

BOARD OF DIRECTORS' MEETING MINUTES

3rd Floor Entry Conference Room

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

Tuesday, September 19, 2017; 1:00-2:30 p.m.; Via Teleconference

U.S. Ski & Snowboard Board of Directors

Chairman: Dexter Paine, New York, NY - present

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

Liz Arky, Washington, DC (Foundation) - present

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

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

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

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

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

Darryl Landstrom, Minneapolis, MN (Alpine) - excused absence

Dan Leever, Palm Beach, FL (Foundation) - present

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

Andy McLane, Weston, MA (Foundation) - present

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

Kipp Nelson, Ketchum, ID (Foundation)

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

Dylan Omlin, Truckee, CA (Snowboarding) - present

Eric Resnick, Vail, CO (Foundation) - present

Chris Seemann, Winter Park, CO (Freestyle)

Tiger Shaw, Park City, UT (CEO) - excused absence

Tom Wallisch, Park City, UT (Freeskiing Athlete)

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

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

TBD (At-Large)

Ex-Officio

Michael Berry, Lakewood, CO (National Ski Areas Association) - absent

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

Bill Marolt, Paradise Valley, AZ (USOC)

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

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

Hank Tauber, Park City, UT (FIS) - present

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

The chairman called the meeting to order.

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

Mr. Natt established that a quorum was present to conduct the meeting.

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

Mr. Natt reported that the meeting minutes had been distributed to the board and if there were no changes, he requested a motion to approve the minutes.

- Motion to approve the meeting minutes as presented.
M/S/C Cami T. Graves/Martina Lussi, by acclamation

4. Chairman's Comments: Dexter Paine

Mr. