

U.S. SKI & SNOWBOARD BOARD OF DIRECTORS' MEETING MINUTES

Saturday, May 5, 2018, 7:30 a.m. – 12:00 p.m.
Summit Meeting Rooms, DoubleTree Hotel
1800 Park Avenue, Park City, UT

Meeting chair: Dexter Paine

U.S. Ski & Snowboard Board of Directors

Chairman: Dexter Paine, New York, NY
Liz Arky, Washington, DC (Foundation)
Rosie Brennan, Anchorage, AK (Cross Country Athlete)
Tricia Byrnes, Aspen, CO (Snowboarding Athlete)
Bryan Fletcher, Steamboat Springs, CO (Jumping/Nordic Combined Athlete)
Kenneth Graham, Newtown Square, PA (Foundation)
Cami Thompson Graves, East Thetford, VT (Cross Country)
Lisa Kosglow, Hood River, OR (At-Large)
Darryl Landstrom, Minneapolis, MN (Alpine)
Martina Lussi, Lake Placid, NY (Jumping/Combined)
Andy McLane, Weston, MA (Foundation)
Heather McPhie, Salt Lake City, UT (Freestyle Athlete)
Warner Nickerson, Tilton, NH (Alpine Athlete)
Dylan Omlin, Truckee, CA (Snowboarding)
Eric Resnick, Vail, CO (Foundation) – via teleconference
Chris Seemann, Winter Park, CO (Freestyle)
Tiger Shaw, Park City, UT (CEO)
Steve Strandberg, San Francisco, CA (Foundation)
Tom Wallisch, Park City, UT (Freeskiing Athlete)
Andy Wirth, Squaw Valley, CA (At-Large)
Tom Yaps, New York, NY (Freeskiing)
TBD (At-Large)
TBD (Foundation)

Ex-Officio

Kelly Pawlak, Lakewood, CO (National Ski Areas Association) – excused absence
Holly Brooks, Anchorage, AK (USOC Athletes' Advisory Council)
Bill Marolt, Paradise Valley, AZ (USOC) - absent
Nick Sargent, Park City, UT (SnowSports Industries America)
Bill Shiebler, Park City, UT (Audit Chair) - absent
Hank Tauber, Park City, UT (FIS)

Also in attendance: Alex Natt, Brooke McAfee, Luke Bodensteiner, Trisha Worthington, Calum Clark, Tom Kelly, Dan Barnett, Tom Webb, Michael Silitch.

1. Chairman Calls the Meeting to Order: Dexter Paine

The chairman called the meeting to order and noted that there was a very full agenda.

2. Moment of Silence: Dexter Paine

Paine stated that we'd lost a number of individuals from our community this past year, a number are people who served on this board and whom we know well and were instrumental to the success of U. S. Ski & Snowboard and requested a moment of silence for these individuals; Bob Beattie, John

Bower, Wendell Broomhall, Bob Calderwood, Bruce Crane, Tom Corcoran, Ian Cumming, Don Cushing, Jon Engen, Michael Lillis, Warren Miller, Don Page, and Harry Stoneham.

3. Roll Call & Establishment of Quorum: Alex Natt

Alex Natt called the roll and confirmed that a very impressive quorum was present.

4. U.S. Ski & Snowboard March 2018 Meeting Minutes' Approval: Alex Natt

Natt asked for approval of the March meeting minutes which had been provided in the board packet, if there were no changes.

- Motion 1: To ratify the meeting minutes as presented

M/S/C Darryl Landstrom/Andy Wirth

5. U.S. Ski & Snowboard Chairman's Report: Dexter Paine

Paine thanked everyone for being here. Eric Resnick was not here in person but we have all voting members of the board in attendance and that commitment is extraordinary. He thanked everyone for participating. Paine introduced Kipp Nelson whose term ended today and asked for a round of applause. He noted that we were hoping that his absence would not be for long.

Paine extended thanks to the Shaws for their hospitality the previous evening. The evening was terrific and, as we think about the schedule for next year, having somewhere where we can do a couple of presentations and have real interaction and then dinner, was a great addition. This setup worked incredibly well. Let's plan on something similar next year.

He thanked Brooke McAfee and Steve Strandberg for the financial presentation of the previous day. He heard a lot of positive feedback and understood that it was not easy to put together. It was incredibly high quality.

For all who did not know them, he introduced the two new board members, Steve Strandberg, the new Foundation president, who was also involved in San Francisco's Olympic bid, a passionate long-time supporter of Foundation and Ken Graham who grew up in a family that's been actively involved at Burke for a long time. He is on the board of Burke and is incredibly passionate about the sport and the success of our organization.

He said 2017-18 we had good results, although mixed. There were great performances by certain teams. We had disappointing performances by others. He would say the same of the Olympics. Our goal was 20+ medals and we ended up with 15. That clearly was not a successful Olympics for us. We did have some phenomenal performances such as Kikkan, Jessie, Mikaela, etc. Our freeski and snowboard programs were outstanding.

In terms of what we will do differently in Beijing, that is top of the agenda for the entire management team. Luke and Tiger will discuss more. It is very much a focus. People do think about this organization, once every four years, and we need to ensure we take advantage and put our best performances forward at the Olympics. We have a lot of work to do, but we have a great team.

In terms of 2018-19, a number of post-Olympic changes will focus on development. Every one of our sport committees talked about development. We need to get better at taking 14 year-old kids and making them 20 year-old champions. He added that some of the work done in Project 26 could transfer to other sports.

He noted that Alex Natt would be leaving to work at Strachan Strachan & Simon on June 1 and thanked him for his work over the last several years and wished him the best. Natt said he would

continue to serve as best he could and appreciated Paine's confidence moving forward. He said he loved this organization and would continue to do his best.

Paine said that the next topic was SafeSport and he introduced Sarah Coyne and Kevin Arquit and thanked them for their efforts and would defer all conversation until the executive session. He said that every single board member needed to get their SafeSport accreditation done. His expectation was that everyone completed this between now and the end of the weekend.

On the doping front, the post-Olympics have been incredibly disappointing. Everyone was aware that, at the Olympics, there were a number of Russians who were not permitted to compete and those Russians had their cases referred to CAS, the highest authority in terms of arbitration, located in Switzerland, and in the last two weeks, CAS overturned almost all of those cases, based not on the view that there wasn't massive state-sponsored doping in place but based on the ability to tie the athletes directly to the taking off of lids or putting salt in specimens. There was a decided unwillingness to be tough and you could question whether the panel was appropriately staffed with people who were unbiased – they may have been influenced by both Russia and those in the IOC, who just wanted to see this go away.

At FIS, there appeared to be a reticence to pursue independent anti doping efforts and he hopes that is not the case. He noted the head of biathlon who was sent to jail and the secretary general who was removed from her position. It's outrageous to know that this goes on in international sport. We are working to continue to push on this issue. It's incredibly frustrating.

USOC update – we have a session later and Holly will add her comments then. They are in better shape than they were 60 days ago but more progress is needed. There is a lot of work to be done and we need to focus on what we are doing and being as helpful as we can.

On the FIS front, the Congress is starting next weekend. We have a number of people from this group who are going to Greece. We have an agenda with items such as a World Cup Cross Country race in Minneapolis, and there is a lot of work to be done around that. We have a significant focus on reforming the governance at FIS which will be a battle. He turned the meeting to Tiger Shaw.

6. U.S. Ski & Snowboard Chief Executive Officer's Report: Tiger Shaw

Shaw said we would be reviewing Athletics with Luke's presentation and everyone in the room was familiar with how the season went. This year, as the end of the quad, we take a careful look at how things are running and how we've done. The measurement of Olympic medals is obviously most important in terms of externally looking at our organization. We had amazing results and we had disappointing results. We have taken a look at the entire season athletically and responded. We are responding to this year's performance and keeping on track with plans that were already in place, in combination with some restructuring.

It's been a very busy spring. We had an athletic plan in place that we are continuing to execute. The development pipeline in alpine is a great example of that. We talked about the study of the last two years that is called Project 26 and what we learned from that, qualitatively and quantitatively, we've taken that information and looked carefully at our alpine programs and decided what it is we think needs to change over a long period of time, stick to it, and make sure it works. We have learned from the European teams and are applying some of that to what we know works in the US. Logistics are very different for us than Europeans. The fundamental principles that make other countries successful, we are acknowledging and trying to apply those to the way we operate.

Besides the athletic need to reform and reorganize, the Nasser scandal that ended up with Scott Blackmun resigning from the USOC, the Congressional inquiry into the Amateur Sports Act and the relationship between the USOC and NGBs, and us and our clubs and the roles and responsibilities of those in our clubs to their athletes and families is a significant point of focus these days.

SafeSport is at the center of that. We are also evolving and changing the way the club relationship works in terms of obligations for coaches and SafeSport. We are working very closely with the Center of SafeSport. Its creation has been pivotal because it allows reporting of misconduct to an independent entity and they will investigate and adjudicate and tell us what to do. It eliminated the conflict of interest that could happen within NGBs over the years.

