

Minutes
USOPF
Board of Directors Meeting
New York, New York
December 11, 2019

A meeting of the Board of Directors (the "Board") of the United States Olympic and Paralympic Foundation ("USOPF") occurred on December 11, 2019 commencing at 9:06 a.m. local time, following notice duly given pursuant to the USOPF Bylaws. Pursuant to the list below, the following members of the Board were present in person or by telephone. The present and telephonic members **did** constitute a quorum of the Board under the USOPF Bylaws Section 3.10 (a).

Present for the meeting, in person and telephonically were the following Board members, listed alphabetically: Dwight Anderson, John Babcock, James Benson, Michael Carter, Robert Cohen, Robyn Coles, Gayla Compton, Kevin Compton, Philip Corboy, Gordon Crawford, Brian Deevy, John Goldman, Joanie Hall, Sarah Hirshland, Jonathan Ledecy, Alicia Miñana de Lovelace, Susanne Lyons, John Macfarlane, Lynda Marren, Robert Merrilees, Joy Mistele, Thomas Mistele, Corinne Nevinny, Kevin Penn, Edward Plummer, David Poms, Michael Ray, Johnathon Robertson, Susan Schnabel, Benjamin Sutton, Stuart Weitzman, Kevin White, Geoff Yang, and Lisa Zelson.

Present for the meeting from the USOPC were: Christine Walshe, Morane Kerek, Rick Adams, Paul Florence, Gene Derkack, Maureen Vollmer, Emily Loewenthal, Alexandra Triumph and Megan Berg.

Also present via teleconference from the USOPC were: Sarah Cantwell, Lisa Friedman, and Charlie Huebner.

The minutes were recorded by Megan Berg, Secretary.

1. Call to Order and Introductory Remarks

The meeting of the Board was called to order by Gordon Crawford, Board Chair. Gordy welcomed attendees and thanked them for their participation. Gordy thanked Barry and Lizanne Rosenstein for their hospitality in hosting the Board the previous evening. Gordy also noted that the athlete attendees were amazing with diverse stories.

2. Chairman's Report

- a. Gordy called for approval of the February 7, 2019 Board meeting minutes. After moving for approval and second, the Minutes were approved unanimously.
- b. Gordy called for approval of the September 18, 2019 Annual Meeting minutes. After moving for approval and second, the Minutes were approved unanimously.
- c. Gordy introduced the proposed updated Banking and Finance Resolution. After moving for approval and second, the Resolution was approved unanimously.
- d. Megan Berg, Secretary, introduced the Nominating and Governance Committee's recommended Bylaws amendment to Section 3.4 that will allow the Nominating and Governance Committee to vote to remove underperforming Board members. She discussed the language options that the committee reviewed. There was a discussion about the role of Sarah Hirshland as the Member's representative and the distinction between use of "member" and "Member" in the Bylaws. John Macfarlane, committee Chair, discussed the role that Board member counseling will play and Board member expectations. There was also a discussion about whether this action can be taken by a majority of the committee or a majority of committee members present, with clarification that only with majority of committee and vote of the Member representative can a Board member be removed. After motion and second, the proposed Bylaws amendment was approved unanimously.
- e. Gordy updated the attendees that seven Board members were terming off the Board at the end of 2019: Stephen Freidheim and Scott Freidheim, James Keller, Robert Merrilees and Joan

Criswell, Roberto and Allison Mignone, David Poms, Kevin White, and Dan and Lisa Zelson. John Macfarlane read into the record the resolutions of acknowledging the service of those Board members in attendance. The resolutions for all Board members are attached to these minutes.

- f. Gordy welcomed the newly elected Board members whose terms will begin January 1, 2020: Tracey and Edward Benford, Jacqueline and Christian Erdman and Sheila and James Walker.
- g. Gordy updated that attendees on recent Executive Committee meetings including: (1) November 9, 2019 with Sarah Hirshland to discuss the mission and strategic planning; (2) November 26, 2019 in a joint session with the Finance Committee to review the proposed 2020 budget; and (3) December 10, 2019 to discuss and review options in future collaborations with LA2028.

