

## Minutes

— CONFIDENTIAL —

**Board of Directors Meeting  
December 14, 2009  
San Francisco, California  
8:00 a.m. – 2:00 p.m. Pacific Standard Time**

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) occurred on December 14, 2009, 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 8:00 a.m. The following members of the Board were present in person: Larry Probst (Chair), Bob Bowlsby, Ursula Burns, Anita DeFrantz, Jim Easton, John Hendricks, Jair Lynch, Mary McCagg and Mike Plant. The above present members constitute a quorum of the Board under the USOC Bylaws Section 3.14.

Also present for the meeting from USOC management were: Stephanie Streeter, Norman Bellingham, Rana Dershowitz, Walt Glover, Robert Fasulo, Lisa Baird, Janine Alfano, Mike English, John McWilliams, Charlie Huebner, Larry Buendorf, Patrick Sandusky, Chris Sullivan, John Ruger, Debra Yoshimura, Leslie Gamez and Michelle Stuart. Also present for the meeting was Board Liaison Carol Brown. Anne Cody and Bob Balk, members of the International Paralympic Committee joined for the first part of the meeting.

The minutes were recorded by Rana Dershowitz, Secretary, except during the Executive Session, during which period the minutes were recorded by the Chair.

### **1. Call to Order and Welcome**

After calling the meeting to order, Chairman Probst indicated that Ms. Stephanie Streeter, Acting Chief Executive Officer, had opening remarks she wished to present to the Board. Ms. Streeter walked the Board through some of the key successes of the organization for 2009, including in the areas of revenue, marketing activation, the new USOC Headquarters project, enhanced Paralympic funding, the development of 109 Paralympic sports clubs, as well as integration and effective coordination with NGBs in the areas of marketing, development, legal and resource allocation. Ms. Streeter noted that while the outcome with regard to Chicago 2016 was not what the USOC hoped to see, the bid itself was an unprecedented partnership and, in partnership with Chicago 2016, Olympic day had been a big success, with celebrations in 177 cities. Additionally, the USOC had increased funding to NGBs by 13%, US athletes had one of their best years in winter sports and the revamped Olympic ambassador program is doing well. Finally, Ms. Streeter noted a number of operational management successes in 2009, including several reorganizations, the installment of several new management processes, effective and appropriate handling of a reduction in force, material revisions to the

Employee Handbook and Code of Conduct and an update of the entire Information Technology infrastructure for the organization.

Chairman Probst thanked Ms. Streeter for all of the work she has done for the organization under a very difficult set of circumstances.

## **2. Vancouver Update**

Mr. Mike English, Chief of Sport Performance, gave the Board an update regarding the USOC's planning and preparation for Vancouver. Mr. English reminded the Board that the majority of the US team will not be named until just a few weeks in advance of the Games. US athletes will be involved in quite a lot of competition between now and when the team is named. Mr. English confirmed for the Board that the USOC is expecting a good performance in Vancouver based upon World Cup results so far, but of course, no guarantees can be made with results dependent upon day of event performances and US athletes staying healthy.

Mr. English next walked the Board through some of the high points achieved and some of the challenges being faced by the different winter sports on a sport by sport basis. Included in this description were ways the USOC has been working with different NGBs to help them develop the best performances possible. Following this discussion, Mr. English advised the Board regarding some of the key matchups to watch in Vancouver.

Mr. English next advised the Board that the USOC's operational planning for Vancouver has been excellent, however, execution on the ground may be a challenge given the number of different operational sites the USOC will be running. Mr. English requested that Ms. Leslie Gamez, Managing Director of International Games, provide the Board with a logistical update regarding the USOC's Vancouver planning.

Ms. Gamez first expressed her thanks to Mr. Mike Plant for all of the work he has done to date as Chef de Mission. She noted that Mr. Plant's international contacts have been very helpful. Ms. Gamez explained to the Board that the USOC has forged very positive relationships with VANOC, and VANOC has generally been extremely accommodating with regard to the USOC's requests.

