

Minutes

Board of Directors Meeting

March 16, 2012

Bethesda, MD

8:00 am – 3:00 pm EST

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) occurred on March 16, 2012, commencing at 8:00 a.m. local time, pursuant to notice duly given pursuant to the USOC Bylaws. The Chair called the meeting to order at approximately 8:10 a.m. The following members of the Board were present in person at the meeting’s commencement: Larry Probst (Chair), Robbie Bach, Jim Benson, Scott Blackmun (CEO), Bob Bowlsby, Anita DeFrantz, John Hendricks, Nina Kempel, Jair Lynch, Mary McCagg, Angela Ruggiero, and Dave Ogren. Susanne Lyons and Ursula Burns joined the meeting telephonically. The above present members constitute a quorum of the Board under the USOC Bylaws Section 3.15. Jim Easton and Mike Plant were unable to attend the meeting.

Present in person for the meeting from USOC management were: Malia Arrington, Alan Ashley, Lisa Baird, Walt Glover, Charlie Huebner, Janine Musholt, Patrick Sandusky and Michelle Stuart. Rana Dershowitz joined the meeting telephonically. Matt Van Houten, Chair of the Athletes’ Advisory Council and Fraser Bullock joined the meeting as well.

The minutes were recorded by Rana Dershowitz, Secretary.

1. Call to Order and Welcome

The Chair called the meeting to order. He welcomed the Board and thanked John Hendricks for again hosting the Board.

2. YTD Financial Results

Walt Glover, Chief Financial Officer, provided the Board with a report on the USOC’s 2011 year-end and 2012 year-to-date financial results.

Mr. Glover noted that while the USOC ended the year with revenue favorable to budget, the final actual revenue amounts were slightly less favorable than had been projected at the December 2011 Board meeting. Mr. Glover explained the reasons for this variance to the Board. Mr. Glover advised the Board that year-end expenses were favorable to budget as well, and that combined, revenue over expense had exceeded the USOC’s targets and had come in overall as expected.

Mr. Glover next updated the Board regarding the USOC's year-to-date financial results for 2012. He noted that the organization is ahead of target on revenue, primarily due to better than expected fundraising results to date. The USOC is also showing favorably to budget on expense side; however, much of this is timing-related and is expected to normalize by year end.

A discussion then occurred regarding the USOC's cash flow, focusing on possible backup plans should cash balances fall below acceptable levels around the time of the London Olympic Games due to the cyclical nature of the USOC's contractual payments from sponsors and the Games' telecaster. Mr. Glover reported to the Board on a number of different possible options the USOC could further explore, as well as the pros and cons of each. Following a discussion among the Board regarding the various options, it was requested that Mr. Glover continue to work with NBC to develop the NBC related funding option described to the Board, and report back to the Board on his progress in June.

3. CEO Report

A. Sport Performance

Alan Ashley, Chief of Sport Performance, updated the Board regarding competition results from 2011-2012 winter sport seasons to date. He noted that US athletes have done very well this season and advised this gives the USOC some comfort that the US may be able to keep its momentum from Vancouver going into Sochi.

Mr. Ashley next reported to the Board on US athletes' results to date on the summer sport side. At Mr. Blackmun's request, Mr. Ashley explained to the Board some of the specific work being done with different NGBs in preparation for London and Rio. The USOC has further enhanced its efforts to ensure that its high performance funding is used effectively, including greater collaboration with NGBs, enhanced tracking of benchmarking, and significant front-end efforts to ensure that both the NGB and the USOC support each NGB's high performance plan. Following this discussion, Mr. Ashley reported on the USOC's funding decisions to date, for both summer and winter NGBs, as well as certain upcoming plans in this regard. The discussion included some of the dynamics around Paralympic program funding as well.

Mr. Ashley then updated the Board regarding the USOC's operational preparations for the London Olympic Games. The discussion included USOC and LOCOG accreditation plans, training and operational venues the USOC has obtained access to, as well as venue plans from LOCOG. Mr. Ashley also advised the Board regarding the USOC's operational plans for the Paralympic Games. No material issues have been identified at this stage, and all efforts appear to be moving well.

A discussion then occurred regarding the USOC's medal targets and expectations.