3. USOC Update

Gordy thanked Sarah Hirshland and Susanne Lyons for their involvement with the USOPF and their leadership and introduced Sarah, who updated the Board on the following matters:

- a. Hall of Fame: Sarah shared that the USOPC had recently inducted a new class to the Hall of Fame. Beginning in 2020, the Olympic Museum will house the Hall of Fame;
- b. USOPC Executive Team: Sarah shared that she has completed the hiring process and has a full executive team. She began restructuring the team at the beginning of 2020. She is still in the hiring process for the Chief Medical Officer;
- c. Sarah continues to work with the AAC to assist in its growth and movement towards a more professional staff rather than solely volunteers;
- d. USOPC governance reform: The USOPC Board approved significant governance reforms and Bylaws amendments. Some reforms will be implemented in January 2020 and some will take effect in January 2021, including adding a non-voting role for the USOPF Board Chair. Other reforms include IPC parity, additional athlete representation, developing a formal NGB certification process. There will likely be additional amendments in 2020;
- e. Legislative updates: Sarah expects that the Moran-Blumenthal bill will pass and both she and Susanne support the legislation. There are ongoing conflicts between the proposed legislation and the IOC charter. They continue to work with the legislators and staff on specific language, mandates and implementation timing;
- f. Litigation: Sarah shared that the gymnastics litigation is ongoing, but she is confident that the USOPC is employing the right internal and external resources.

There was a discussion about the role of Title IX and the NGB certification process. There was a request that the Board be provided with talking points regarding legislation and litigation as many have regular contact with legislators.

- g. Cultural Assessment: The USOPC has employed a consultant to assist with assessing the USOPC's culture. Sarah expects to share the organization's cultural goals and how they will be met and assessed in early 2020; and
- h. 2020 focus: Sarah and her executive team's focus in 2020 will include: (1) providing an optimal Tokyo experience for Team USA athletes; (2) the USOPC's mission statement and finalizing the definitions of the members of Team USA eligible for resources and support; (3) the NGB certification process; (4) the organization's culture and regaining trust of athletes and community; (5) resource allocation; and (6) 2021-2024 fiscal strategy, including the role of the USOPF and LA28.

Susanne Lyons, USOPC Board Chair updated the Board on the following matters:

- a. Susanne updated the Board on the Olympic Summit, which included leaders of the top international federations, WADA, China, Russia and US representatives. The primary discussion points related to Russia's antidoping violations.

There was a discussion regarding different sports having different eligibility rules at the federation level, whether any other countries are at risk due to antidoping violations and the Rodchenkov Bill regarding extra-territorial rights and enforcement;

- b. Susanne discussed the requirement of political neutrality contained in the IOC Charter and the balance between freedom of speech protections and political neutrality for Team USA athletes and the USOPC;
- c. Susanne further discussed the conflict between the language in the proposed Moran-Blumenthal bill and the IOC's charter;
- d. Susanne shared that U.S. Senators had recently written a letter to the IOC regarding human rights violations in China in advance of the Beijing Games in 2022. Susanne discussed the impact of boycotts of the 1980 and 1984 Games;
- e. The Youth Olympic Games will be held in January 2020 and is focused on small formats to test potential new sports;
- f. The USOPC is looking to identify synergies in eSports within virtual reality or story participant sports;
- g. David Haggerty was re-elected as the ITF President and nominated to become a member of the IOC;
- h. The IOC ratified the Olympic Truce and President Bach was recently at the U.N.

There was a discussion regarding the USOPC's plans to train and educate athletes on the rules regarding political speech and protests. Rick Adams, Chief of Sport Performance and NGB Services, discussed the education plan and the role of cultural differences and due process.

There was an additional discussion and request regarding utilizing the USOPF Board members and their contacts to assist with the USOPC's legislative negotiations.

4. USOPF Finance Report

Christine Walshe, President, reported that she is optimistic that the development team will meet its fundraising goals, with two substantial principle gifts in final negotiations. She reported that the biggest growth area was in the \$500,000 gift level, with 15 new commitments signed in 2019 and 8 of those secured without face-to-face meetings. Christine also shared that the planned giving area secured a \$4 million revocable commitment and one of the two gifts in negotiation will be a charitable lead annuity trust in excess of \$4 million. Megan Berg clarified the timing of recognizing planned gifts for new activity and financials.

Morane Kerek, Treasurer, reviewed the 2019 financial statements to date in which revenue is recorded upon receipt, which differs from the new activity goals. Morane reviewed the expense savings which primarily resulted in staffing changes and decision not to make additional investments in Team USA Fund.