We have constituted a Safety & Security Committee of advisors who will keep track of and follow up on reports of abuse. That group consists of a former FBI agent, a former attorney general and a current MD, a general practitioner. When we hear of anything that is properly reported, if it involves an employee we will make sure it involves us and HR quickly. Those are examples of the evolving nature of protecting athletes across the country within our sports. Looking forward, the concept of an independent group making decisions on actions is key and is considered best practice.

Shaw said we were announcing to the clubs and membership which roles will require SafeSport training and enhancing how the whole system works and instilling in the clubs their responsibilities toward their athletes. Congress will look at the nature of relationships among NGBs, USOC, and clubs. Many of us are engaged in making sure we have input to Congress so that the right changes are made to accomplish the goals. It's easy for an independent committee that does not understand our sports to put something into place that is not implementable.

It's now a federal violation if you know of a crime of a sexual nature and you don't report it within 24 hours. Those who suspect abuse must report to the Center for SafeSport and the authorities, including the police.

Shaw then discussed the management organization chart as it was when he took over in the spring of 2014, and he showed the management organization chart as it is currently. He said he was very proud of his team and confident that he has some excellent people on this team, leading this organization. All had put in a tremendous effort this spring.

We are seeking to advance greater transparency and allow all our constituents to better understand our funding model.

Also it is critical to have a great culture. This will take a considerable amount of work. We have an amazing culture within some of our teams and he spoke of both administrative and athletic teams. And in other places, we know that we have challenges. We addressed much of that in our restructuring but this is an effort that will be ongoing. It will take more work. It will continue and, as such, he will have his management team in an executive retreat next Monday with a management consultant.

He said there were many instances of athletes pointing to the cross country team and saying, look at their culture. Many of our teams have said they want the same. We will try to get more of that instilled in all of our teams.

Paine explained that when Tiger became CEO four years ago, there were 11 direct reports to the CEO. We have spent an enormous amount of time talking about the structure of the organization, both people and reports. He said having more than six direct reports is hard to manage and you need to make sure the six are the right people you can empower.

It's taken four years but he is proud of where Tiger has pushed to with this issue. You need to constantly evaluate the organization and the people in each of these slots. We are at a great place at this point and he congratulated Tiger on getting there as those decisions were not always easy as they involved moving people from positions to report to someone other than the CEO.

7. **Nomination & Governance Committee Update: Eric Resnick/Lisa Kosglow**

Lisa Kosglow reported that Eric Resnick had another commitment so he is joining by phone, so she would take the lead. She wanted to update the board on a number of different items. She named the other members of the Nomination & Governance Committee. It's a very active committee. There are a lot of projects they were working on, important to this board.

One of the topics they discussed was board education and how we bring new board members in and up to speed quickly and in a thoughtful way. She said as an athlete she felt as though it took her eight years just to figure out what was going on. We want people to hit the ground running. We are continuing to look for ideas to improve our board education. Today you will see the athletes giving a presentation on each of their sports. We have so many sports under our umbrella, it's hard to follow one sport let alone all of the other disciplines. We are looking to have the athletes present on their sports so we all understand the challenges and complexities of their sports.

Warner Nickerson has stepped up to be our board matchmaker. He will be leading a mentorship program to help new board members assimilate more quickly onto the board. She thanked Warner for his work on this effort.

In terms of committee updates, we have an Ethics Committee that Alex has been working to resurrect. There was a chair identified and that person became unavailable so we are now looking for another candidate to chair this committee over the coming months.

In terms of open seats, we have one foundation seat open and one at-large seat. The reason these are open is that we want to be able to use these seats strategically as we are working on our search process. The at-large seat becomes very valuable as we look to introduce someone new to the organization we might be able to groom as a potential chair. If there are any recommendations from inside or outside this organization, please see Andy McLane or Greg Boester as co-chairs of the Foundation Nominating & Governance Committee or any of us on the U.S. Ski & Snowboard Nomination & Governance Committee if you have an idea for someone outside of the organization.

We also sent out a communication to the whole board earlier this week after our Nomination & Governance Committee meeting. We wanted the board to understand where we are as a committee in terms of the chair and vice chair process. We received a lot of feedback after that email and robust thoughtful conversations over the last couple of days. We are in a positive place as a result of those conversations. She appreciated everyone's input and concerns as they helped pushed our thinking.

She wanted to acknowledge that, because of the changes that have happened in the ski industry over the last year, Eric has pulled his name from consideration to be our next chair. He has great insights into snowboarding, freeskiing and cross country. Because of that, the committee wanted to make the recommendation that Eric Resnick become our vice chair.

Natt said that for the sake of the order of the agenda, we should take care of the two re-nominations for the board.

Re-nomination of Lisa Kosglow, At-large; re-nomination Cami Thompson Graves, Cross Country Sport Committee representative

- Motion #2: To ratify the above as presented
M/S/C Tricia Byrnes/Andy Wirth

At its meeting this week, the committee considered and nominated Eric Resnick to be Vice Chairman of the board. Discussion over this ensued.

Liz Arky discussed whether there was conflict of interest for the vice chairmanship position should that role need to step into the chairmanship if the chair had some inability to serve.

Kosglow said there were good conversations in the executive committee meeting. As a result of this perceived conflict of interest, we decided that there were a number of ways to manage the conflict one of which was to edit the bylaws.

Natt indicated that many years ago a prior iteration of the bylaws indicated that the vice chair would succeed to the chairmanship. That provision was deleted and there is currently no direct succession from vice chair to chair.

The vice chair role is largely intended to serve in the capacity of the chair when the chair is not able to serve in the case for instance the chair cannot make a meeting. He supposed that an argument could be made that, as currently drafted, if a new chair was elected for a four-year term and something happened early in that term, then the argument could be made that the vice chair would serve until the term was up.

We discussed clarifying the position to make sure that there is further strength to this not being intended as a direct succession. The idea is, if there was an incapacity, or if the chair were to resign, the board would elect a new chair rather than the vice chair automatically getting into that position. That is neither the current intention nor the way the bylaws are written, but we could do better to clarify exactly that.

A bylaw amendment requires 30 days notice to the board; we could vote on this in September. As drafted, there is no intention of direct succession, but in case of incapacity, we could make this clearer.

The Nomination & Governance Committee has established a quarterly meeting schedule. One of the first agenda items at the next meeting, at the advice of Andy McLane is to work on a crisis management plan so if something happened to our chair, what would happen in such a situation. How would we have an orderly succession? We will have such a plan as we move forward.

Liz Arky said there should be a bylaw amendment as Alex just described. That has to be recommended which she was now proposing. That would be done and noticed within 30 days of the next board meeting, in September.

Natt said he would work on that provision and any other changes we would need to make and distribute it to the board in August.

Paine said that Andy McLane was very vocal about that provision and Liz Arky made a number of comments and he suggested sharing that with the Nomination & Governance Committee as well.

Natt said that with the Foundation bylaws we could do a similar re-write and Lynn Bleil said she was interested in working on the foundation bylaws so we can speed up that process here.

Darryl Landstrom requested that any vote on the vice chair position wait until the bylaws were revised.

Natt replied that it was at the discretion of the board.

There was a question about would it make sense to have multiple vice chairs.

Natt replied that was within the purview of the board and it, too, would require a bylaw amendment. The current bylaws stipulate one person as vice chair. He said we had co-chairs on committees but as the bylaws were currently, it is one person who serves as vice chair.

Arky said she would like the board to consider multiple vice chairs, an action to be considered by the Nomination & Governance Committee and then make a recommendation in September.

Natt replied that any director can make a recommendation in terms of requesting a bylaw amendment. There is a process for going out to the board requesting bylaw amendments 60 days before the meeting and 30 days out, the amendment recommendations are published. We could have a number of bylaw amendments suggested by different board directors. Natt volunteered to draft a revision which met the concerns raised and would circulate.

Paine said that he couldn't imagine that we couldn't have this in September. He tasked Natt to draft this for September.

Paine said he wanted to address conflict issue. We are a small industry, a small board. As you look around the table, there are multiple conflicts that have existed.

It would be unrealistic of us to think that we are going to cleanse ourselves of conflicts. The key is disclosure and evaluation by the Board.

Paine said he would encourage moving forward and ratifying Eric Resnick as vice chair and we can have an additional vice chair in the future when we change the bylaws. The conflict issue is one that we deal with in a lot of situations and you have to be comfortable that the individual involved can handle that conflict.

There was further discussion. Nick Sargent, president of Snowsports Industries of America, a trade organization of all manufacturers and suppliers that we all do business with - from their position they have gone through a transition over the last two years reviewing bylaws and updating governance and in our experience, we are ensuring that the bylaws match the governance. He recommended for the board to figure out the bylaws, get them in place, and then vote.

Andy Wirth said we all knew that conflicts exist in the absence of disclosure and transparency. The size of the industry is a challenge but is also what makes us unique, special and strong. That has ultimately benefitted the team. He said that he would offer the motion to vote on Eric as vice chair. The will of the board is that we are fully capable of modifying the bylaws in September and he did not think this would compromise the will of the board and there has been open discussion, forthright disclosures, and it seems to make sense to me since we are separating the element of the vice chair being the chair.