Ms. Gamez provided the Board with visual layouts of a variety of different sites in both Vancouver and Whistler, including maps to explain the interplay of the USOC's different site locations. She noted that transportation will likely be an issue, particularly for the snowboard and freestyle events at Cypress Mountain. Included in the USOC's sites will be high performance centers and USA Houses in both Vancouver and Whistler. Ms. Gamez advised the Board regarding VANOC's Olympic village preparations, noting that both the Vancouver and Whistler villages are wonderful.

Ms. Gamez next explained to the Board how the accreditation process works generally, how accreditation allocations had been made for Vancouver and advised the

Board regarding the accreditation each Board member will receive. Next, Ms. Gamez explained how Team Processing will be managed and what the USOC's team apparel will look like. Finally, Ms. Gamez described for the Board some of the additional operational support that the USOC will have available on the ground in Vancouver, including NGB Biz Net, the electronic Fan Guide for delegation family members, support for transport, air travel, ticket issues, finance etc., and advised the Board on training that has already occurred and will occur for Delegation staff in advance of the Games. As part of this description, Ms. Gamez gave the Board an update on the USOC's Incident and Emergency Response plans as well.

Mr. English next walked the Board through the USOC's plans and expectations for the Sport department over the next two months leading up to the Games, and then for the three to six month period thereafter. A discussion ensued among the Board regarding strategic development of sport in the United States. It was noted that as part of this planning, the USOC will also need to ensure that its Paralympic strategy is taken into account. Ms. Streeter then updated the Board on potential issues in the lead up to the Games.

### **3. Vancouver Paralympic Update**

Charlie Huebner, Chief of Paralympics, gave the Board an update regarding the USOC's planning and preparation for Vancouver Paralympic Games. He noted that many of the operational aspects of the Paralympics will be similar to the Olympics; however, there are some unique challenges that need to be addressed in the Paralympic context to ensure the athletes are able to perform.

The Winter Paralympics Games will be roughly one-quarter the size of the Winter Olympic Games. Five sports are part of the Paralympic program, alpine skiing, biathlon, curling, sled hockey and X-country. Mr. Huebner provided the Board with highlights by sport as well as some of the challenges each of the Paralympic sports is facing. Mr. Huebner next provided the Board with a list of key athletes to watch at the Games.

As part of Mr. Huebner's report, he provided the Board with an overview of the US Paralympic division, including its makeup, mission, operations and budget. Mr. Huebner noted that roughly 60% of the US Paralympics budget is made up of dedicated revenue, particularly sponsor contributions and US government grants specific to Paralympics (including the Department of Defense and Veterans Association). Mr. Huebner noted for the Board that US Paralympics has been working collaboratively with other USOC divisions to build Paralympic specific assets, to develop revenue and to enhance Paralympic specific brand awareness. Mr. Huebner indicated while these efforts are showing positive results, there is still a lot farther to go.

Mr. Huebner next walked the Board through the USOC's logistical plans for the Paralympic Games, including sponsor activation, involvement of the Department of Defense, friends and family programs and a hospitality center in Whistler which US Paralympics will be jointly operating with the IPC.

Chairman Probst inquired of the Board regarding Board member's planned attendance at the Paralympic Games encouraging attendance, and a discussion ensued.

#### **4. IPC/USOC Opportunity Discussion**

At the invitation of Chairman Probst, Ann Cody, US Paralympian and current IPC Governing Board member, and Bob Balk, US Paralympian, current IPC Governing Board member and IPC representative to the IOC Athletes Commission, presented to the Board regarding the IPC and the USOC's potential role in the national and international Paralympic movement.

Ms. Cody provided the Board with an overview of the IPC, including its history, structure, member organizations, operations and vision. Ms. Cody noted that the vision of the IPC, while similar to that of the IOC, is not the same. It is to "enable Paralympic athletes to achieve sporting excellence and inspire and excite the world". Ms. Cody noted that while there is overlap with the Olympic values, the Paralympic values of: courage; determination; inspiration; and equality are different. The IPC's Governing Board is made up of fourteen people, lead by Sir Phillip Craven, the IPC President, who is, by position, an IOC member.