Next the Board engaged in a dialog about some of the challenges that may arise during the Games. Particularly, the Board expressed concern that US athletes make appropriate calculations between their competition needs and their desires to participate in non-competition activities such as the Opening Ceremony. Mr. Ashley confirmed that the USOC is working with the NGBs to make sure that athletes have sufficient guidance and information to make their own decisions. An additional discussion occurred around some of the technological issues arising for these Games.

B. Marketing

Lisa Baird, Chief Marketing Officer, updated the Board on several aspects of the USOC's marketing efforts. She noted that anticipation for the London Olympic Games is higher than it was in advance of the Beijing Olympic Games at a comparable time, which bodes well. Ms. Baird shared with the Board some of the messaging around a new Development and Marketing program which will be launched at the USOC's 100 days out Road to London celebration in New York City on April 18, 2012. She then updated the Board regarding various USOC marketing effort and initiatives, including a number in the new media space. A discussion occurred regarding certain new media initiatives, including the launch plans and underlying designs being put in place to ensure integration across various new media platforms.

Finally, Ms. Baird updated the Board regarding sponsor renewal and new sponsor efforts. Ms. Baird reported on contracted and expected sponsorship revenue for both the 2009-2012 and 2013-2016 quads. Ms. Baird noted that the USOC is ahead of pace for the 2013-2016 quad as compared to this time in the last quad.

C. Development

Janine Musholt, Chief Development Officer, updated the Board regarding revenues from the USOC's development efforts. Mrs. Musholt began by showing the Board the USOC's 20 year history of development revenue and then updated the Board regarding year to date efforts for 2012.

Mrs. Musholt then reported to the Board regarding the USOC's capital campaign for the Colorado Springs OTC, the Paralympic Champions Funds, Planned Giving efforts and the USOF Trustees program. Mrs. Musholt noted particularly that the USOC's new planned giving program has had an extremely positive response to date. Additionally, the Trustee program is doing very well, with 20 Trustees on board and several additional possible prospects. Mrs. Musholt noted that annual giving is generally on pace, though the focus is shifting away from direct mail towards online donations.

Mrs. Musholt next updated the Board regarding the USOC's London hospitality plans, noting that they are going extremely well. Indeed, the challenges have been around ensuring sufficient resources for the program rather than finding sufficient numbers of participants.

Next Mrs. Musholt updated the Board on the NGB Challenge Grant program, which has had a number of really positive results to date. She noted that a few NGBs are actually close to hitting the matching cap, though others continue to have room for improvement.

Finally, Mrs. Musholt advised the Board regarding the integration of US Olympians and US Paralympians into the USOC's development efforts. A discussion occurred regarding how best to integrate the Olympians, and Ms. Ruggiero suggested it might be possible to enhance their engagement levels by requesting a small donation from each, much as is done with college alumni programs. The discussion explored the interplay between active athletes, AAC members and those involved with the Olympians organization.

Mr. Blackmun then reported to the Board on Board donation and participation rates. The Board requested reminders and several Board members noted that they agreed participation rates should be higher.

D. Safe Sport

Malia Arrington, Director of Ethics and Safe Sport, provided the Board with an update regarding the USOC's safe sport efforts to date and roll-out plans for the next six to eight weeks. The USOC will be launching a dedicated microsite, www.safesport.org, which will provide the sport community with a toolkit of resources and training. The site will provide resources for NGBs and clubs to develop, adopt, implement and monitor a comprehensive strategy to address safe sport related issues. The USOC is also providing a safe sport handbook containing proposed strategies, sample policies and explanations of the reasons for, and situations in which, different policies might be adopted. The USOC worked closely with the NGBs to develop the handbook, coordinating with an NGB Council task force, which ultimately endorsed the current version. Finally, the USOC has also worked with six nationally recognized law firms to develop a Legal Referral Network to provide NGBs with free legal services to undertake investigations of maltreatment. Interactive online training is also being developed and should be rolled out in mid-April.

A discussion occurred regarding whether the USOC should push the NGBs to perform criminal background checks. The discussion captured both the pros and the cons of pushing criminal background checks as a stand-alone strategy. Mr. Blackmun asked if Mr. Ogreaan could obtain a sense from the NGB family of its reaction should the USOC insist on criminal background checks. Mr. Ogreaan committed to work with the NGB Council to get a sense from the full NGB community. The Board requested that feedback on this issue be part of the NGB Council presentation at the June Board meeting.

The discussion then turned to the various aspects of the USOC's safe sport program. Particularly, Ms. Ruggiero suggested that as part of the program, appropriate resources be made available to athletes affected by misconduct in sport. USOC staff will come back to the Board with some concepts around resources for the athletes.