Shaw said all of the leadership on our board has international implications. The stability of this organization is critical in the eyes of our FIS family. That's very important internationally because of the instability in the FIS with an older president running for re-election unopposed who says that he may step down in two years which would leave an ungoverned succession process. We have more than 10 proposals for the Congress in Greece and a lot of turmoil at the FIS organization as we try to help it become a stronger organization. It's important to us to guide our international federation.

There is leadership change at the USOC and its CEO and our relationship with the chair of the board, Larry Probst, is very important. We have a potential bid for '26 for Salt Lake City and a bid for '30 and the award of that bid is 2019. Later this fall the final candidates will be determined.

There is a tremendous behind-the-scenes effort that Dexter is very much a part of, and with the Congressional inquiries, there are a number of things that make it very important that we have our act together and that we are clear on our leadership, and/or succession plans. So the stability of our leadership here is very important.

Andy Wirth said the more we can have stability within our organization, why wouldn't we do that when we aren't compromising the will of the board to do that moving forward? It makes sense to convey that stability.

Natt said that Mr. Wirth had made a motion to ratify Mr. Resnick as vice chair and a second has not been made so he has the right to ask for a second and move the nomination to the floor or he can choose to withdraw and defer it.

Seemann provided a second to the motion.

Paine asked Natt if he could draft the changes to the bylaws and then vote on the vice chairmanship at the same time in approximately 30 or so days from now?

Wirth said he understood that we could vote on the vice chair position and then come back with however many vice chair positions the board feels is necessary.

Arky said that she would prefer the bylaw change before voting on Eric as vice chair. She acknowledged that she would support Steve Strandberg as president of the Foundation being another vice chair for the board.

Paine said that would need to go to the Nomination & Governance Committee since there is nothing in our bylaws that would require that the president of Foundation serve as vice chair.

In an attempt to move this forward, he proposed that we defer the vote on Eric to be concurrent with the vote on the bylaw amendment. Any discussion around who another vice chair could be should go back to the Nomination & Governance Committee, and if they choose to bring that back in September or not, should be the committee's decision.

Paine said he was fully supportive of Eric as vice chair and that he would be a very good vice chair, but he appreciated the concern around the bylaws and Tiger's stated concern around stability.

Andy Wirth said reluctantly, that he would withdraw the motion. Seeman withdrew his second.

Kosglow said it was important to the process that we had these conversations and she thanked everyone for bringing up their concerns.

The last items for discussion was that, a year ago, we extended Dexter's term until 2019 and as everyone knows the thoughtfulness that Dexter has shown in leading our organization, his advocacy for all our sports, are impressive. In light of the complexities on the international front, the Congressional investigations, etc. the Nomination & Governance Committee believe that it is important to keep this organization stable.

We are not making a recommendation at this time to extend Dexter's term, but to let the board know that our thinking is that we would like to consider potentially doing that in future, although we've had a lot of good discussion over the last few days about the amount of time it would take to bring on and cultivate another good candidate for chair and what the timeframe for that would be.

We want the board to consider the possibility of an extension and allow us to cultivate a number of great candidates for chair that have come to the surface. She asked that anyone with concerns please come to any member of the committee with their questions or suggestions.

She asked Eric if there was anything that he wanted to add to the discussion. Eric Resnick apologized for the unavoidable conflict for this weekend. What is most important is having a lot of dialogue on candidates for the chairmanship and there has been a lot of discussion, some of which he had been a part of and some not. What he wanted was to clarify the intention of the Nomination & Governance Committee in putting forth the letter which they did in advance of this meeting.

Resnick reiterated Tiger mentioning stability and that's a driver behind the thinking here. We acknowledge from a governance perspective that the chairperson should not remain in the role forever, nor is that Dexter's intent. The letter that was drafted by the committee was to recognize the different views within the committee and every member of the committee was involved in the discussion and we distributed the letter to all the board members.

For the last couple of years we have been soliciting candidates and he had the opportunity to work deeply within the organization. It was an opportunity for him. It's important to have a stable leadership structure and, at the same time, keep the option to move sooner with the transition when we have the right candidate. I realize it's easy to say. We want to do it in an organized fashion. When it was discussed with me, the deal was that for a couple of years I would work closely with Tiger and Dexter and be invited to be a participant on a number of meetings and calls and chair a number of initiatives. When the decision was made, there would be a formal one-year transition period between the announcement and taking the position.

The four-year period is to show stability through the Olympic quad and an important decision point with the USOC and the Congressional inquiry and so forth. That was the process and thinking and Dexter is willing, although he is prepared to step out sooner, to carry on. He wanted everyone to know that the intent here was not to keep Dexter for another four years. The task now is to do this with appropriate haste and diligence. That was the perspective he shared and he was happy to discuss that with anyone between now and September.

Paine thanked Resnick for his comments and stated that we had fairly robust discussions at the executive committee meeting yesterday around these issues. This is the most important issue that we as a board have to decide over the next period and he appreciated the thoughtful comments.

8. FY18 Year End & FY19 Operating Budget: Brooke McAfee

McAfee thanked all who attended the prior day's financial session. The goal for this presentation is to approve the FY19 operating budget. We do a lot of strategic planning throughout the year. We build the plans over a five-year period. All organizational goals are supported in the FY 19 budget: Achieve athletic excellence; grow the visibility of our sports and brand through our athletes; engage, lead and grow our communities; cultivate organizational excellence; and achieve financially sustainable growth.

Highlights on the FY18 budget were:

- Increased elite team funding by \$1.6M including Olympic costs
- Started a 1% employer 401k match
- Established a draft compensation structure with Grant Thornton
- Formed a Finance Committee for organizational best practices with Paul Raether as chair of that committee and meet quarterly to review the financials
- Simplified our organizational structure by closing two legal entities
- At year end, reduced line of credit debt from \$7M three years ago to just below \$2M
- Maintained a balanced operating budget with estimated net income of \$650K

As we look at the FY19 budget, our goals are to:

- Sustain athletic funding after reductions for Olympic costs
- Increase event expense tied to the 2019 World Championships in Freestyle, Freeskiing and Snowboarding
- Sustain Foundation and Marketing departments
- Increase administrative budgets due to significant increase in insurance costs and one new staff position in communications
- Direct as many resources as possible to the Athletic team

In FY 19 our revenue goal is \$36.4 M less expenses of \$35.9M for about \$500K in net income. She outlined the revenue sources as Marketing, Foundation, USOC Grant, Membership & Competition Fees, Endowment Grant, NASTAR, and other revenue to reach the \$35.9M goal.

<u>FY19 Budget</u>	<u>FY19 % of Total</u>	
\$28,637,847	80%	Total Athletic Programs
3,595,045	10%	Foundation & Marketing
<u>3,618,702</u>	<u>10%</u>	Administrative & Communications
\$35,851,594	100%	

She compared expenses from FY18 to the projected Athletic program spending in FY19:

<u>Total Expense</u>	<u>FY18 Year End</u>	<u>FY19 % of Total</u>	<u>FY19 Budget</u>
Elite Teams	\$15,459,369	43%	\$15,469,587
Olympic Costs	1,200,000		
Domestic Programs	3,451,778	10%	3,567,972
College and Travel Grants	<u>400,000</u>	<u>1%</u>	<u>450,000</u>
Total Direct Athlete Investment	\$20,511,147	54%	\$19,487,559
Events	6,222,507	20%	7,195,751*
Training Facilities & Equipment	<u>1,852,370</u>	<u>6%</u>	<u>1,954,537</u>
Total Athletic Programs	\$28,586,024	80%	\$28,637,847

She explained that the events budget was higher due to the World Championships and that number would fall back to the \$6.2M range the following year. She also explained that the training facilities and equipment were funded from the endowment draw. The costs of the COE are endowed.

Overall, the total spent on Athletic programs equals 80%. Foundation and marketing are at 10% and admin and communications are at 10%.

She then commented that other partnerships have added value to our athletes:

- Training Centers – Hood, Mammoth, Squaw, Copper and Timberline
- Medical support – IHC, University of Utah
- Westminster education

Natt said that we would be looking for a motion to approve the FY19 operating budget.

- Motion 3: To approve the FY19 Operating Budget
M/S/C Steve Strandberg/Darryl Landstrom

9. U.S. Ski & Snowboard Compensation Committee: B. McAfee/C. Miller

Paine said that he would ask Brooke to discuss the compensation update. We have two pieces of this; one in this session to adopt the compensation philosophy that Charlotte Miller and Brooke had both been working on, and one in the executive session having to do with Tiger's contract.

McAfee indicated that Charlotte Miller was also on the phone. A few months ago, we hired Grant Thornton to help us establish a compensation structure for the organization. As part of that work, they helped us to prepare a compensation philosophy. They took 40 of our positions and matched them to market to identify where they fell in comparison to market. We know that we have positions that are over the target. It's been really helpful work for me to help prepare for the FY19 budget.

McAfee shared the compensation statement that was disseminated to the board (Addendum 1). Our goals with this project were to reinforce the goals of the organization.