Ms. Cody noted that in addition to being the global governing body for the Paralympic movement, the IPC is also the international sport federation (IF) for nine different sports. The IPC's goal is for these sports to ultimately run independently. Currently, the vast majority of Paralympic athletes are in the nine sports run by the IPC.

Ms. Cody generally explained the IPC's classification system to the Board as well as the different disability categories represented in the Paralympic Games. Mr. Balk noted for the Board that the IPC has adopted a classification code as part of its high priority, on going efforts to standardize classification across the world in order to make the playing field more level.

Ms. Cody next explained to the Board some of the key challenges and critical topics going forward for the IPC, noting where the USOC might play a positive role.

A discussion then occurred regarding the differences and similarities of the US's Operation Gold support between the Olympics and the Paralympics. It was noted that there are significant differences in the number of events and medals between the two. A separate discussion took place regarding some of the different reasons Olympic IFs do or do not support Paralympic IFs. Regarding IF support, Ms. Cody noted that there is a fairly significant trend towards inclusion from the Olympic IFs towards Paralympic sports.

Mr. Balk next walked the Board through some of the positive trends that are occurring in the Paralympic movement. These include the size of the Games, number of fans at the Games, telecast exposure, relationship between the IOC and IPC, and

inclusion of Paralympic issues in bids for future Olympic and Paralympic Games. In the United States the positive trends have included significant increases in governmental support for the Paralympic movement, including most recently the announcement of the White House Office of Olympic, Paralympic and Youth Sport.

Mr. Balk also advised the Board regarding certain initiatives that had been passed by the Athletes Advisory Council regarding increased Paralympic representation that the AAC continues to work through. He next walked the Board through opportunities the USOC has to be a leader in the Paralympic movement. In connection with this, a discussion ensued regarding Paralympic broadcast rights. Finally, he talked to the Board about ways that the IPC might help the USOC internationally.

Ms. Cody and Mr. Balk encouraged the Board to explore several key questions around the Paralympics, including what the USOC's vision is for the US Paralympic movement; how the Paralympic movement might help foster Olympic Relationships; and how the USOC might contribute to growing and strengthening the Paralympic movement.

After being thanked for their presentation, Ms. Cody and Mr. Balk left the meeting.

## **5. Budget Presentation**

Mr. Norman Bellingham, Chief Operating Officer, and Mr. Walt Glover, Chief Financial Officer walked the Board through the 2010 Budget proposed by USOC Management. They noted that the budget had already been reviewed in depth with the Audit Committee. The purpose of Mr. Bellingham and Mr. Glover's presentation was to give the Board the background and context of the 2009 budget, to show how the USOC performed relative to the 2009 budget and finally to request approval on the 2010 budget.

Mr. Bellingham took the Board through the background and context regarding the 2009 budget. In arriving at the 2009 budget, the USOC took a more conservative approach, adhering to four guiding principles as goals. These included only budgeting for incremental spending if and to the extent offsetting increases in revenue were obtained; counting revenue only if it is contracted and guaranteed; not allowing harm to come to the plans and efforts for Vancouver; and creating a budget such that no line of credit would be required by the USOC at any point in the quadrennium. Mr. Bellingham advised the Board that the USOC remains well on track to achieve all of these goals and reminded the Board of the details of the 2009 budget.

Mr. Glover next took the Board through the USOC's financial performance in 2009 in comparison with the approved budget. Mr. Glover walked the Board through projections for the full quadrennium based upon the USOC's actual 2009 performance. A discussion occurred regarding several of the USOC's new revenue sources and the way that these items were budgeted.

Mr. Glover explained to the Board how the USOC had arrived at its requested 2010 budget, including how this budget compared to the 2009 budget. A discussion ensued

regarding several contingencies/risks and the manner in which the USOC would intend to operate if any of these contingencies occurred. Mr. Glover also walked the Board through the USOC's capital budget and cash flow projections.

