendations of the Working Group. While ongoing work and discussions would need to occur during 2013 and 2014, it was the recommendation of the Working Group that the decision of whether or not to bid only be made once initial assessments are completed, with the decision to go forward with a bid only occurring if: 1) the USOC believes such a bid has a strong chance of winning, 2) the partnership with the city is the right one, 3) the economics are correct, and 4) the necessary national support exists.

The Board discussed the Working Group's recommendations and the action items necessary for 2013 and 2014 if the Working Group's recommendations were adopted. Following the discussion, the Board confirmed its support of the Working Group's recommendations and agreed that the decision of whether or not to bid for the 2024 Olympic Games would not be made until late 2014. The Board further expressed its desire that potential bid cities not be required to spend significant resources while the USOC's assessment is occurring.

3. Financial Report

Walt Glover, Chief Financial Officer, reported to the Board on the USOC's expected year-end financial results. Mr. Glover advised the Board that the USOC expects to end the year favorable to budget on the revenue side, driven by success on the marketing front. In addition, the organization expects to end the year significantly favorable to budget regarding expenses as well. Mr. Glover explained the items underlying the favorability in both regards. He then shared with the Board how the USOC's financial performance compared to the USOC's financial goals as set by the Board. Mr. Glover also reported on the USOC's cash position at the end of the quadrennium.

Mr. Blackmun posed the question to the Board of what they would like to see in terms of a quadrennial end cash balance, given the organization's cyclical cash flow dynamics and mission. The Board discussion particularly focused on the USOC's quadrennial cash flow low point. The Board agreed to continue the discussion in the ensuing quad.

4. Strategic Plan

Mr. Blackmun reminded the Board of the process that had already occurred regarding the Board's review of the Strategic Plan and suggested that instead of undertaking a full review of the entire plan, the Board focus on comments that had been received as well as any particular questions Board members might have. The Board engaged in discussion regarding various aspects of the Plan, proposed changes and key points. Particularly, the Board confirmed its support for the previously discussed changes to the USOC Mission. Following the discussion, the Board directed certain specific

minor revisions be made to the Plan. Subject to those revisions being incorporated, a motion was made to approve the Strategic Plan. The motion passed unanimously.

5. Management Report

Mr. Blackmun explained that the Board had written Marketing and Development reports in its Board materials and would be receiving a live report regarding Sport. Prior to turning the meeting to Mr. Alan Ashley, Chief of Sport Performance, for this Sport report, Mr. Blackmun noted that Marketing had an exceptional year.

A. Paralympic Sport

Mr. Ashley walked the Board through the USOC's strategic planning regarding Paralympic high performance programming and funding as well as projections for the 2016 Rio Paralympic Games. Mr. Ashley and Mr. Huebner spoke to the Board about the athlete pathway to participation and success in the Paralympic Movement.

B. High Performance Funding

Mr. Ashley then discussed the USOC's high performance funding plans and discussions with the NGBs. The Board engaged in a discussion regarding USA Boxing. The discussion turned next to how best to handle NGB-managed Paralympic sports that are not currently performing at full potential.

C. Chef de Mission Position

Next, Mr. Ashley requested that the Board engage in an open discussion regarding how best to staff the Chef de Mission position at the Olympic Games. Mr. Ashley explained the accreditation and staffing issues surrounding the Chef position and requested Board guidance regarding expectations for the role. Mr. Blackmun and Mr. Ashley explained that their recommendation is to shift the focus of the position towards a staff driven, functional role to best support high performance and then add a separate position as the honorary leader of the delegation without the Chef credential. The Board engaged in a discussion regarding the role and discussed the pros and cons regarding how best to use the position, including the operational challenges and the international practices and expectations. Following the discussion, the Board confirmed its support for the idea of utilizing the position as an operational function and engaging a volunteer with a guest credential to focus on the public honorary role. The Board directed staff to develop an appropriate title and job duties for the honorary position, to be put forward for Board consideration at a later meeting. The Board agreed that it will confirm a USOC staff member as Chef going forward, and specifically approved Mr. Ashley as Chef de Mission for the Sochi Winter Olympic Games.

Mr. Blackmun congratulated Mr. Ashley on a fantastic year.

At 10:45 the Board took a break.