Underlying Principles

- Reinforce the mission of the organization.
- Attract and retain talent.
- Motivate, reward and recognize outstanding performance.

- Link compensation to the performance of U.S. Ski & Snowboard as well as to individual performance of employees; i.e. we want to link the performance of the organization not just the individual performance of our employees.
- Base compensation decisions on appropriate comparability data.
- Support consistency and fairness and reward outstanding performance.

The benchmark that we ended up using was a company called Economic Research Institute. We benchmarked the 40 positions against a blend of profit and non-profit organizations of similar size and mission and complexity. We came away with the goal of paying compensation targeted at the 50th percentile of the peer group or market data. We will update this analysis every three years. How this gets built into salary decisions goes back to responsibility, expertise, and the experience of the individual in the role; i.e. the performance of the individual, the market, financial accomplishments, and internal equity and similar roles being similarly compensated.

Charlotte Miller said that they would look at the data on a continual basis. We have access to the database so we can look at what a certain job is in the job market.

Paine asked Alex Natt for a motion to adopt the compensation philosophy.

Natt said the draft had been shared with the board and the will of the body would be that we put this forward as a motion for the board to approve if there is no discussion.

- Motion #4: To approve the compensation philosophy
M/S/C Andy Wirth/Heather Watanabe

10. Audit Committee Report: B. McAfee for Bill Shiebler

McAfee explained that the Audit Committee met a month ago and we were recommending using the same audit firm that we have used the past few years. The other area that we worked on with the committee had to do with our insurance policies and we are reviewing the policies to make sure we have appropriate coverage. The goal for today is to recommend using the same firm for the audit. She noted that everyone would receive the audit no later than the end of July.

Natt requested a motion to approve the selection of auditors.

- Motion #5: To ratify the selection of auditors; Eide Bailly
M/S/C Dexter Paine/Tom Yaps

11. U.S. Ski & Snowboard Safety & Security Report: Alex Natt

Natt said he would move quickly through this since Tiger had pretty much covered what he was going to address in terms of the federal legislation that passed through Congress regarding increased safeguarding of athletes and additional federal remedies.

When this was signed into law it also extended the statute of limitations from six to 10 years and awarded attorneys' fees and liquidated damages of \$150 K against anyone who failed in their responsibilities so that created further incentive for organizations to undertake more significant safeguarding of athletes.

Failure to do so will be at pretty significant peril. That \$150 K would be the floor unless athletes could prove actual damages plus attorneys fees are awardable by the court so this is a significant change in the way these cases can be brought. We will see in the short term a hardening in the insurance marketplace for general liability. We have seen a significant increase in our general

liability quote not attributable to safesport but all organizations in this space are going to their carriers and they are looking hard at risk so we should know that going forward.

Paine voiced that he and Alex had been working extensively with our broker looking at our D&O insurance, and it's complicated as most of this is not covered by D&O insurance. We can have a discussion in the Finance group about this. But we are spending a lot of time trying to figure out the best practices for multiple parts of our insurance coverage.

Natt added the increases we've seen in our liability insurance are not sustainable. What we are experiencing now is not related to any SafeSport claims -- just being a sport that is inherently dangerous. The marketplace is tight with USA Gymnastics suing its carriers. It's historically been tight as we do not get a lot of bids on our general liability coverage so we are paying attention to this. We will have coverage, but it will be a great deal more expensive than historically.

Natt said that Mike Silitch was here from the Brass Foundation and he would discuss efforts that organization has undertaken to train our athletes in avalanche awareness.

12. Athlete Presentation to the Board

Paine said in a previous board meeting there had been a request to obtain a bit more flavor and understanding of all of our sports and the athletes agreed to do that for us so this is our first time through and we are excited about seeing what you have put together.

Warner Nickerson said their presentation was to show the complexities of the various sports and to provide an overview to help the board to gain an understanding of the variety in the sports. He commented that the Athletes' Council right now was amazing and it was so good to be part of it. They had many great meetings, meeting almost once a month and he thanked all the athlete reps.

Nickerson presented alpine and emphasized the fun element and the critical importance of having the best service techs, illustrating with the success of Ted Ligety when he had service from his service rep and also Bode's – those were the times when he won a lot of gold. He then moved on to the different disciplines and numbers participating in the sports.

Rosie Brennan presented cross country, saying that it was the best sport since it was something you could do right out your back door and in lackluster winters, a little snow went a lot further for cross country, and you could get a great workout. Aerobic development is important to the sport – requiring daily aerobic activity over a vast number of years. The best woman in the world was 38 years old and that was not unusual, i.e. committing to the sport for a long time.

Getting a gold medal helped bring awareness to their sport. She discussed the techniques and service required for the equipment (30-60 sets of skis). They were grateful for the wax service truck. The margins are so small, the waxing can make the difference between a great or a disappointing day.

Cross country is unique in that the athletes do the full range of distances from 1.3 to 30 K for women and 50 K for the men and skate and classic. She discussed there were a lot of cross country skiers in the nation. Paine asked what the next evolution was in terms of a cross country event. She said there was skiathlon which was skate and classic in the same race. There is a debate as to whether we want to keep that. There is also a team event and mixed gender events under consideration.

Tom Wallisch discussed Freeski and they had been best in the world since 2014. He wanted to talk about the addition of Big Air. Snowboard was added this year and we are really competitive so we look forward to Freeski's addition to the Olympic program. He outlined the breakout of their sports. There were so many aspects to it outside the competition realm as well. We are out there having

fun. Even as a retired athlete he still did innumerable jumps a year. They were working on their pipelines between USASA and our organization.

Heather Watanabe showcased freestyle moguls and aerals. The FIS World Cup formats were different from what was competed at World Championships and the Olympics. She thought it was crushing to the sport to do so many runs and losing some of the creativity. There is great potential and the women's team was super strong right now and whether the format changes took place, we should see some sweeps on the women's team in the next quad. Hopefully they move to getting more creativity into the sport.

For the athletes, they probably tune their skis twice a year unlike the alpine team and other sports. On the aerial side, there are only two training venues in the US with a very different pipeline from other sports. We have EADP and almost every member of the national team came from that program. We have strong aerialists right now. She invited everyone to watch at Deer Valley next year. Duals are also on the World Cup and they would like to see them at the Olympic Games.

There was a question about the prize money differences. Watanabe said it was very hard to make a living in moguls and aerals in this country. She was one of the few who ended her career in the black, even if successful, sponsorships are challenging. She said that where you win also makes a difference in the amount the athletes end up receiving.

Paine said that outside of the World Championships, the organizing committees pay for the prize money. It's a huge challenge. He said if he were king, the first thing he would do is take 5M Swiss francs for prize money for the athletes across all disciplines. Many events sell very little sponsorship, are really expensive to run, and often have little prize money.

Calum Clark said that prize money in snowboard, freeski and freestyle is the same; the difference is the additional money from hard goods suppliers and sponsors. All the events budgets include prize money and we also pay \$750K in a prize money pool for the World Championships.

There was mention of the other circuits, not FIS events, having much larger prize money.

Watanabe added that in cross country, FIS pays for the top-ranked athletes in the world and that does not happen in freestyle so there is no stipend there as well.

Bryan Fletcher said that in nordic combined the group reallocated their prize money to go down to the top 20 so that helped the athletes coming up through the sport. The overall winner got less but the athletes in 20th place got 365 CHF, enough to help offset some expenses. In ski jumping, they pay down to top 30. In 2003, Johnny Spillane got a world championship silver and kicked off some great results through 2010 to 2013. In 2014 we went to a different resource allocation process and weren't funded entirely by U.S. Ski & Snowboard. We are also funded by USA Nordic. That is where our travel and training expenses, equipment expenses come from. We have our own leadership there, which is unique in this organization.

When the funding model changed in 2014 we were able to get top 10 finishes, but didn't feel the effects until 2016. We didn't have the resources to adapt for a while. This year we had some great results with athletes moving back into the top 10.

Another difference is they invested in competition suits, going to the factory for the fabric and having the suits made to order. Two guys make suits and coach part time.

He then discussed the events of the sport and the member numbers. He discussed the virtual nationals' project that they undertook. It was exciting to have the Olympic trial event in the community to give back to our local supporters and show them what they are supporting and donating toward and how it affects our athletes.

There was a question about women in nordic combined. Fletcher replied that now there is a pathway for women and he was excited to see where that would lead over time. There were a couple of athletes with potential and we need to move the younger athletes into opportunities. The numbers are small. Bryan agreed it's a very small pool of athletes. For nordic combined, you have the jump and cross country equipment, wax techs; it takes a long time to develop athletes for both.

Darryl Landstrom said he grew up in Duluth and ski jumped and there was nothing left of that. At the time, there were 150 members in the club. It was sad to see the decline over time. Fletcher said Jed Hinkley was development director for USA Nordic and he was working to increase those numbers. We are re-invigorating clubs and programs. We have taken an inventory of what is out there and operating and what improvements are being made. We want all hills FIS certified by 2021. We also have big projects in the works to extend the footprint in the US.