Christine reviewed the 2020 proposed new activity goal, reviewed the quad comparisons that identify giving trends in Games and non-Games years. She remains optimistic that the USOPF will meet its quad goal. She presented the proposed 2020 fundraising gift table which will rely heavily on Trustee and Board renewals, retention of current donors and moving donors up the gift table. In the lead up to LA28, there will be a focus on principle gifts.

Morane reviewed the quad financials, 2020 proposed expense budget and defined the hospitality costs within the budget that are not billed to hospitality participants.

There was a discussion regarding the USOPF efficiency ratio and that the USOPC grant for expenses is excluded from that calculation. The USOPF quad goal for 2021-2024 will be \$146 million, which represents approximately 16% increase, and there was a discussion about how that growth percentage was calculated. There was a discussion regarding whether donor retention rates are tracked. Retention rates are tracked and for donors giving at or above \$100,000 the retention rate is 85%. There was a discussion regarding the hospitality pricing, USOPF staff expenses and the impact on package cost of the hospitality program being fully self-supporting. Additionally, there was a discussion regarding the timing of charity watchdog sites rating of the USOPF.

There was a discussion regarding the decision not to invest in additional growth in the Team USA Fund during 2019. Christine reminded the Board that they had approved incremental investments, but in light of staffing changes and ongoing discussions regarding LA28, the decision was made not to invest the funds.

At this time there was a motion and second to approve the proposed 2020 fundraising target, revenue budget and expense budget. The motion was approved unanimously.

Fundraising Report and Key Communication Themes

Christine thanked the Board and staff for their support and guidance as she transitioned into her role as USOPF President. She introduced Paul Florence, Sr. Vice President of Strategy and Operations, and reported about the USOPF's PSA for TeamUSAFund.org. In addition, she updated the Board on the following matters:

1. People and Programs: Christine gave a staffing update, including recent gift officer staffing. Her primary needs and staffing considerations will focus on the northeast and southeast. There was a discussion about consideration of a new hire with part-time duties based on vacation sites of prospects and donors;
2. As the USOPC finalizes its strategic plan, the USOPF will look to create a strategic plan by identifying gift opportunities to support the USOPC's goals;
3. Christine reviewed the donor arc and the established USOPF giving programs including: (a) Team USA Fund; (b) Sixth Ring; (c) Mid-Major/Giving Circle; (d) Champions; (e) Podium; and (f) Investors Circle;
4. Paul Florence updated the Board on the Team USA Fund and highlighted the business decision to pause additional growth investments in the program. The program will exceed its 2019 revenue goals. The program also completed an RFP for a gift processing partner and is currently in the implementation process. There was a discussion regarding donor retention. Paul reviewed the Team USA Fund performance screen.
5. Giving Circle: Christine updated the Board on the status of the mid-major program, called the Giving Circle, launched in July 2019. Since its launch the program has raised \$1 million dollars. Most gifts do not include access to hospitality benefits. The program will have a working group, chaired by Joanie Hall, with the goal to hold 5 gatherings in 2020. The working group will target prospects who are not able to or interested in a Champions or Trustee level gift. The USOPF will also launch a merchandise website exclusively for Giving Circle members.
6. 2020 Key messaging themes: As identified during the Annual Meeting breakout sessions, 2020 USOPF messaging will include: (a) athletes first; (b) Team USA is a fan-funded nonprofit; (c) Team USA and athletes inspire achievement; (d) high performance innovation; and (e) sport can unify the country.

The intent is to communicate these themes through:

- a. story-telling through expanded media exposure, education and athlete visibility;
- b. strategic partnerships including corporate partnerships, broadcast partnerships, sport ambassadors and ACE members;
- c. community building through donor and supporter networks and continuing and ongoing humanizing of the athletes' stories; and
- d. telling the athletes' journeys beyond medals, to help athletes develop their personal brand and to celebrate their journey.

Additionally, Paul is working on diversifying the donor experience beyond Games hospitality by utilizing unique opportunities to engage with athletes. Finally, the USOPF is focusing on Trustee engagement opportunities. Paul introduced Emily Loewenthal, who has joined the Board Relations team with a primary focus on Trustee engagement and events.

