

BOARD OF DIRECTORS' MEETING MINUTES

3rd Floor Entry Conference Room

U.S. Ski & Snowboard Center of Excellence, 1 Victory Lane, Park City, UT

Tuesday, November 14, 2017; 10:00-11:30 a.m.; Via Teleconference

U.S. Ski & Snowboard Board of Directors

Chairman: Dexter Paine, New York, NY - present

Vice Chairman: Greg Boester, Rye, NY (Foundation) - present

Liz Arky, Washington, DC (Foundation) - present

Rosie Brennan, Anchorage, AK (Cross Country Athlete) - present

Tricia Byrnes, Aspen, CO (Snowboarding Athlete) - present

Bryan Fletcher, Steamboat Springs, CO (Jumping/Nordic Combined Athlete) - present

Cami Thompson Graves, East Thetford, VT (Cross Country) - present

Lisa Kosglow, Hood River, OR (At-Large)

Darryl Landstrom, Minneapolis, MN (Alpine) - present

Dan Leever, Palm Beach, FL (Foundation) – excused absence

Martina Lussi, Lake Placid, NY (Jumping/Combined) - present

Andy McLane, Weston, MA (Foundation) - present

Heather McPhie, Salt Lake City, UT (Freestyle Athlete) - present

Kipp Nelson, Ketchum, ID (Foundation) - present

Warner Nickerson, Tilton, NH (Alpine Athlete) - present

Dylan Omlin, Truckee, CA (Snowboarding) – excused absence

Eric Resnick, Vail, CO (Foundation) - present

Chris Seemann, Winter Park, CO (Freestyle)

Tiger Shaw, Park City, UT (CEO) - present

Tom Wallisch, Park City, UT (Freeskiing Athlete)

Andy Wirth, Squaw Valley, CA (At-Large) - present

Tom Yaps, New York, NY (Freeskiing) - present

TBD (At-Large)

Ex-Officio

Kelly Pawlak, Lakewood, CO (National Ski Areas Association), effective January 1, 2018

Holly Brooks, Anchorage, AK (USOC Athletes' Advisory Council) - present

Bill Marolt, Paradise Valley, AZ (USOC)

Nick Sargent, McLean, VA (SnowSports Industries America) – excused absence

Bill Shiebler, Park City, UT (Audit Chair) - present

Hank Tauber, Park City, UT (FIS)

Guests: Luke Bodensteiner; Alex Natt; Dan Barnett; Julie Glusker; Brooke McAfee; Tom Kelly; Calum Clark; Sheryl Barnes; Carl Swenson; Patty Frechette

1. Chairman Calls the Board Meeting to Order: Dexter Paine

The chairman called the meeting to order and stated that we had a lot to cover but would remain within the hour and half scheduled.

2. Roll Call of Board Members & Establishment of Quorum: Alex Natt

Alex Natt called the roll and established that a quorum was present to conduct the meeting and vote on bylaw amendments.

3. September 2017 Board Meeting Minutes' Ratification: Alex Natt

Natt stated that the meeting minutes had been transmitted to the board and if there were no corrections, he requested a motion to approve the minutes.

- Motion to approve the meeting minutes as presented.
M/S/C Darryl Landstrom/Dexter Paine, by acclamation

4. Chairman's Comments: Dexter Paine

Dexter Paine said he appreciated everyone making the time for the board meeting, in particular the athletes who were already in the competition season. He noted the passing of David Poisson the French downhill skier who died following a training crash in Nakiska, Canada. We passed on our condolences to the French Ski Association (Fédération Française de Ski). It reminds us how dangerous our sports are.

He discussed the early-season results which were promising. He noted the Big Air sweep in Milan among other good early results. The Big Air results he felt were aided by the new training facility (Project Jump) at the Utah Olympic Park.

On the Olympic front, LA was awarded 2028 and the IOC was now soliciting applications for the Olympic Winter Games 2026 and potentially 2030 at the same time. In the US there are three locations expressing interest, Salt Lake City, Reno and Denver.

The new Trump tax bill has a provision in it that would require us to pay taxes on sponsorship revenue. For a lot of non-profits this would be disastrous; as it would for us, in terms of funding athletics. People have been working with Senator Orrin Hatch who is head of the Finance Committee and responsible for the Senate bill, but that provision as of today is still in it.