Paine said that Nordic Combined was the only single gender sport in the Olympics. There is a lot of pressure to change that.

Tricia Byrnes then discussed snowboarding. They had been best in the world since 2002 – it was awesome to have 16 years of crushing it at the Olympics. There is still work to be done. People like Ross Powers are actively working in our sports and bringing up the next generation. She discussed the pipeline and USASA's role as the development or grass roots freeskiing and snowboarding organization. You can start at 5 years old.

Every athlete who made the Olympic team, started at USASA. They have about 500 events at different resorts each year. It's through age groups, then qualify to nationals and then work into the U.S. Ski & Snowboard pipeline with the Rev Tour and Grand Prix and also, X Games. It's all about fun and getting kids out there, not as much about winning. It's about being a part of the community and culture and participating and not necessarily winning.

She then noted the different events. She commented that Chloe Kim and Jamie Anderson were great ambassadors for the sport. She said they had more 4th place finishes this year, than ever. We were on the podium but also right behind it. The culture is awesome with a lot of teamwork. We work to keep it fun.

Paine thanked the athletes for coordinating their presentations and taking the time to explain how diverse all of our sports are.

Kikkan Randall was introduced and got the board moving through a series of exercises representing all of the winter Olympic sports.

13. Athletics Report: Luke Bodensteiner

Bodensteiner said that, at the Olympics, we were the second most successful nation in terms of medal count with 15 medals and 7 of them gold, two fewer than Sochi and we've looked at that critically this spring as we did fall short of our goal. It's important to keep in mind that our team won 70% of the medals won by Team USA.

We were best in the world in snowboarding, matched Switzerland in freeskiing and women's alpine and we won our first gold medal in cross country. During planning we asked each of our teams to do a critical evaluation about the past Olympic cycle and the Olympics themselves and added that element to their planning.

Two areas of concern were men's alpine and freestyle, areas where we had high expectations and achieved no medals. We made some leadership changes in those programs. In alpine we have a new director, Jesse Hunt. In freestyle we restructured to integrate our freestyle, freeski and snowboard programs together under the leadership of Jeremy Forster, one of our most experienced and successful sport directors. That should drive greater consistency across those sports and

better integrated training and better position some of the formatting changes we've discussed at the international level.

Our high expectations were justified given recent performance at World Championships. In some ways, the world championships continue to attract substandard competition fields so we also benchmark against the X Games. Over the past two Olympics we've had better performance at the X Games and we continue to evaluate that as a marker to understand the true performance of our teams as we enter the Olympics.

We perform more poorly at the Olympics than World Championships in the interim years and continue to evaluate that. Each of our programs performed below their goal. Notably all programs won fewer medals in 2018 than the Worlds in 2017 and the X Games. Every sport with the exception of snowboarding won fewer medals than projected.

While we continue to win across a wider variety of disciplines than any other nation in the world, we came into the Olympics with fewer podium-potential athletes, particularly in areas where we saw season-long underperformance or injury such as men's alpine, aerials and men's boardercross.

Norway brought a deeper team than ours with 50 podium-potential athletes against our 36. In some interim years we've been closer to the 50 number. Norway performed slightly better at the Olympics than during the World Cup season, delivering 56% of the athletes to the podium vs. our 42%. While those percentages seem small, they do represent a five to six medal swing between us and Norway.

Switzerland was the third most successful team and had a strike rate of 108% which means that every one of their podium potential athletes plus one made it to the podium at the Olympics. That is a very rare performance. Troy Taylor reminded me that the only other team who performed at that level was our team in Vancouver.

He noted that the addition of Big Air Snowboarding gave us more medal opportunities which brought us two additional medals. The official training site program has provided our teams with over \$1M budget-relieving training privileges. These come at top tier resorts with world-class training venues. These are partnerships that we cherish and he thanked Mammoth and Squaw Valley, Timberline, Copper Mountain and Deer Valley for their support of this program. This gives us sufficient on-snow volume along with elite level training venues.

Project Jump at the UOP was a significant asset for Slopestyle and Big Air teams. That will pay more dividends as we train over the next Olympic quad, particularly if Big Air Skiing is added to the Olympic program.

Our elite team coach training programs have provided us good benefit. These are coach accelerator programs used with the Rookie national team coaches and the work done with the high-performance team consultant. These have improved elite team coach training across the board.

Olympic team selection processes notably in freestyle were highlighted by the athletes as having negatively impacted some of them. Due to a lack of defined quota across freestyle and freeskiing, that put a lot of focus on the qualification process, rather than on performance at the Olympics themselves. That was a distraction that put a lot of stress on those teams. We will work to ameliorate that in the 2022 criteria.

We also started to evaluate our Olympic team size as a possible competitive disadvantage. We brought 110 athletes. Norway brought half the number of athletes. It's a pretty extreme minimum participation for the athletes who were required to have a top 6 or two top 12 finishes in World Cup in the prior season. In contrast, we made a concerted effort to maximize all of our quota positions. We filled our max quota for the first time in recent memory. Some evaluations said that it changed the dynamics within the teams which were not always positive.

There is more expense, risk of illness, and due to the team size, we maximized the use of the athlete village and did have additional outside accommodation we used based on team size. The lodging we used was rated as substandard to what the athletes are used to in a typical World Cup season and criticized by a majority of the teams in their review. Norway did not use the athlete village and credited that as a competitive advantage for themselves.

He said there were a lot of factors to be considered in looking at the way forward for this team. Overall, we benefitted from the resource allocation framework. It has allowed us to focus on the areas of greatest impact. We've made incremental investments into snowboarding and freeskiing who won three quarters of the medals.

When we designed our plan for 2019 through 2022 to create a road map for the spring, we used the resource allocation framework to push down mandatory reductions throughout most of the department to create a reallocation pool to allow flexibility in the budgets coming out of the Olympics. You get one opportunity every four years to rebalance things. We are looking to activate some longer-lead programs that will support the future. It helped us set the annual plans for this spring and allowed us to activate these areas of change immediately after the Olympics.

With the goal of 22 medals in '22 we activated budget changes. We've moved substantial funds from the elite alpine program down to the development programs to support activation of Project 26.

- Improve ID and selection systems
- Review Olympic standards with USOC
- Re-allocate alpine elite funding to development
- Invest in coach/club education
- Invest in domestic competition to make it rewarding and attractive to our athletes
- Invest in athlete data and tracking of training
- Reduce cost of participation
- Cultivate and invest in Tier 3-4 Olympic events
- Re-balance resources across sports (according to sport tiers)

The sport tiering places our sports into different tiers for the duration of a quad with the exception of Tier 3-4 sports which face an annual evaluation.

Methodology:

- Three primary criteria, 28 sub-categories
- Highest sub-category rating is 10, remaining sports rated proportionately
- Aggregate sub-category score is totaled, with the highest rating sport assigned 10, remaining sports rated proportionately
- The highest possible rating is 30

He discussed the rating among the various sports. Tier 1 rate high in most criteria. Tier 2 rate high in some criteria. Tier 3 & 4 do not rate in the criteria; the difference is immediate athletic potential between Tiers 3 & 4.

Tier 1 is alpine by almost all measures. It has a strong history of success over three Olympics. Conversely, the cost to win in alpine is the highest of all our sports at \$1.2 M per medal.

Tier 2 is freestyle aerials and moguls, boardercross and cross country. Aerials facilities are available at only a handful of facilities nationwide, make it a narrow, specialized activity but with high broadcast ratings. Mixed record of results over the last three Olympics. Strong talent pipeline. We foresee the addition of team aerials in future.

SBX is Tier 2 with strong but mixed results at the Olympics. Strong participation at the USASA level. Relatively limited club support and limited access to facilities.

Tier 2 Cross Country is a relatively large participatory sport. Half the number of participants as alpine. Relatively small industry at 10% of alpine's industry. High rate of competition participation, with 75,000 taking part in recreational races such as the Birkebeiner. CC has about 8,000. There is a large volume of medals available. A challenge and an opportunity. We are taking steps to advance what we do in that sport.

Skicross, PGS and Ski Jumping/Nordic Combined are all small sports. In Skicross in particular despite its foundation in alpine skiing, Skicross is a narrow sport with few participants and a limited track record of success. We'd love to see more capable alpine athletes move into Skicross. We do have limitations in making that happen as there is a cultural aspect that prohibits better transfer.

In alpine snowboarding the participation in PGS and other snowboarding racing is considerable at the USASA level. There is low visibility for the sport and a small market segment. There has been only one medal achieved in the last three Olympics. It's tricky given the performance of other snowboarding disciplines and a fixed quota in snowboarding; it's unlikely that we will have a quota for more than two athletes in Beijing. The opportunities are limited by quotas there.

Finally, nordic combined and ski jumping is the smallest sport in terms of participation. It is limited by facilities. The facilities have a high infrastructure cost and while spectators at Olympic Trials in Park City or in the Midwest draw substantial levels of spectator participation, engagement in broadcast is limited. Nordic combined has won medals in one of the last three Olympic Games. They achieved a Jr. World Championship medal this year in ski jumping. We haven't won an Olympic medal in the modern era.