7. Working Groups Update: Christine shared that most working groups were paused during the latter half of 2019 as she evaluated their role in the USOPF's mission and activities. The current status of the working groups is:
 - a. Giving Circle: Will be fully launched in 2020 under the leadership of Joanie Hall;

- b. ACE: Activities have been paused as Bahati VanPelt, Chief of Athlete Services, has been onboarding and determining his priorities. With Dan Zelson terming off the Board, Tom Mistele will become the chair of the Working Group;
 - c. Paralympic Working Group: The Group launched in 2019 under the leadership of Jim Benson;
 - d. Technology and Innovation: The Group is chaired by Kevin Compton and Geoff Yang. There are growth opportunities in 2020 which will focus on developing a dashboard to track projects and determining best practices for investments for the benefit of the athletes;
 - e. Games Hospitality: Rob Cohen chairs the working group with the primary goal to vet Games hospitality strategy. Rob shared that the goal of the hospitality program and the working group is to enhance the experience and may include (a) Board members acting as hosts to help manage the attendees; (b) analyzing costs and expenses of program; (c) sourcing tickets, program schedules and hotels; (d) identifying and facilitating strategic partnerships including NBC and LA28; and (e) utilizing the working group to increase revenue.
8. 2020 Events Calendar: Highlighted for the Board are the upcoming events including Speedskating in Park City, Swimming Trials in Omaha, Nebraska (Annual Meeting), and US Biathlon nationals.

Tokyo Hospitality

Paul Florence shared that staff will be operationally compact and that the Games footprint will be compact with approximately 30 minutes travel between venues. The main objective is to have staff act in a concierge role rather than travel agent role and to facilitate a greater connection with the Games. The situs of the last 3 Games were aspirational for the IOC, but in advance of the upcoming Games, the USOPF will evaluate the size of the programs in comparison to the revenue goals and needs.

Current challenges with the hospitality program include package costs and asset cost (e.g. 5-star hotel vs a 4-star hotel). Paul reviewed the current available inventory and the risks associated with securing sufficient assets versus guessing. Access to premier tickets for marquee events (Opening Ceremony, Swimming and Gymnastics) remain a challenge. Additionally, the expense of hosting hospitality in Tokyo, a very expensive city, is also challenging as package costs increase. Paul issued a specific call to action to help the team sell out remaining available inventory.

There was a discussion regarding the number of programs, including the 3 wave and 4 wave programs within the Podium program.

Sport Performance

Rick Adams, Chief of Sport and NGB Services, thanked the Board for their support, which is integral to Team USA's success. 2019 has been a transition year, but the sport team is focused on the athletes. Rick shared that the development team under Christine's leadership is fully integrated with the sport team.

Rick updated the Board on the current status of Team USA. There are currently 103 athletes in the top 3 of their sport and 231 athletes in the top 8. Thirteen teams have qualified for the Tokyo Games.

Rick and his team are currently finalizing the 2020 high performance plans for the NGBs and addressing quad funding so that high performing NGBs can plan over multiple years rather than on an annual basis. Rick updated the Board on the Tokyo high performance training center, which will be housed at the Okura Sport Park. The training center will be approximately 30 minutes from the athlete village, the track renovation has been completed and the kitchen renovation is underway.

After the Rio Games, the Paralympic team launched the Tokyo 130 plan as its medal goal and has focused on talent transfer between sports and sport development. The analytics employed on the Paralympic side are more difficult because of the different classifications. Rick shared the status of qualifications for the Paralympic Games.

Rick discussed the Athlete 360 program, which was funded by Board members Mark and Mary Stevens out of the Tech and Innovation Working Group and tracks the travel, nutrition, training and illness statistics of participating athletes. The team is working on finalizing dashboards to consolidate the information of top athletes and bridge the Athlete 360 statistics with the existing data performance analytics to focus on athlete well-being.

Nike will provide ice vests for all athletes as part of Tokyo planning. Rick shared concerns regarding planning for Tokyo including that most medals from recent Games have come from a small number of sports, including swimming and track & field, and the focus on the pipeline for these sports. Rick reminded the Board that “sustained competitive excellence” remains a core part of the USOPC’s mission in conjunction with athletes’ well-being not at the expense of performance.

Rick also discussed planning for Beijing 2022.

There is an ongoing focus on allocation of available support with services offered to NGBs to have the opportunity to succeed with a focus on the NGBs performing in the middle.

Other Business

There being no further business, the meeting was adjourned at 11:54 a.m. local time.

This document constitutes a true and correct copy of the minutes of the meeting of the Board of Directors of the United States Olympic and Paralympic Foundation.

Approved by the USOPF Board this ____ day of December, 2019.

Megan S. Berg
Secretary