E. NBC Presentation

Gary Zenkel, President, NBC Olympics, updated the Board regarding NBC's preparations for London. As part of his presentation, he showed the Board several of the videos that NBC had put together while bidding for the 2014-2020 Games telecast rights, as these videos captured the depth of NBC's commitment to the Olympic Movement. Mr. Zenkel explained to the Board that NBC's philosophy is that the Olympics are more than simply competitions. Instead, they are about the stories of the participants. Mr. Zenkel shared with the Board some of the positive changes that have occurred within NBC since its purchase by Comcast, noting particularly the scope and scale of support that NBC can now bring to bear to support its Games telecasts.

Mr. Zenkel next updated the Board regarding NBC's actual broadcast/telecast/streaming plans for the London Olympic Games. He also advised the Board regarding NBC's US Olympic Trials coverage. Mr. Zenkel noted that sales for the London Olympic programming are going extremely well, with efforts well ahead of the typical pace. Digital sales are also going well, though this remains a small piece of the picture. In addition, there continues to be greater interest from advertisers to become involved in the digital content itself, which raises challenges when the advertisers are not also USOC sponsors.

Mr. Zenkel noted that the partnership between the USOC and NBC is extremely strong. Mr. Zenkel gave the Board several examples of the collaborative efforts between the two organizations, including a unique effort at joint sales for the first time.

Finally, Mr. Zenkel discussed the possibility of the USOC and NBC working together on Paralympic Games coverage in London.

Following his presentation, Mr. Zenkel left the meeting.

F. Communications

Patrick Sandusky, Chief Communications and Public Affairs Officer, introduced Andy Sutherden, Global Practice Director, Sports Marketing and Sponsorship, Hill+Knowlton Strategies, to speak to the Board. Mr. Sandusky explained to the Board some about the media landscape in London and requested that Mr. Sutherden provide the Board with his perspective from his many years of dealing with the British media. Mr. Sutherden did so. Mr. Sutherden also spoke to the Board about how news is gathered and consumed in Britain, noting that nearly 1/3 of all adults now own a smart phone and many participate in news gathering by providing cell phone images of matters as they develop. Mr. Sutherden next gave the Board a sense of the issues that have been big items in the UK press to date, explaining the British press perspective on each.

The discussion then turned to steps that can and are being taken to help the US athletes and the US delegation as a whole. This discussion included how best to help

athletes prepare to think about the use of social media during the Games. Much about these topics is being included in the athlete ambassador program.

Following his presentation, Mr. Sutherden left the meeting.

At this time the Board went into executive session with all staff leaving the room. Rana Dershowitz remained on the phone and Fraser Bullock was asked to stay to participate in the discussion.

4. International Relations Update

Mr. Probst, Mr. Blackmun and Mr. Bullock updated the Board regarding the revenue share negotiations between the USOC and the IOC and walked the Board through the key points of the ongoing negotiations, including both the economic and operational issues. A detailed discussion ensued. They also reported to the Board on the expected next steps and time line for the negotiations. It was agreed that the Board would need to review and sign off on any agreement before it was finalized.

Mr. Probst updated the Board regarding PASO meetings, as well as certain changes in leadership for the ANOC.

At this time, 12:00, the Board broke for lunch. Staff rejoined the Board during the lunch break, during which the Board heard from athletes Chris Brady (swimmer), Allison Schmitt (swimmer) and Lori Lindsey (soccer), who each provided the Board with background on their experiences as athletes, their training and their hopes for the future.

At 12:50 the Board returned to session.

5. Presentation by the Athletes Advisory Council

Matt Van Houten, Chair of the Athletes Advisory Council, presented to the Board regarding the AAC's activities over the previous year. Mr. Van Houten began by thanking the Board, noting that this Board has been the most inclusive and aligned with the AAC to date to his knowledge. Mr. Van Houten updated the Board on the AAC's work with the NGB Council regarding the Best Practices Task Force. This Task Force, a joint effort of the two Councils, has worked collaboratively, with USOC input, to seek to develop non-binding recommendations on a variety of issues, including dispute resolution, athlete participation, promotion of US athletes to International Federations, and resource allocation.

Mr. Van Houten noted that it is a priority of the AAC to promote the Paralympic movement and to this end the AAC recently added four additional Paralympic representatives to the AAC. In addition, AAC representatives have been actively involved with the USOC's Paralympic Advisory Committee.