Relative to Project 26, its implementation began immediately following the Olympics; it's been a 12 to 15 month project in the planning phase and we decided to put our efforts into that after the Games. We revised selection criteria based on those findings and that selection process has maintained a stable team size every year but it's resulted in fewer athletes being selected at the top end and more at the development level with a 25% increase in development selections. We've also shifted funding from the top end, \$250k moved from elite to development to support the implementation of the project.

Along with that, we've moved some really experienced staff with our former head men's coach being an example, working now in the development program in an effort to put some of our best talent down to that level.

The nature of Project 26 is club-based, a broader national development group who remain in their home clubs with their primary coaching coming through their clubs and supplemented with national projects to provide what clubs may not be able to provide on their own. Our coaching staff will coach them through their club coaches. This will create a high-level coach education experience and a collaborative dynamic.

We've expanded and increased investment in coach/club education with staff to support the clubs with higher-level education with the aim of elevating the quality of programming in our clubs and expanding the educational quality from the national team down to the club coaches.

Targets for this year include top-3 in the Marc Hodler Cup (2019) at the Jr. World Championships. We have won that in the past and been as low as eighth or ninth. We were in fifth place this year.

The other objective is to move four athletes from D-team onto C-team annually based on objective criteria resulting in eight years time in a team capable of meeting athletic objectives in 2026 and beyond.

14. Sales & Marketing Update: Dan Barnett

Barnett said that we were pretty bullish with where we want to be for next season. He explained that they were not planning on any post-Olympic dip. There were three key reasons for that. The first was the World Championships which provide a unique sales opportunity for us. The second is that we have increased the value of our commercial property this past season and have plans to continue that into the future. The third was the Olympics. We had a number of medals, particularly gold medals in really highly marketable disciplines. The plan is to capitalize on that.

Our ongoing goal is to increase the value of our commercial property to extend the revenue growth to help our athletes obtain podiums. That can be via raising the profile of the athletes and increasing our fan base and leveraging a sophisticated sales process. Our fan base travels more, earns more, spends more than any other property out there. We need the ability for our brands to engage with them.

Last season we saw a 108% increase in television viewership and that was not simply due to the Olympics. The global TV market is dipping and we are peaking. We tripled our social media followers on Facebook during the Olympics. We had a new fan every 3 ½ seconds during the Olympics. To put that in context, that was five times more than all other federations combined, double the USOC and more than the International Olympic Committee as well.

Promoting key athletes -- the higher the profile of our athletes, the more valuable that we are and the more capacity we have to fund all of our programs. So we focused on fleshing the athletes out and making them household names. He noted the 1.78 billion media exposure reach during the Olympics.

In terms of what we want to do going forward, leveraging our assets is particularly important. We need to treat ourselves not as a domestic property and not as an Olympic property. We need to be relevant all year round. There are many ways to do that including keeping our athletes in the spotlight. We have plans to line up Q&As during the summer and winter and in the years between the Olympic quads.

We need to bring the events to the people whether a cross country event in Minneapolis or Big Air in New York or San Francisco. We also need to take our broadcasts to the next level. Ideally that would be through biological and performance-based data and we are speaking to a number of technology companies about that. We need to improve our hospitality and consumer-facing initiatives at the events themselves to raise the profiles of those events.

We have also been quite focused on demonstrating quantifiable value. We now know who our fans are across our disciplines. We know how much they spend, where they travel, where they eat and spend their money. We can measure our success and it helps us prioritize and help us increase revenue for the organization. We are also playing to our strengths. He illustrated with the example that, after Kikkan and Jessie won gold, we put them on a plane to Minneapolis and got them to talk to stakeholders to try to get an event there in 2020. He said that was where he was yesterday and we are in pretty good shape for that. If it's not now, it's never.

He said that he had met with VISA on renewal discussions and their strong priority is to focus on millennials and we pointed to the incredible success of our Freeski and snowboard athletes and the demographics' of the fans. The biggest demographic in snowboarding is 17 year old females which is right in line with Chloe Kim. Those conversations are going very well.

He then noted the number of partners that were up for renewal this year and those discussions were all going very well and we were looking for an uplift from some of the major brands by focusing on what it is they want to achieve with us as their partners for the next four and, in some cases, the next eight years.

He then outlined which categories were open and that the key there was using our trustees, our board of directors, as much as possible to open doors for us in the following categories: Technology/Data/Software/Hardware, Retail Bank, Consumer Electronics, Tire, Airline, Oil/Gas/Energy, Retail and e-Commerce, Quick-Serve Restaurants, Manufacturing/Agriculture, Fast-Moving Consumer Goods, Freestyle Skiing Apparel, Fashion/Lifestyle Apparel. We can tell stories and show metrics, but ultimately, it's that introduction that we need to get us across the line and support getting athletes onto podiums.

Paine said that he had a lot on his plate for this year, so good luck.

15. Events Update: Calum Clark

Clark said that looking back over the past season he pulled some metrics for the very compressed competition schedule and shared the following, which took place in 57 days from Thanksgiving through Martin Luther King weekend:

- 40 Olympic qualification competitions
- 30 days of qualifications or official training
- 51 U.S. Podiums at World Cups
- \$1,506,136 in prize money awarded
- 41 hours of domestic broadcast
- 28.2 Million domestic TV Viewers
- 13 hours of live broadcast
- 737 registered media hosted
- 3,328 VIP guests
- 139,326 spectators in attendance

They broke records in event attendance at Killington, Mammoth Mountain and Deer Valley as well as the domestic TV viewership being significantly up with the Olympic tie in.

Next year will be the 2019 FIS World Championships in Snowboard Freestyle Freeski (February 1-10, 2019). This will be the pillar for the season. It is a significant undertaking. It is unique because of the number of fields of play that it requires to host the event. 15 Competitions, 12 FIS disciplines and 7 Venues, a testament to the cooperative effort of Utah and the management of Solitude, Deer Valley and Park City: 1 event in Solitude, 2 events in Deer Valley, 4 events in Park City. They have all come together in concert to deliver on this.

The event will require 700 Volunteers to support the program. We are out in the marketplace and launched this with the Olympic homecoming in Park City. We have 200 volunteers to date, so if you know anyone interested in volunteering, go the 2019 website to sign up.

This event is being managed with our sites so we do not completely overtake the resorts that are hosting us. It will be an exceptional event. 268 Million International TV audience is anticipated. The competition is compressed such that we will be running day and night events, 45% of the competitions will be under lights.

Paine asked by show of hands who on the board would not be able to do an in-person meeting some day between February 1 and 10? He would love to have a meeting built around the World Championships but realizes that with our athletes and coaches, it is a challenging time. We will work on that. It would be another opportunity to see our athletes in our home country. He then explained what was hoped to be accomplished in this World Championships.

Progression of Sport, Clark said that Heather had spoken to the challenges for freestyle skiing and this is an opportunity for us to drive innovation for the sports bringing new sports to the table. We will host the first ever Freeski Big Air championship event. We will also host a Team Aerials event.

We are focused on athlete performance and exceptional venues at iconic resorts. There have been past World Championships where they had to make compromises on events and jammed them all into a small area. We have gone to a decentralized venue model to deliver the best possible competition venues and ones that are well tested and easily best in the world.

The last thing we want is to come out of these World Championships and have the community not want to ever host us again. This is a preamble to large multi-sport events for long-term sustainability and community engagement with a blending of arts and sport with school programs. As an example, in partnership with the Park City Film Series and the Park City/Summit County Arts Council, we launched a youth-oriented Film Series. The theme is “Breaking Boundaries” and invites the youth of the region to tell stories of people breaking boundaries to reflect the creativity and bravery of athletes pushing the boundaries of Freestyle, Freeskiing and Snowboarding competition in February 2019. This initiative is an effort to engage the youth community with the event in a meaningful and creative manner. A further goal is to inspire the next generation.

There was a question relative to the Sundance Film Festival and Clark replied that the night of the closing event for Sundance was the Opening night of our events. There would not be an impact on that program. In terms of working together, there was no easy ability to do so, as there existed a conflict between their sponsors and ours.

Canyons Village base is confirmed as the location of the Opening Ceremonies on Saturday, February 2, 2019. Closing Ceremonies will be held in the late afternoon on Park City's historic Main Street on Sunday, February 10, 2019.

16. U.S. Ski & Snowboard Foundation Report: Trisha Worthington

Worthington shared that they had appointed a new Executive Steering Committee for the Foundation and she was excited about working with this group who are all incredibly engaged and generous with their time and they are some of our strongest fundraisers which is very important since our primary role is to fundraise. The Executive Steering Committee is comprised of: Steve Strandberg, President; Jeremy Bloom, Vice President; Rich Tutino, Vice President; Dani Virtue, Vice President; Greg Boester – Nominating & Governance Co-Chair; Andy McLane – Nominating & Governance Co-Chair; and Phill Gross – Marolt Athlete Endowment Campaign Chair.