5. Chief Executive Officer's Report: Tiger Shaw

Shaw reported that he was very happy with his team but that like our athletes we are challenged to always improve. To that end he engaged with a professional organizational consultant this fall and learned a lot and have been using that information.

He discussed the pre-season training and preparation, which have gone well. Copper is in good shape, almost to the bottom of the speed trail. There are a lot of teams there but somewhat hampered by phases of mild weather, which cause breaks in snowmaking. Beaver Creek is also impacted by that. We will be pushing right up to the snow date for the Birds of Prey. There has been pressure to have events at Beaver Creek at Thanksgiving, but this is a reminder of why this is not a good strategy. Killington has been very cold and able to make snow with extraordinary power. Multiple days will be coming of sub 25 degree overnight temperatures. Lake Louise has passed snow control for Thanksgiving weekend. Aerials are headed to Finland with cross country following. Snowboarding and Freeskiing are waiting for the Copper halfpipe to open.

The competition season has started out great. He mentioned the men's GS which was cancelled in Sölden due to violent wind, fog and snow. Levi was good with Mikaela. The men's race on Sunday saw Chodounsky 8/10ths of a second off in the first run, but not as fast in the second run.

He announced that we will go public with our long-term strategy in alpine development, and the national team management which is the outgrowth of Project 26, focused on the progression curve to be best in the world. Elite-alpine focused, it will create a lot of discussion.

On the marketing front, Dan Barnett will discuss what is going on in his area. The content department is doing a great job. We still have open to sell \$1.6 M to close our budget for the year. Financially, we are in good order otherwise. Foundation has been exceptional this fall. The New York gala raised \$1.7 M gross and it looks to net \$1.2 M, with the home receptions from summer and fall and the New England Ski Ball, this category will meet budget. The Marolt Athlete Endowment with a goal of \$50 M, we have \$16 M pledged and hope to reach \$20 M by the time of the trustees' meeting. As well, we are sold out of Gold Passes for \$4.5 M in revenue.

On anti-doping, after we close the meeting, we will have opportunity for further discussion. He described the two IOC commissions, Oswald (the individual doping cases) and Schmid (the alleged overall collusion of Russia and the potential of excluding Russia from the Winter Olympics).

Timelines are ongoing with the Oswald suspensions and the Schmid Commission is yet to rule on what they will do about Russia for the Games; this will be decided between the 8th and 10th of December. The WADA executive board will rule on whether or not the Russian anti-doping agency is compliant. There is a lot to discuss and he said he was happy to answer questions at the end of the session.

FIS Governance, we have been quite active in this. Dexter Paine was at the forefront of managing and running FIS governance reform and the report of the outside consultant was not well received. We submitted several governance proposals (refer to Addendum 1 overview by Luke Bodensteiner).

He discussed the various proposals. The first was the recommendation for an independent doping panel which would help the FIS in dealing with the issues they are facing today. Leadership compensation disclosure is another proposal for the top salaries at the FIS. Term limits was another. The term limit proposal pushes the FIS to a better governance model.

He also described how in the past the president was a volunteer position within the board basically overseeing the CEO, in the case of the FIS, the secretary-general, which is not the current case and we want to revert that back to an executive committee of the board to be empowered and change the governance process from essentially every other year to an annual cycle; financial statements would then be shared annually for more visibility.

He reviewed the other proposals regarding gender balance at the Council, where all voting members are male and adding more athlete representation and adding better ways for them to participate in the governance of FIS. He explained that today the criterion is set for current athletes; and, as you just get up to speed you term out because

your eligibility is gone. The last is a name change proposal as we are also a snowboarding federation and we need to be stated as such.

Shiebler said he hoped that things will change at the FIS.

6. Athletics Update: Luke Bodensteiner

Bodensteiner discussed the prep period. The team is approaching this with a sense of urgency and taking nothing for granted. A lot had gone right over the course of the last four years. We have a lot we can feel confident about, but it's always problematic until we start to see some results. We are off to an encouraging start. In the World Cup competitions to date, we have won twice as many podiums as any other nation so far.