Mr. Van Houten next advised the Board that the AAC had recently worked collaboratively with the USOC, the Ombudsman, and the NGB Council to develop a joint submission regarding proposed changes to the WADA Code. The goal of this project was to develop recommendations to make the Code better and more effective, while also making clear that the US takes doping very seriously and expects the Olympic Movement to be very tough on dopers.

Next Mr. Van Houten explained the goals for the AAC for the remainder of the quadrennium, noting that the focus will be on (a) supporting athletes in London, (b) putting forth good nominees for the USOC Board, (c) continued advancement of the Paralympic Movement, and (d) preparing the new AAC leadership (which will be elected at the end of 2012 and take office at the beginning of 2013). With regard to the orientation of new AAC leadership, Mr. Blackmun offered to have the AAC leadership go through the same orientation that the USOC provides to its new Board members, an offer for which Mr. Van Houten expressed his interest and appreciation. A discussion ensued regarding the structure of AAC leadership, term limits currently in place and some of the pros and cons of the current structure.

The discussion then turned to concerns that have been raised by certain members of the AAC regarding the recent funding decisions of the USOC and whether the AAC should seek changes to the Ted Stevens Olympic and Amateur Sports Act. AAC leadership intends to engage in an open dialog on these issues but will not take a position unless and until there is consensus within the AAC that something should be addressed. There is no such consensus today.

Finally, Mr. Van Houten inquired of the Board whether it intends to periodically assess the USOC Mission. Mr. Blackmun advised that there is a working group of Board members and staff that is actively engaged in strategic planning for 2013-2016. One element of this work will be to look at the Mission. Following consultation with the USOC's constituents, the working group will come back to the Board with its recommendations for the Board's consideration.

Mr. Probst had to leave the meeting during Mr. Van Houten's presentation for personal reasons and requested that Mr. Blackmun chair the remainder of the meeting.

Following Mr. Van Houten's presentation, the Board returned to executive session to receive reports from its committees. Kirsten Volpe and Rana Dershowitz were requested to stay in the meeting.

6. Committee Reports

A. Audit Committee Report

Ursula Burns, Chair of the Audit Committee, reported to the Board on the activities of the Audit Committee. The Committee met the day before the Board meeting. It received a financial report from Mr. Glover as well as a report on the expected timeline

for the development of the USOC's 2011 audited financials. Next, it received a report from Debra Yoshimura, Managing Director of Internal Audit advising on a number of audit results, including a follow up on the USOC Ethics audit (which was very good) and a follow up on the USA Taekwondo audit. The Committee also reviewed several other audits which were generally fine. Additionally, the Committee undertook a very high level assessment of the US Olympic Foundation's investment plans and historic performance and received a litigation report from General Counsel Rana Dershowitz. In executive session the Committee undertook a discussion regarding how best to move forward when audits reveal material, but not truly critical, issues with NGBs. In these instances, the Committee discussed whether the USOC ought to condition funding on the NGB addressing the identified issues. The Committee noted that this is an easier discussion in the extreme cases, but where the issues are serious but not critical it is a much harder assessment to make. The Board continued the discussion and ultimately expressed its general belief that the next line of approach should be the ongoing work that USOC Sport Performance and NGB Organizational Development does with the NGBs.

B. Compensation Committee Report

Bob Bowsby, Chair of the Compensation Committee, reported to the Board on the Committee's activities. The Compensation Committee had met the day before the Board meeting. The Compensation Committee followed up on its discussions at the last meeting regarding the CEO's LTIP, receiving outside expert guidance to ensure that it is properly accounted for and reported. The Committee then spent time reviewing its own governance, including how best to evaluate its own work annually. Next the Committee assessed the USOC's turnover rates, noting that rates remain a bit higher than desired. As a part of this discussion, the Committee also examined issues around succession planning across the organization. The Committee determined that it would like to better understand some of the underlying issues giving rise to the current turnover rates and agreed to engage in further discussion on this at its next meeting. Finally, the Committee discussed various issues around compensation among USOC staff, including certain incentive structures and adjustments to certain Executive Team members' compensation.