Since they've been appointed she and her staff had identified four main goals to focus on for the quad (though Beijing):

- Enhance trustee, ambassador and major donor engagement and recognition
- Grow the annual fund and major giving from \$10 to \$12M annually
- Complete the Marolt Athlete Endowment (MAE) Campaign - \$30M more
- Initiate and facilitate corporate sponsorship introductions from the trustees' connections with potential corporate partners and take advantage and share those connections with Dan Barnett to support their effort to grow from \$12.5 to \$15M annually.

She said strategies had been identified to support these goals and she would be happy to share those individually offline with anyone who had an interest.

Their immediate concern was to hit the budget goals for next year and four programs provided the majority of the funding.

Marolt Athlete Endowment Campaign to raise \$15M. Phill Gross is chair and challenged us to finish this campaign within the next two years. We have a task force of individuals who will help us with this fundraising. One new idea was to identify a handful of athletes both current and alumni to help with this effort and put them through fundraising school and get them on the road with us to help us raise that final \$30 million.

Secure 450 Gold Pass gifts to raise \$4M. We sold out the program for the first time last year and it continues to be the number one fundraising source for the team year after year, raising more than any corporate sponsorship or private donor, so we spend a lot of time on this effort. In the past, we had athlete ambassadors for the program. Mikaela Shiffrin was the face of the program for the last two years. This year we asked a handful of our Olympic medalists to be our ambassadors and so far, Red Gerard, Men's Snowboard Slopestyle Gold, along with Nick Goepper, Men's Freestyle Skiing Slopestyle Silver, have agreed to do that. They will promote the program on their social channels, create videos that we can use on our social channels and make themselves available for interviews from publications that want to highlight the program.

Secure 13 Champions Club gifts to raise \$1.4M. That is our Olympic Hospitality program. Finally, the New York Gold Medal Gala with a goal of \$1.2M. This will be the only gala of the year. We have three incredible chairs, Dani Virtue, John Townsend and David Saunders for this event.

Paine said she also had some big numbers to reach and wished her the best of luck for all of us.

17. U.S. Ski & Snowboard Athletes' Council: Heather McPhie Watanabe

Watanabe said that they had a very active Athletes' Council and with all the conversations about culture, she felt they were crushing it. She said that Hannah Kearney and Sarah Hendrickson had joined them as they are FIS athlete reps and now we will have Kikkan Randall joining us. We talked a lot about her and doing everything we could to support that nomination. We are very excited that she is in that IOC Athletes' Commission position.

We spent a lot of time discussing doping issues which was no surprise and had Tiger join us on several calls. We also reviewed and amended our bylaws which hadn't been done in a long time. This year we had three meetings during Congress which was good.

We talked largely about what our priorities would be moving forward, coming up with two to three key action items where we feel we can affect change. One of the biggest is communicating with the athletes and helping with that culture piece. We brainstormed on that a lot. Different disciplines had varying strengths and weaknesses in that area. We want to focus on what is working in each and take that across all disciplines and make suggestions to the teams. We want to continue to be a strong voice for the athletes.

18. USOC AAC Report: Holly Brooks

Brooks said that she participated in the Athletes' Council here at U.S. Ski & Snowboard and she also served as the USOC representative for our NGB on their Athletes' Advisory Council. It's a very large group. There is one rep for each summer and winter Olympic sport and we also have Paralympic representation, so it's a huge group.

The Nassar case gave us a renewed interest and obligation to look at our role in protecting athletes. There are all kinds of investigations going on right now but there was some neglect in protecting the athletes so we've started to work through the channels of the USOC board and our concerns were in line with those mentioned by Tiger in his keynote. We were looking at the culture of the Olympic movement and transparency in organizations and their athlete safety. Culture can be defined in many ways. It's helpful to have teams functioning at a personal level to win medals, but it's important to create a culture where athletes can speak up without fear of retaliation. So that is one of our big focuses.

I shared in an earlier board meeting that within our AAC there are all kinds of opinions on the movement and the individuals involved and there are a group of athletes who think the USOC has only been concerned with brand management instead of crisis management and we can agree that

both are important. You need to protect the brand to bring in the dollars to win medals but we also need to look at the athletes as people, not just a mechanism to bring in dollars.

On March 1, directly following the Olympic Games, our group sent a memorandum to Congress entitled Athlete Sexual Abuse and Necessary Reforms, essentially asking a committee to look at the changes that need to be made to see if it requires re-opening the Ted Stevens Amateur Sports Act. Tiger already touched on that having the potential to be a dangerous thing. If you have people who don't know about sports requiring cameras in bathrooms, etc. so, can we make the changes without opening the act is what the committee will decided.

The good news is, in the wake of something terrible, there will be post-traumatic growth so good things will happen from a horrible situation. We are getting better. We've had lots of conversations that wouldn't have occurred had this not happened. The AAC of the USOC is trying to provide the athlete voice and Holly was working to be the connection between our athletes and the USOC.

Paine said he'd had the opportunity to work with Holly on this issue and she is very much the adult in the room on this. She is remarkably even keeled and practical in what is a very emotional situation. You've been very helpful in dealing with all of this; he gave her his thanks.

19. Alpine Sport Committee: Darryl Landstrom

Landstrom said they had a very productive week with a lot of focus on development and discussions surrounding Project 26. We have two action items to bring to the board:

The first is a \$75 non-scored student membership available to high school and collegiate athletes, no divisional membership fee allowed. Entry fees and head tax will be required. The objective is to get this group engaged in participating in our events, hopefully leading to an upgrade to a competitor's license.

The second is that Duals Racing formats were approved for single pole and panel slalom. To get this underway we have created two task forces.

- Task force assigned to review course setting format for approval by the ASC at the fall meeting.
- Task force assigned to review timing protocols for approval by the ASC at the fall meeting for standard and drop-down starts.

Natt said the staff had been tasked with determining when this could be implemented based on IT and other issues. He asked if there was any discussion and there being none considered Landstrom as having made the motion and asked for a second, Warner Nickerson.

- Motion #6: To ratify the alpine action items as presented

M/S/C Darryl Landstrom/Warner Nickerson

20. Cross Country Sport Committee: Cami Thompson Graves

Graves submitted the following: The CCSC increased the Junior National Championship quotas for all divisions from 21 per gender to 25 per gender.

The CCSC increased the Junior National Championship entry fee from \$175 to \$225.

The CCSC modified the National Championships to have a January Championship and a March Championship so the U.S. Ski Team athletes will have a presence at some races and added one championship event in the spring.

The CCSC added a working group to work with National team staff on World Cup and World Championship selection criteria which will be reviewed and approved by the Sport Committee.

The CCSC continued discussion regarding the expense of domestic Super Tour series and found live stream that was added this year to be very successful, now that needs to be monetized to take the burden off the venues.

The CCSC agreed to a set of goals and expectations that all divisions will use as best practices as a minimum. This includes growing membership, commitment to coaches and officials' education, best practices in timing and transparency of race calendar and selection criteria, among others.

21. Freeskiing Sport Committee: Tom Yaps

Yaps stated that they had nothing for the board.

22. Freestyle Sport Committee: Chris Seemann

The FSC decided to combine the BOD Representative and the Chairman's positions to align with all other sport committees.

The FSC discussed Project 26 and how freestyle could implement a similar development plan.

The FSC will be adding subcommittee chairs to the Executive Committee for deciding petitions for entry.

The FSC supports mogul athlete development and worked on the following;

- Program for homologating FIS mogul courses in the U.S.
- Better communication among clubs, divisions, and national team
- Reviewed FIS proposals for new mogul formats w/ best judging

The FSC supports aerial athlete development and worked on the following;

- Discussed athlete progression with emphasis on higher degree of difficulty skill development
- Proposed to open US Championship event to junior FIS athletes (under 14)
- Discussed promoting higher DD at NorAm's
- More NorAm sites with triple jumps

23. Ski Jumping/Nordic Combined Sport Committee: Martina Lussi

Lussi reported no action items at this time for the board.

24. Snowboarding Sport Committee: Dylan Omlin

Omlin said they were happy, no action items.

Paine thanked the sport committee board representatives and that the time and energy that goes into this week of meetings is not provided the appropriate credit with what we just went through. Without these groups focusing on what makes our organization and our sports work, we couldn't do what we do, so he thanked them.

25. FIS Report: Dexter Paine

Paine said a lot had been said about FIS this week and we have the meetings in Greece coming up in 10 days and he opened it up for questions. There were no questions.

26. USOC and PR update: Tom Webb

Webb said he would primarily discuss SafeSport. He started by providing a bit of context. USA Gymnastics, Congressional investigations into USOC, NGBs and SafeSport and the media focus on USOC and NGB behavior have created a clear and present reputational risk to U.S. Ski & Snowboard. As many of you are aware, this is led primarily by the Washington Post. USOC and NGB engagement with multiple hot topics are now being focused on by media, both in news reporting and in Op-ed articles which present some more challenging topics to tackle. Topics include: SafeSport, athlete funding and executive compensation.