Following this explanation, Mr. Bellingham confirmed to the Board that management was asking for Board approval of the proposed 2010 operating budget.

Ursula Burns, Chair of the Audit Committee, noted to the Board that the Audit Committee individually and collectively had gone through the proposed budget. After detailed discussions, the Committee was confident that management had adhered to the goals previously described by Mr. Bellingham and was proposing a structurally sound budget. Ms. Burns confirmed that the Audit Committee recommended that the Board approve the budget.

A discussion then occurred among the Board regarding the proposed budget and how the transitions occurring at the USOC leadership level might affect it.

Following the discussion, a motion was made to approve the proposed budget. The motion passed and the budget was unanimously approved.

## **6. USOF Bylaw Change**

Janine Alfano, Chief Development Officer, presented to the Board regarding certain proposed changes to the Articles of Incorporation and Bylaws of the US Olympic Foundation. Ms. Alfano reminded the Board of the discussion on these topics that had previously occurred at the September meeting, and of the Board's prior approval of revising the US Olympic Foundation's governing documents to create a contribution based Board of Trustees in addition to the existing Board.

Ms. Alfano confirmed for the Board that the Board's prior direction had been followed and that the changes before the Board were all consistent with the Board's prior vote. The revision work had been done in coordination with USOC legal, outside counsel, and USOF counsel. Ms. Alfano walked the Board through the specific changes being proposed and the effects these changes would have on the operations of the USOF and ability of the USOC to fundraise. Ms. Alfano further advised the Board that the USOF board had reviewed the proposed changes and has confirmed its support of them (although in accordance with the process laid out in the USOF governing documents, the USOF Board will not formally approve the changes until the USOC Board has confirmed its approval for a second time at this meeting).

The Board discussed the proposed changes and the purposes being achieved. The discussion also encompassed some of the operations of the USOF and the ongoing relationship between the USOC and the USOF. It was determined that it would be appropriate and beneficial for a representative of the USOF to come and present to the USOC board once a year. It was requested that Ms. Alfano communicate this to the USOF.

Following the discussion a motion was made to approve the changes to the USOF Articles of Incorporation and Bylaws. The motion passed unanimously.

**7. Administrative items**

The Board next requested that Ms. Dershowitz, Corporate Secretary and General Counsel, address certain administrative items.

**A. Minutes from September 10, 2009 Board meeting**

The Board reviewed and considered the draft Minutes from the September 10, 2009 Board meeting. Following discussion, a motion was made to approve the Minutes. The motion was approved unanimously.

**B. Minutes from the October 9, 2009 Board meeting**

The Board reviewed and considered the draft Minutes from the October 9, 2009 Board meeting. Following discussion, a motion was made to approve the Minutes. The motion was approved unanimously.

**C. Minutes from the November 11, 2009 Board meeting**

The Board reviewed and considered the draft Minutes from the November 11, 2009 Board meeting. A Board member noted one typographical error that needed to be corrected. Following discussion, a motion was made to approve the Minutes subject to the correction of the typographical error. The motion was approved unanimously.

**D. Revision to Minutes from March 3, 2009 Board meeting**

The Board reviewed and considered a recommendation made by a Board member to revise the minutes from the March 3, 2009 Board meeting. The proposed revision sought to further clarify certain actions taken by the Board during the Executive Session. Following discussion, a motion was made to approve the revision to the Minutes. The motion was approved unanimously.

**E. USA Team Handball**

The Board reviewed and considered a recommendation from the Membership Working Group to remove the probationary status of USA Team Handball. Following discussion, a motion was made to approve the recommendation. The motion was approved unanimously.