Looking back to the last Olympics in Sochi, we had good performance there winning a record number of gold medals for the organization. We also won more medals than any other Olympics we've competed in outside of North America. But, we were still the second best team to Norway. Going into PyeongChang we assess that Norway will be our biggest competitor. Over the last two Olympics, our teams won 38 medals and Norway, 39 but that number will be adjusted up based on the Russian doping situation. As that situation gets dealt with, the big beneficiary will be the Norwegian men's cross country team. They will have a clearer pathway to bring medals to the team. Over the last two world championships Norway won 42 medals and we won 43 medals.

We will need to be our absolute best. Norway will probably be a better team than they have in the past. As we've seen across our different disciplines, we have the athletes on our teams to get the performance that we are seeking. A lot of athletes are assessed as podium potential athletes; we need to turn that potential into podium performances. A lot of that gets decided now in training and competition as we are 90 days out.

We've worked around a handful of primary strategies to provide our athletes with the right environment to capitalize on that. Athlete availability for us is a real premium. We have a deep, proven team that has won a lot over the last few years and getting them to the start line healthy and ready is a big factor for us.

We are relatively healthy in terms of injuries across the team. We've had a couple of very successful rehabs with key athletes in a good position to perform. The team has improved its focus on the way we monitor and track the training of our athletes and keep an eye on the training load that we put our athletes under. We've taken lessons from sports like nordic combined and cross country where this monitoring is routine but not as prevalent in other sports. We've created a higher awareness among staff and athletes about the situations in which we place athletes to ensure we aren't pushing past the point of fatigue and exacerbating the risks these athletes take every time they go on snow.

Dexter alluded to Project Jump and the performances from our team in the opening Big Air of the year. All of those athletes did good training on the new facility that we put into place at the Utah Olympic Park this year. Chris Corning spent far and away the most time there, and all of our athletes gained a lot from that training facility.

That has been a strong focus to have both on snow and dryland facilities for the teams in place. We've pushed hard to create the relationships with different resorts and different training areas that provide our athletes with high-quality training. We lose camp and training days due to weather but based on the support that we have from these different

areas, we had a very good season with very good conditions and specialized facilities. By and large, teams hit their targets for training and on snow at the different facilities.

In Korea, most likely we will have stable winter conditions and good conditions allow our athletes to compete at their maximum and put forward the top-level performances of which they are capable rather than dealing with unpredictable conditions. From a training standpoint, we are all systems go and accomplished all that we set out to do.

Peaking is a big issue for us and we've focused on this in our planning. In some sports, the idea of peaking is pretty routine, and we've had good success with a number of our sports. For others, it's a newer idea and we've made some gains. It's not always a factor of the training going into the Olympics. Some of that gets defined by the competition schedules and the way in which we qualify teams.

Knowing that we will be in Asia, we have focused on what we can control over there like sleep. We've installed blackout shades in all the athlete lodging and will bring over our own beds and pillows and provide the team with sleep kits since everyone will be dealing with a pretty significant time change and with competitions that occur early in the morning and well into the night. Preventing illness on site is a big deal. We will take steps such as sanitization of the athlete residences, medical grade procedures to make sure they have a good environment in which to live. We are ramping up on own nutrition program and pulling the athletes from having to dine in the Olympic village, where there are thousands of people. We will also set up private medical and training spaces to keep them out of the fray.

We've focused on creating a home field advantage with the training days done with the Korean Ski Association. We've been at the sites and taken the learnings from the test events and the pre-Olympic training features and replicated that back here in No. America and deployed some VR applications to allow our athletes to feel confident and comfortable and at home there.

Our Olympic Trials set up is great. We have a strong lineup of competitions that are designed to select the best team possible but also to push the performance going into the Olympics. That worked well in the lead up to Sochi and we have a great program for the athletes ramping up to PyeongChang.

All in all he stated that he was pleased with the process to this point. He was optimistic and now it was time to execute.

7. Financial Report/Revenue Generation: Brooke McAfee/Dan Barnett

Brooke McAfee noted that October 31st marked the closing of our second quarter. The Finance Committee formed and met with the meeting schedule determined for the year. She said the focus would be on the revenue and some time on the expenses. She started with the organizational goal of achieving financially sustainable growth. She discussed the five-year historical trend and forecast. She noted the ultimate goal was working toward a \$40M budget. FY 18 is \$36.5M and a little growth in FY 19 tied to the Park City World Championships, a dip in FY 20 and steady growth from there.