To help us deal with this, we engaged FleishmanHillard, specialist PR and Marketing agency, engaged by U.S. Ski & Snowboard in March to provide expert strategic and tactical counsel to help manage the multiple stakeholders engagement with media and key internal/external stakeholders whom we need to keep informed so we can be as transparent as possible.

FleishmanHillard's role with U.S. Ski & Snowboard encompasses the following:

- Initial reputational risk assessment
- Key topics message development
- Ongoing issues management and counsel
- The team has played an active role in helping U.S. Ski & Snowboard build our updated SafeSport policies and deal with media enquiries relating to the key topics

FleishmanHillard have extensive experience working with NGBs and similar organizations, including USOC, Boy Scouts of America, U.S. Soccer and USA Hockey and, previously, for U.S. Ski & Snowboard.

He stated that things were relatively calm right now, however, there were a number of key dates coming up that will put the focus back on the NGBs such as when the USOC presents to Congress on May 23. There are a number of court cases pending which will focus more media attention back on the NGBs. While we may not be a primary target, it is likely that we will be getting more inquiries. This is not something that will go away, so having a strategy in place and working with experts will help us get ahead of the game.

He noted that we had started a more regular update from Tiger – on a monthly basis on certain primary topics to a wide range of constituents to make sure we are demonstrating transparency across a range of topics. When the new policies are implemented we will communicate that as well. 23,000 people were sent the last CEO update. We want to continue to be as open as we can.

Paine stated that the USOC was looking for a new CEO. Max Cobb represented the NGBs on that search committee. They are down to 10-15 candidates with a goal of finding the CEO within the next six months. It's a bit of a challenge to find someone to move to Colorado Springs and head an organization that's had some challenges.

The good news is that they have not been impacted on the sponsorship side. The sponsorship renewals there have gone quite well, which is surprising, but good for us. The structure of that is changing as it moves to being controlled by LA '28 starting in January of this year. They have made a commitment to us that they do not foresee any cut in the level of support for NGBs. Our relationship with the USOC at this time remains stable. It is important for us that they be successful as an organization.

Arky asked that as messaging was developed that it be shared with the board.

Paine said there were two hearings this week that people should be aware of. Webb said he did not have details on when the hearings were taking place. Natt said the first was the 23rd and there was a separate hearing involving Michigan State University and other individuals. We will be proactive if anything is coming our way and will advise the board.

27 BRASS Update: Michael Silitch

Mike Silitch thanked everyone for the invitation to the meeting. He said there was a full report in the meeting packet so he just wanted to briefly outline what had been done and where we were going. Last month, there was an athlete caught in an avalanche in Whistler, B.C., he is a U.S. Ski & Snowboard Team athlete and he read an Instagram quote of the event. He said that we lost Bryce and Ronnie three years ago and that U.S. Ski & Snowboard did a great job of developing its members into excellent elite skiers and snowboarders.

There is a need to balance the elite skill they have with a general understanding of the winter environment to allow for a lifetime of safe skiing. Some members will make it to regionals, nationals, the US Team, race on the World Cup, race in the Olympics and some will win medals. All of these athletes will retire and become lifelong skiers and riders so the programs that BRASS has been focusing on in the last year are threefold.

- BRASS 101 — This is a two-hour avalanche awareness class. We reached over 18 clubs (400 racers and coaches) in New England and the Wasatch, UT area. Next season this course will be launched nationally. We imagine it will be four times larger next year.
- Online E-learning Modules: L100, L200, L300 and L400 — These modules are prerequisites for U.S. Ski & Snowboard's training for coaches. Jon Casson, Director of Education at U.S. Ski & Snowboard, is creating this education along with him. The timeline for implementation is May 2018.
- BRASS/AIARE Level 1 and Level 2 — these courses are a big commitment. This training consists of three and four-day courses providing an in-depth understanding of avalanche safety. Last spring, we taught 14 US Ski Team athletes and coaches in Level 1. This spring we are teaching over 60 coaches and athletes in Level 1 and Level 2. We had a great experience with great feedback. Some of the athletes who attended included Rosie Brennan and Bryan Fletcher who are on this board. He listed other Team athletes who had participated.

Fletcher said he took the course this year and he thanked everyone at the BRASS Foundation for putting this together because it was extremely helpful. He had been in the back country his entire life and he appreciated learning something new from the experts and we've all been touched by this. He said he had a friend buried this year and knowing the procedures kept him safe. The courses we took this year remind us that the procedures will keep you safe; you'll be ok if you follow the procedures. It was really valuable for our athletes and coaches and we need to continue to invest in and develop these programs because it will be invaluable moving forward as the athletes begin to explore new sides to sport.

There was a comment that two clients had participated and had rave reviews on how valuable the training was and that it was something that they had been meaning to do but never got around to it, so the ease with which you've made this available in spring works out perfectly.

Silitch said that seriously committed skiers and riders are busy year round, even U12 and U14 by the time November rolls around, they are committed to training and skiing and riding and their individual programs. With the BRASS 101 going directly to clubs in the fall and the ability to teach in April at the end of the season we have a unique opportunity.

Funding is essential for these programs to continue and grow. We are getting support from U.S. Ski & Snowboard and doing a lot of fundraising ourselves, so any ideas, please reach out to him.

28. New Business: Alex Natt

Natt invited the board to bring up any items of new business that had not been addressed. There were none.

He invited any member to make comments at this time, so the floor is open for member comments.

Heather Watanabe said one thing she neglected to mention was, at the Athletes' Council, they were brainstorming that the congress meetings were challenging for the athlete representatives as they were on so many committees and there are overlaps that are unavoidable so we are talking about getting potentially one more athlete involved so the chair of the Athletes' Council would not need to cover his or her sport. That is something that is on the radar and that we will likely move forward.

29. Future U.S. Ski & Snowboard Board of Directors' Meeting dates: Dexter Paine

- BOD Teleconference Meeting, September 19, 2018, 11 am Mtn
- BOD Teleconference: TBD, November, 2018
- BOD Teleconference: TBD, February 2019
- U.S. Ski & Snowboard Congress 2019: May 14-18, 2019, Park City, UT and Board of Directors' & Annual Meeting: May 18, 2019

Paine said that we would schedule a teleconference in June to discuss the vice chairmanship issue.

Paine extended his thanks to Kikkan Randall for joining the board today and her participation in meetings this week.

30. Closing Comments & Motion to Adjourn: Dexter Paine

There being no further business, the board meeting adjourned into executive session to discuss matters of a legally sensitive nature. Board members were invited to remain and Kevin Arquit, Esq. and Sarah Coyne, Esq. were requested to remain to provide legal advice to the Board.

The Board then recovered the meeting after the executive session and a Motion to adjourn was requested.

- Motion #7: To adjourn the Board of Directors' Meeting.

Minutes, Suzette, 5/18/18
Legal review, Natt, 5/22/18

Addendum 1: U.S. Ski & Snowboard Compensation Philosophy

Who the Compensation Philosophy Covers: U.S. Ski & Snowboard's compensation philosophy covers all U.S. Ski & Snowboard employees.

Principles Underlying the Compensation Philosophy: The following principles are the foundation of U.S. Ski & Snowboard's compensation program:

- Reinforce the mission of the organization, which is to lead, encourage and support athletes in achieving excellence by empowering national teams, clubs, coaches, parents, officials, volunteers and fans.
- Attract and retain talent.
- Motivate and reward outstanding performance.
- Link compensation to the performance of U.S. Ski & Snowboard and the individual performance of employees.
- Base decisions on appropriate comparability data.
- Promote consistency.

Competitive Recruiting & Retaining: U.S. Ski & Snowboard wishes to recruit, retain and motivate a talented team of employees to support its mission, vision, and strategic objectives. U.S. Ski & Snowboard intends to provide a compensation program that is competitive with programs offered by other for profit and non-profit organizations that are comparable to U.S. Ski & Snowboard in revenue, structure, mission, industry, and complexity.

U.S. Ski & Snowboard's intent is to achieve, over the course of time, compensation targeted around a goal of achieving the market 50th percentile of the peer group or market data. There may be occasions where the target is above or below the 50th percentile based on articulated business reasons.

Frequency of Market Analysis: U.S. Ski & Snowboard will generally conduct market total compensation analysis once every three years. In the interim, U.S. Ski & Snowboard will review job matches and survey data to make appropriate adjustments.

Salary Determinations: U.S. Ski & Snowboard generally will determine salaries for employees based on the following:

- Responsibility, expertise, knowledge and experience of the individual in the position
- Performance of the individual in the position
- External market data and analysis
- Internal equity
- Financial and other accomplishments of U.S. Ski & Snowboard

Salary Increase Budgeting: Each year U.S. Ski & Snowboard determine the pool available for salary increases, and individual increases will be based on the following:

- Performance of the individual in the position during the preceding year
- External market data and analysis
- Internal equity
- Financial and other accomplishments of U.S. Ski & Snowboard

Bonus Program: U. S. Ski & Snowboard will work toward providing a bonus program for all regular full-time employees. Annual bonuses will be based on the individual's position in the organization and the individual's performance during the past year, which includes accomplishing identified goals. Generally, bonuses will be a percentage of the employee's salary.