**F. Team Selection Criteria**

The Board reviewed and considered recommendations from the Team Selection Working Group regarding certain team selection criteria for sports, coaches and athletes with respect to the 2010 Olympic Winter Games, 2010 Paralympic Winter Games, 2010 Youth Olympic Games, 2011 Pan American Games and 2012 Olympic Games. In addition, the Board reviewed and considered recommendations from the Team Selection Working Group regarding certain specific coach and team personnel selections for the 2010 Olympic Winter Games. Following discussion, a motion was made to approve all of the recommendations. The motion was approved unanimously.

## **8. Board Liaison Report**

Carol Brown, Board Liaison, provided the Board with a report on her activities to date, specifically focusing on four areas: communication, representation, the Olympic Assembly and the IOC Athletes Commission election.

Ms. Brown explained that her main focus to date has been to increase communication among the USOC's different constituents. In addition, she has been asked to increase her communication back to the Board. Ms. Brown noted that following the 2009 Olympic Assembly and the vote on the Chicago bid, there was clearly a great deal of frustration among the constituencies. Ms. Brown noted that Chairman Probst has done a great deal of outreach since that time, and the outreach has been very well received. The inclusion of constituent representatives in the CEO search process and on the Advisory Committee being led by Mr. Paul Tagliabue has given the various constituent groups a positive sense of inclusion. Ms. Brown noted that lines of communication seem open with USOC staff as well.

While the steps the Board has taken are clearly being received as improvements, Ms. Brown noted that frustrations remain. Ms. Brown made certain suggestions regarding how communication with the Board could be enhanced further. A discussion regarding these suggestions ensued. Ms. Brown also raised certain concerns related to representation that continue to be of concern for several constituent groups.

Regarding the Olympic Assembly, Ms. Brown advised the Board that a working group had convened in September in Chicago. The group, including constituent representatives, had developed a recommendation regarding the Assembly that Ms. Brown presented to the Board. The group's recommendation had a goal of making the Assembly moving forward a "must attend" annual celebration of the Olympic movement. The new proposed structure for the Assembly would include increased Board participation. The working group recommended Colorado Springs for the 2010 Assembly to reconfirm the USOC's commitment to the City of Colorado Springs. A discussion then ensued regarding the specific Board involvement being contemplated, as well as appropriate scheduling for the Assembly. The date initially contemplated by the working group will not work for several Board members. In light of this, the Board requested that logistics on several alternative dates be investigated and further feedback be provided to the Board.

Ms. Brown next requested guidance from the Board regarding the job duties of the Board Liaison position and offered the Board her recommendation of a position description. A discussion ensued.

Next Ms. Brown gave the Board an update on certain aspects of the IOC Athletes Commission election plans. She noted that there will also be an IPC athlete election in Vancouver as well. Ms. Brown indicated that better internal communication is needed in these areas.

At this time everyone other than Board members and the Corporate Secretary were asked to step out of the meeting.

## **9. Committee Reports**

The Board received reports from all of the Board committees.

### **A. Ethics Committee**

Ms. Mary McCagg, Chair of the Ethics Committee, reported to the Board on the activities of the Ethics Committee. The Ethics Committee had a very productive meeting on November 20, 2009 at the USOC's New York offices. Ms. McCagg advised the Board that the Ethics Committee was recommending to the Board certain revisions to the USOC Code of Conduct. The purposes of these revisions are primarily to streamline the Code and make it more accessible to employees, while also moving certain items from the Code into the Employee Handbook, which has been rewritten by USOC staff. A discussion occurred regarding the revised Code as well as what the Board considered the appropriate frequency to update and consider revising the Code of Conduct.

Following this discussion, a motion was made to approve the revised Code of Conduct. The motion passed unanimously.

Ms. McCagg next led the Board through a discussion regarding the organizational Ethics Audit that had been done by the USOC's internal Audit Department as well as USOC Management's response to the audit.

### **B. Nominating and Governance Committee**

Mr. Jair Lynch, Chair of the Nominating and Governance Committee reported to the Board on the activities of the Nominating and Governance Committee. The Committee has not undertaken any new work since the last Board meeting. A determination and announcement regarding the open Board seat will be held until the Board has received and reviewed the recommendations of the Advisory Committee led by Mr. Tagliabue. Mr. Lynch noted that the recommendations of the Tagliabue Advisory Committee may effect the future operations of the Nominating and Governance Committee.