In the Operating Budget Comparison, FY 18 includes revenue of \$35.6 M with expenses of \$36.3 M for a net income of \$250 K. We are also forecasting an additional \$500 K in gifts to pay down the debt for total income of \$751 K. At the end of our fiscal year, our

line of credit was at \$2.9 M; today it hovers at \$2.1 M. Looking at the total revenue, she noted that the USOC grant was complete for this fiscal year with discussions underway on next year's funding. Paine complimented Luke on the great work he has done with the grant and its increase over the last quad.

McAffee said the endowment grant draw was complete and other revenues were on track which included medical supplier revenue, FIS travel and a FIS grant. We would likely hold at 4.5% for the annual draw from the endowment which would be discussed with the Finance Committee for the final decision.

Marketing revenue, she noted that there was \$1.6 M in new business to be secured to meet the \$12.4 M forecast. On the expense side, she noted the hiring of a Marketing & Communications director, Tom Webb and that was the reason why the net revenue was off budget. His hiring has been helpful as his focus is in revenue-generating areas.

In Foundation, they are doing great at this time of the year. The year-to-date receipts are \$1 M higher than at the same time last year due in large part to the success of the New York and New England events. Gold passes will be sold out this year. Three additional Champions Club donations remain to be secured to close the goal.

Membership & NASTAR is about 3% ahead of last year in counts and need to be 2% ahead to meet goal, 35,484.

On the expense side, \$36.3 M is projected. The largest slice of that is the elite teams at \$16.1 M. She'd already mentioned the investment in Marketing with the new hire.

Lastly, 80% of the budget is invested in athletic programs; 11% is invested in fundraising and sponsorship activities, and 9% is invested in administrative activities. We remain on track financially to meet our goals.

Dan Barnett discussed commercial revenue. From the commercial side, he shared that we had signed a new partnership with Comcast. It is a tier two global deal and is a three-year deal. They are active, doing a lot of commercials with our athletes, having signed five of our athletes for endorsement deals and working with the NBC family.

The second is a new deal with FedEx; we are very pleased with this one as they are a global blue chip brand. It's a one year deal and we want to prove ourselves to them with assets that are quantifiable and return on investment so we can build a long-term partnership with them. Charles Schwab agreed in principle to renew last week. We have a lot of upcoming renewal discussions over the next few months, North Face, VISA, and Proctor & Gamble, among others.

He was spending a great deal of time working to increase the value of our commercial model and actively selling, along with this team. They were speaking with brands directly, domestically and in Asia and getting some traction. We've also met with all of the major agencies to explain to them what our new vision is for the near and long-term.

He said that they'd been actively engaging the trustees. They have been incredibly helpful and influential.

Lastly, we are trying to build, demonstrate and quantify and increase the value of our sports property. In the short term, we are pushing hard to hit budget of \$1.6 M in new

sales. The way we are likely to achieve that is the increase in global television rights fees, the sale of World Cup inventory, i.e. bibs, panels, etc., getting one Tier 3 or multiple Tier 4 domestic deals and many discussions are ongoing. Tier 1 is again title sponsorship of the team, and Tier 2 is a global partnership.

Liz Arky congratulated Dan on a job well done so far.

8. NGB Bylaw Amendments & SafeSport Audit: Alex Natt

Natt took this opportunity to introduce Carl Swenson, a former team nordic skier, a former member of the USADA Board and now a practicing attorney in New Hampshire. He has agreed to join us as the Judicial Committee chair and he wanted to welcome him and thank him for agreeing to serve in that capacity.

Natt took on both agenda topics together as one was driven by the other. The bylaw amendments simply involved changing the name of the organization to U.S. Ski & Snowboard and the only impactful amendment comes out of the SafeSport audit results. Before, in our bylaws, we recognized in our SafeSport responsibilities extended only to minors; in fact, with the launch of the US Center for SafeSport the terminology has been changed and rather than minors alone, we need to recognize that it involves all of our athletes. Thus this amendment.