C. Ethics Committee Report

Mary McCagg, Chair of the Ethics Committee, reported to the Board on the Committee's activities. The Committee met the week before the Board meeting and reviewed all of the organization's conflict of interest disclosures. Ms. McCagg noted that the USOC had 100% compliance with its disclosure process, including among Board members. She advised the Board that generally there were no significant concerns raised by any of the disclosures. Ms. McCagg reported that committee member Thurgood Marshall Jr. had noted positively how actively much of the staff seems to be involved with the local community and the sports world. While this can create challenges if staff members are overextended, generally this was seen by the Committee as a good "problem" to have. The Committee expressed its congratulations to Mr. Blackmun for creating an environment where community engagement is encouraged.

D. Nominating & Governance Committee Report

John Hendricks, Chair of the Nominating and Governance Committee, reported to the Board on the work that will need to be done by the NGC over the course of the year. Mr. Hendricks requested that Mr. Bach step out of the meeting at this time. During Mr. Bach's absence, Mr. Hendricks reminded the Board that Mr. Bach had been appointed to the Board to complete Ms. Stephanie Streeter's term as a Director. In light of this, Mr. Bach's term is technically expiring at the end of 2012, however, he is eligible for a new full term. Mr. Hendricks' requested the Board's input on whether the Board desired for Mr. Bach to continue as a member, or whether the Nominating Committee should undertake an open search for a new independent director. The Board unanimously expressed its support for Mr. Bach and requested that he remain on the Board for another term. Mr. Bach then returned to the meeting. Mr. Hendricks then advised the Board that both Mike Plant's and Jair Lynch's terms would be expiring at the end of 2012 and explained to the Board the process laid out in the USOC Bylaws for filling each of these positions. As an initial matter, the Board has the right, but not the obligation, to provide the Nominating Committee with its views on the qualifications, skills and experiences the Board feels would be beneficial in a new Board member. A thorough discussion ensued regarding what areas of expertise the Board felt might be needed.

E. Paralympic Advisory Committee Report

Jim Benson, Chair of the Paralympic Advisory Committee, reported to the Board on the activities of the PAC. The Committee had not met since the last board meeting, but will be meeting on April 12-13, 2012. Mr. Benson explained that work is ongoing around certain strategic and structural issues for the PAC, both among PAC members and within the USOC's broader strategic planning process. A discussion occurred regarding certain aspects of the integration of Paralympic efforts within the USOC.

7. Administrative Items

A. USA Taekwondo Section 10 Hearing Panel Report and Recommendation

Ms. Dershowitz directed the Board to the Report and Recommendation of the USA Taekwondo Section 10 Hearing Panel contained in the Board materials. She summarized the Hearing Panel's findings and recommendations for the Board. Following her summary, Susanne Lyons, USOC Board member and Chair of the Hearing Panel, provided the Board with some further insight into the Hearing Panel's work. Following this, a motion was made to approve the Hearing Panel's recommendations in full. The motion passed unanimously, and accordingly USA Taekwondo was placed on probation for a period of six months. The Hearing Panel will come back to the Board in September with a further assessment and recommendation of how to proceed.

B. Governance of ParaTriathlon

Ms. Dershowitz next directed the Board to the proposed resolution contained in the Board materials pertaining to ParaTriathlon. She explained to the Board that USA Triathlon, the NGB for the sport of triathlon, had requested to be recognized as governing the sport of ParaTriathlon as well. Review of the request was undertaken by a cross functional group within the USOC, and the request was supported by both Sport Performance and US Paralympics. Following discussion, the Board unanimously approved the resolution to have USA Triathlon designated to govern the sport of ParaTriathlon.

C. Governance of ParaCanoe

Ms. Dershowitz next directed the Board to the proposed resolution contained in the Board materials pertaining to ParaCanoe. She explained to the Board that USA Canoe Kayak, the NGB for the sports of canoe and kayak, had requested to be recognized as governing the sport of ParaCanoe. Review of the request was undertaken by a cross functional group within the USOC, and the request was ultimately supported by both Sport Performance and US Paralympics. Following discussion, the Board unanimously approved the resolution to have USA Canoe Kayak designated to govern the sport of ParaCanoe.

D. Litigation Report

Ms. Dershowitz provided the Board with a brief litigation report.

E. IOC Women and Sport Conference

Anita Defrantz reported to the Board on the IOC's Women and Sport Conference held in Los Angeles, California in February. The Conference had been very successful and the IOC was very pleased with how it had turned out.

8. Adjournment

There being no further business, the meeting was adjourned at approximately 2:30 p.m. EST.

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

April 6, 2012
Date