6. 2013-2016 Quadrennial Budget Approval

Mr. Glover presented the USOC's proposed 2013-2016 quadrennial budget, explaining to the Board the assumptions built in to the four year proposal. Mr. Glover pointed out to the Board how the projections built into the 2013-2016 quadrennial budget compared to those from the 2005-08 and 2009-12 quads. Ms. Burns noted that Mr. Glover is undertaking an assessment based upon best practices and analysis to determine what the USOC's change in net assets and cash flow needs should be for the quad. Mr. Glover then noted for the Board certain differences contained in the quadrennial budget being proposed as compared to the quadrennial budget that had been presented in October on a Board call. The Board discussed the proposed budget, including specifically the percentage change in revenue and expenses from the 2009-2012 quadrennial forecast. The Board noted its desire that the organization ensure that the percentage increase in sales and marketing and administrative expenses be lower than the increase in revenue and that a higher percentage of revenue go to NGBs and athletes. Following the discussion, and as the proposed budget conformed to the Board's desires, a motion was made to approve the 2013-2016 quadrennial budget. The motion passed unanimously.

7. 2013 Budget Approval

Mr. Glover next presented the USOC's specific 2013 proposed budget. Following discussion, a motion was made to approve the budget. The motion passed unanimously.

8. Athlete Career/Education Working Group

Mr. Luke Bodensteiner next presented to the Board regarding the work and recommendations of the Athlete Career/Education Working Group. He explained the processes they had used and then presented the Working Group's findings which are contained in a report that has been posted on TeamUSA.org. The Working Group was convinced that supporting athletes in their career and education efforts is the right thing to do. Further, based upon anecdotal evidence, the Working Group believes efforts in this regard do benefit performance. It also enhances Olympism and can contribute to a positive organizational image for the USOC.

Following Mr. Bodensteiner's presentation, the Board explored elements of the recommendations, inquired about aspects of the findings and engaged in discussion about the issues. The Board determined to reengage in a discussion about how best to approach the issue at the March Board meeting, following a presentation from USOC staff regarding the resources already designated for athlete career issues, whether additional resources should be provided, and if so, at the expense of what other programs.

9. Safe Sport Policy Proposal

The Board next turned to the Safe Sport Policy proposal and constituent feedback contained in the Board materials. Prior to the discussion commencing, Mr. Blackmun passed out additional feedback that had been received from the Women's Sports Foundation. Additionally, the Board engaged in a discussion regarding potential conflicts of interest relating to Angela Ruggiero's role with the Women's Sports Foundation and Anita DeFrantz's role with Safe4Athletes. Both Ms. Ruggiero and Ms. DeFrantz confirmed that they would be participating in the discussion as members of the USOC Board and not in their capacity with the referenced organizations. The Board expressed its comfort with Ms. Ruggiero and Ms. DeFrantz participating in the discussion given the disclosures.

Ms. Arrington presented the Safe Sport recommendations to the Board. She explained the process used to develop the proposal, including the work done with the NGBC Safe Sport Task Force, the outreach to athletes and the survey that had been sent to all NGBs. Ms. Arrington walked the Board through the basic tenants of the proposal, including its five key areas of focus: prohibited conduct; criminal background checks; education and training; reporting mechanisms; and enforcement procedures. Ms. Arrington highlighted for the Board the biggest challenges in coming up with the proposed policy. The Board discussed the proposal, as well as how enforcement of the policy would occur.

Mr. Blackmun then discussed with the Board concerns that have been raised by certain NGBs, including some who feel the policies will pose real challenges to implement and others who feel they do not go far enough. Mr. Blackmun also confirmed that the AAC's leadership is fully supportive of the proposal. Ms. Kempel, who had been Chair of the 2010 Safe Sport Working Group, confirmed that she believed the proposed policy was an appropriate next step and consistent with the Working Group's thinking.

The existing services for NGBs and athletes were then discussed with the Board. The discussion next turned to implementation plans for the Safe Sport Policy. Finally, Ms. Arrington suggested the inclusion of certain clarifying changes that had been suggested by U.S. Soccer.

A motion was made to approve the policy. The motion passed unanimously.

At this time the Board broke for lunch.

10. MultiSport Organizations Council Presentation

The Board returned to receive a report from Wayne Moss, Chair of the MultiSport Organizations Council. Mr. Moss reminded the Board of the MSOC's structure and membership and provided the Board with a brief overview of the MSOC's accomplishments of 2012. Mr. Moss spoke about the MSOC's key goals for 2012 and advised the Board of the Council's achievements around those goals.