In Article V(A) we must ensure that those members in positions of authority over all athletes (prior language states “minor children”) meet SafeSport requirements. This Board has already adopted the SafeSport code in 2016 and this wording change is desirable not only for clarity but also to meet our SafeSport compliance obligations.

He asked if there were any questions or discussions on the proposed amendments. Hearing none, he requested a motion to approve the bylaw amendments as presented.

Paine clarified that this motion would cover both amendments, which Natt affirmed.

- Motion to approve the amendments as presented.
M/S/C Bryan Fletcher/Heather McPhie Watanabe, by acclamation

Natt discussed the hiring of Baker Tilly to conduct the SafeSport Audit for the USOC and all the NGBs. He said that the efforts taken today along with some efforts to highlight SafeSport on our new website were intended to cure the deficiencies. He said it had been a very cooperative effort. This will remain an ongoing responsibility, which we take very seriously. We will continue to focus on the promotion of SafeSport.

Paine reiterated we had been working on SafeSport for a while. It has come to the forefront with issues in swimming and gymnastics. We have lots of kids at races being overseen by adults and we need to continue to be vigilant. We do background checks and other things to protect us but would be naïve to believe that there aren't issues in our organization and we just need to be diligent. This is a priority for this organization.

Natt responded that there is a bill coming through Congress which is likely to be approved which will impose more significant reporting requirements on every youth-servicing sport organization in the country. He added that the Center for SafeSport has a large mission and it is hoped that Congress will provide additional funding to carry out

this mandate. We are committed at \$250 K for the next five years to support the Center. Key to that is providing educational resources to our membership.

In closing, Natt stated that we, in this organization, are mandatory reporters of suspected abuse. We do not investigate. If we suspect something, we report it to the US Center for SafeSport. If it involves potential sex abuse of a minor, we additionally report it immediately to the police. We report a suspicion and let the experts investigate.

9. Sustainability Statement: Alex Natt

Tom Kelly was asked to report on this. Tiger Shaw stated that it had been distributed to the membership and had received 95% positive, supportive response.

Kelly said that, from his perspective as a communicator, he looks at what an organization stands for, particularly one such as ours involved in the outdoors and with young people. It's important for a positive public image that we have an engagement with being good stewards of our environment. We do not advocate for any particular cause, issue or topic within sustainability but we need to be viewed as good stewards. This has been very important to our athletes for many years. Organizationally, we hadn't taken the steps to say that we care about our environment and here are some things that we can do to help. This was a bottom up process with staff and athletes looking at what we could do and this position came from the rank and file meeting over a period of time to say, this is what we want to do.

Kelly said it was a simple statement and did not commit us to any particular group but confirms that the organization and its athletes will be good stewards where we compete and train.

Shaw said that the statement was posted on our website.

Boester asked what evaluation was done around any sort of liabilities, perception wise; do we have people question the sincerity of the statement; the fact that we drive gas cars, use wax; someone with extreme views may question our credibility on this.

Kelly replied that we did look at that and got counsel from the NSAA and Protect our Winters.

Paine said that he and Tom should work on the statement for any changes that may be appropriate. Fundamentally, we are a snowsport organization and without snow, there is a question about the sustainability of our sport becoming a real issue. Making sure we have a stated policy is important.

Paine asked about closing the meeting to go into exec session. Natt said we would go into the session and then close the meeting afterward. He asked the room to be cleared of non-board members.

10. Executive Session: Alex Natt

The meeting went into Executive Session so that Alex Natt could discuss matters of a legal nature with the board members.

11. Next Board Meetings: Dexter Paine

- ✚ March 15, 2018, 1:00 p.m. Mountain, Teleconference
- ✚ May 5, 2018, 7:30 a.m. Mountain, Annual Meeting, Park City, UT

12. Closing Comments & Motion to Adjourn: Dexter Paine

In his closing remarks, Mr. Paine thanked the board members for their attendance. There being no further business, Mr. Paine adjourned the board meeting.

Addendum 1 – US FIS Proposals

These proposals are intended to help FIS evolve to a more modern governance structure, considered to be best-practice by the international sports community. The IOC has set an agenda to modernize not only its own governance, but also that of the various international sports federations worldwide. U.S. Ski and Snowboard will take an active leadership role in this process. We feel that an improved governance system at the international level will greatly enhance the performance of FIS, creating more value for athletes, national federations, event organizers, and competitive skiing and snowboarding overall.