### **C. IOC Report**

IOC member Anita DeFrantz provided the Board with a report regarding the activities of the IOC. Ms. DeFrantz noted for the Board that Mr. Jacques Rogge has been reelected to the IOC Presidency for his last term. Positioning regarding election of the new President (in 2013) will start soon. A discussion then occurred among the Board regarding USOC – IOC revenue share issues.

#### **D. Compensation Committee**

Mr. Bob Bowsby, Chair of the Compensation Committee, reported to the Board on the activities of the Compensation Committee. The Committee met on December 13, 2009. The Committee spent a good deal of time discussing the USOC's succession planning with Chief Human Resource Officer John McWilliams and Ms. Streeter. The Committee, Ms. Streeter and Mr. McWilliams discussed a variety of strategies for improving the USOC's succession readiness.

The Committee discussed USOC merit increases. Following discussion, the Committee approved the USOC staff recommendation in this regard. The Committee also discussed the USOC's performance against the previously approved 2009 Performance Screen. Management made a recommendation to the Committee regarding proposed incentive awards based upon this performance. The Committee discussed management's recommendations, made certain minor changes and then approved an incentive award percentage based upon this analysis. Mr. Bowsby advised the Board of the specific percentage reward that was approved by the Committee as well as the total budget effect the reward would have.

The USOC Board expressed its support for the Committee's determinations with respect to both merit increases and incentive awards based upon USOC performance against the 2009 Performance Screen.

Mr. Bowsby next led the Board through the Compensation Committee's discussions regarding the current Acting CEO's compensation and transition plans. The Board determined that Mr. Bowsby and Chairman Probst should discuss compensation with the current CEO and come back to the Committee once resolution is reached. Mr. Bowsby also discussed potential compensation strategies for the future CEO with the Board. The Board expressed its general support for the Committee's thinking in this regard.

Mr. Bowsby advised the Board that the Compensation Committee had also reviewed management's proposed 2010 Performance Screen. The Committee determined that it would be wise for the new CEO to have input into the Screen, and that some further detail work was needed. In light of this, the Committee determined to continue the Performance Screen discussion by April 1, 2010.

#### **E. Audit Committee**

Ms. Ursula Burns, Chair of the Audit Committee, reported to the Board on the activities of the Audit Committee. The Committee met on December 13, 2009. Ms. Burns advised the Board that the Committee had spent time going through audits of several NGBs. A discussion then occurred regarding the proper relationship between the USOC and NGBs with regard to oversight and best practices. Both the Audit Committee and the Board as a whole recognized that there are issues weighing on both sides of the equation, including the independence required by the Amateur Sports Act, the differences between large, self-sustaining NGBs and smaller NGBs in need of support as well as the limited resources of the USOC. As one step in assessing what this relationship should look like, the Audit Committee will be reviewing the USOC's standard Performance Partnership Agreement. A discussion also occurred about the USOC reaching out to external resources in venture philanthropy to help assess different potential models.

Ms. Burns advised the Board that the Audit Committee had also discussed the audit plan and received a report from the USOC's new external auditors. As discussed earlier, the Audit Committee had also gone through the 2010 budget. Finally, the Audit Committee received a short update on the USOC's headquarters project, which is going well, heard a litigation update, and met in executive session.

**10. Litigation Report**

A brief litigation update was provided to the Board by Ms. Dershowitz. Following the litigation update, Ms. Dershowitz was asked to step out of the meeting so that the Board could meet in Executive Session.

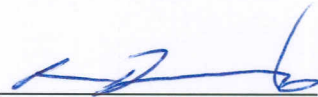
**11. Executive Session**

The Board met in Executive Session.

**12. Adjournment**

There being no further business, the Board adjourned its meeting at approximately 2:20.

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.

  
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Rana Dershowitz  
Secretary

1-7-10  
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Date