11. USATF Sport Performance Presentation

Benita Fitzgerald-Mosley, Chief of Sport Performance for USATF, next presented to the Board. Ms. Fitzgerald-Mosley spoke to the Board about USATF's efforts in preparation for London and the results of those specific efforts, including the historic performances seen at the London Olympic Games. Ms. Fitzgerald-Mosley highlighted for the Board the unprecedented support USATF had received on site in London from the USOC and spoke about USATF's high performance vision for 2016.

12. NGB Organizational Development

Mr. Rick Adams next updated the Board regarding the efforts of the NGB Organizational Development Department. He explained the business and operational services provided to the NGBs and reported on the results of various efforts, including the NGB matching grants program, several strategic planning initiatives, media support, board of directors training, recruiting and staffing. Mr. Adams further explained how programs under various USOC divisions are now being coordinated through NGB Organizational Development to ensure the most effective NGB support possible across the whole Olympic family. Mr. Adams used USA Team Handball as a case study for the resources and services provided. The AAC representatives on the Board requested that Mr. Adams provide similar information to the AAC to ensure that its members understand the full scope of resources provided by the USOC. The Board pushed staff to further develop the USOC's communication strategy around the resources provided and the support available.

The Board next turned the discussion to USA Boxing and USA Taekwondo. The Board received reports on the status of each, as well as the expected next steps. The discussion shifted more generally to how best to oversee NGBs and ensure that they are functional and effective, the types of challenges faced at different NGBs, and the USOC's plans regarding NGB oversight moving forward.

At this time, Bob Bowsby left the meeting.

Following the discussion, the Board expressed its recognition that there is no easy path to effective NGB oversight, and further noted that often the athletes end up being the ones most damaged in the short term in many situations.

At this time, Mike Plant left the meeting. USOC staff other than Rana Dershowitz were all requested to leave the meeting at this point.

13. Committee Reports

A. Nominating & Governance Committee Report

John Hendricks, Chair of the Nominating and Governance Committee, reported to the Board on the work of the Committee. He confirmed to the Board that the Committee

was putting forward two proposed new Board members for the Board's consideration and explained the process used to develop its recommendations, including vetting of documents submitted as well as in person interviews. Mr. Hendricks advised the Board that the Committee was recommending Ms. Whitney Ping as the new AAC representative, replacing Jair Lynch, and Mr. Bill Marolt as the new NGBC representative, replacing Mike Plant. Mr. Hendricks explained to the Board the Committee's reasoning regarding each of these recommendations, including the skill sets, experience and capabilities each brought forward. He noted that the Committee was very impressed with all four of the candidates it received (two from the AAC and two from the NGBC). Following Mr. Hendricks' presentation regarding the candidates, the Board voted unanimously to seat Ms. Whitney Ping and Mr. Bill Marolt as new USOC Board members.

Next Mr. Hendricks nominated Larry Probst to continue as Chair of the Board. He requested that Mr. Probst step out of the meeting for the discussion, which Mr. Probst did. Following the Board's discussion, a motion was made to confirm Larry Probst as Chair of the USOC Board of Directors for a new four year term. The motion passed unanimously.

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 December 19, 2012. It received and reviewed the same financial reports the Board had received earlier in the meeting. The Committee met with the USOC's external auditors to discuss the 2013 audit process and went through all of the internal audits that had been undertaken since the last Committee meeting. Next the USOC General Counsel reported to the Committee that the organization is not currently involved in any outstanding litigation. The Committee did a self-assessment and confirmed its desire to assess how to effectively engage in Committee member training. Ms. Burns noted that the Committee was very impressed with all of the reports it had received.

C. Compensation Committee

With Mr. Bowsby's departure from the meeting, Mr. Robbie Bach reported to the Board regarding the activities of the Compensation Committee. At the commencement of his report, Mr. Blackmun was asked to step out of the meeting so that the Board could review his performance as CEO, which the Board did. After this discussion, Mr. Bach advised the Board regarding the Committee's determinations for staff incentive compensation and merit awards, noting that the Committee felt very good about the USOC's performance in 2012. The Committee next reviewed the USOC's proposed 2013 goals and metrics. Mr. Bach explained to the Board a new approach to medal production being proposed by staff. The Board discussed the idea, including several concerns it raised. Ultimately the Board determined to accept the new construct for 2013, but recognized that it might result in the need for additional resources in order to achieve the goals being proposed. Further, the Board expressed its desire that a straight

assessment of gold medals achieved also be included in the screen. Mr. Bach next explained the Paralympic high performance goals being proposed. The discussion next turned to USOC's development efforts and how they will be reflected in the organization's performance screen. Mr. Bach reported that the Committee had reviewed the USOC's executive compensation policy including a compensation policy for the CEO and specific compensation issues relating to specific members of the Executive Team. The Board engaged in a thorough discussion regarding the USOC's compensation philosophy and Mr. Blackmun's proposed compensation.