The following explains the over-arching thrust of these proposals but will not drill down into the specific details. Nevertheless, we want the board to have an understanding of the elements involved with this effort, which are briefly summarized here:

Term limits: Currently FIS Council members are elected every second year, with the President elected every four years, with no limitation on the number of terms the President or Council members may serve. To create greater urgency, independence, and a steady stream of fresh voices, we are proposing a maximum of three 4-year terms for the President and Council.

Gender balance: There are currently no requirements to address gender diversity, and no elected member of the current FIS Council is female. We are proposing that FIS systematically take concrete steps over the coming years to create greater gender balance in the FIS Council, National Federation representatives, and in FIS committees.

Non-executive President: The President of the FIS Council is compensated by the FIS' Hodler Foundation. We will propose that the President become a non-executive non-compensated position, more in line with a Chairman of the Board working over time with a duly-empowered CEO. Prior to the current President, past FIS Presidents have all been non-executive.

Compensation disclosures: Currently the compensation paid to FIS executive staff is not disclosed except in aggregate across an undefined number of employees. Anti-corruption best-practice requires these disclosures, and we will propose that the total compensation from all sources for the top FIS executive staff be disclosed annually.

Empowered executive committee: The FIS Council meets twice annually, with an agenda that is highly controlled by the President and Secretary General. We are proposing that the current executive committee of the Council meet more regularly, and be empowered to oversee strategy, business operations, and strategy implementation, and that the Secretary General be more accountable to the executive committee.

Annual Congress: The Congress, which is the highest authority within FIS, currently meets once every second year. We will propose an annual Congress to further empower the voice of the national federations, and to make FIS a more nimble organization, more fully accountable to its stakeholders.

Independent anti-doping panel: Anti-doping adjudication is currently handled internally by a Doping Panel comprised of FIS Council members. As recent anti-doping cases have demonstrated, such an approach is rife with conflicts of interest. We propose that a truly independent anti-doping panel be empowered to adjudicate anti-doping cases.

Name change: We propose that the name of the FIS be changed to the International Ski and Snowboard Federation to better recognize the true nature of the sports that we govern.

Addendum 2 – Sustainability Statement

U.S. Ski & Snowboard, a national and global leader in snow sports, is committed to addressing climate change and stewarding sustainability of winter sports. Millions globally are inspired by winter sports and enjoy healthy, active lifestyles in winter environments. Climate change threatens our winter environments with receding glaciers, rising sea levels, volatile weather cycles and less snowfall.

U.S. Ski & Snowboard's vision is to make the United States of America the best in the world in Olympic skiing and snowboarding. Our mission is to lead, encourage, and support athletes in achieving excellence by empowering national teams, clubs, coaches, parents, officials, volunteers and fans. We will achieve this excellence in our environmental practices by acting to sustain the sports that inspire us daily. We will tackle climate change by reducing our environmental footprint and promoting environmental responsibility. We intend to achieve our goals while minimizing our organization's impact on the environment and helping to preserve the ability of future generations to safely live and play in our shared natural environment. Our commitment to environmental stewardship is long-term. A healthy environment benefits everyone – employees, fans, athletes, sponsors and the community at large.

To reach this vision, we adopt the following three guiding principles:

- U.S. Ski & Snowboard will utilize and promote sustainable business practices within our organization, with our business partners, suppliers, sponsors and in our hundreds of events and competitions we organize, manage and sanction.
- U.S. Ski & Snowboard will educate our stakeholders, including athletes, coaches, parents, staff, clubs and fans, about the effects of climate change on the future sustainability of our sports.
- U.S. Ski & Snowboard will collaborate with resort partners, environmental groups, other sports federations and industry organizations to collectively promote and support environmentally sustainable practices in every aspect of the snow sports industry.

By formulating specific action plans based on these guiding principles, U.S. Ski & Snowboard will strive to lead nationally and globally in all aspects of sustainable practices in the snow sports world.

Suzette, 11/21/17

Legal review, Alex Natt, 12/8/17