D. Paralympic Advisory Committee

Jim Benson, Chair of the Paralympic Advisory Committee updated the Board regarding the activities of the PAC. He advised the Board regarding the process that is ongoing to restructure the PAC. He explained that there is a PAC Nominating Committee that will be undertaking final assessments on a short list of potential candidates and will bring its decisions to the Board in March. He noted that as the Board's resolution had directed that a second USOC Board member be added to the PAC, the recommendation is that Dave Ogreaen be selected as that second USOC Board member.

E. Ethics Committee

Mary McCagg, Chair of the Ethics Committee, reported to the Board on the Committee's activities. She advised that the Committee had met telephonically on November 9. The Committee had discussed ethical guidelines around bidding for the Olympic Games and had developed a proposed draft policy, which has been circulated to the Bid Working Group for its review and input. In addition, the Committee discussed gifting around the Olympic Games, particularly as it related to invitations to individuals to join the USOC at the Games. The Committee directed that the USOC CEO must always be involved and approve any offer to bring someone to the Games on behalf of the USOC. The Board expressed its agreement with this direction.

14. Administrative Items

A. MultiSport Organizations Council Bylaws

Ms. Dershowitz explained to the Board that the MSOC had approved changes to its bylaws at the 2012 Olympic Assembly, however, pursuant to the USOC bylaws, the MSOC bylaws must be approved by the USOC Board to become effective. Ms. Dershowitz confirmed that USOC staff was comfortable with the new proposed bylaws, though noted that a discussion had occurred with the MSOC Chair suggesting that the USOC's mission simply be cross referenced in the MSOC Bylaws rather than being set out. In this way the MSOC Bylaws will not need to be revised in the future if the USOC Board determines to change the USOC Mission. Following Ms. Dershowitz' explanation, a motion was made to approve the MSOC Bylaws. The motion passed unanimously.

B. Membership Fees

Next Ms. Dershowitz reminded the Board that pursuant to the USOC Bylaws, membership fees for all USOC members (NGBs, PSOs, MSOs etc.) must be set by the Board. Historically, the membership fee has been \$100 per year. Staff is recommending that the Board reduce the membership fee to zero. The Board agreed with staff's recommendation and a motion was made to set USOC membership fees at zero. The motion passed unanimously.

C. Bylaws Revisions

Ms. Dershowitz advised the Board that the organization would like to commence the process to revise its bylaws to: reflect the new USOC mission set out by the Board; incorporate the Safe Sport policy direction as previously discussed; clarify certain international designations; change the timeline for commenting on Bylaws changes in the future; and alter the membership requirements for the MSOC to more appropriately align with the Ted Stevens Olympic and Amateur Sports Act. Ms. Dershowitz explained to the Board the reasons for the proposed changes. She reminded the Board that any such changes would first be posted for a 60 day public comment period, and would only be brought forward to the Board for a vote once the public comment period ended. The Board voted to authorize the proposed changes to be publicly posted for comment.

D. US Olympic Foundation Bylaws Revisions

Ms. Dershowitz explained to the Board the interplay between the USOC and the U.S. Olympic Foundation from a governance perspective. She further advised the Board that USOC staff and USOF staff were in agreement that certain changes to the USOF governing documents would be beneficial to the work of the Board of Trustees, as well as to both organizations generally. Accordingly, the USOF would like to change their Bylaws and Articles of Incorporation. However, in order for them to change their documents, the USOC Board must first approve those changes at two successive regularly scheduled USOC Board meetings. The USOC Board is thus requested to approve the USOF Bylaws and Articles of Incorporation changes at this meeting, and will again be requested to approve them in March. Thereafter, assuming USOC Board approval, the USOF Board will consider the changes. A motion was made to authorize the USOF to amend its Articles of Incorporation and Bylaws as presented. The motion passed unanimously.

15. Adjournment

There being no further business, the meeting was adjourned at approximately 3:30 p.m. PST.

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

January 18, 2013
Date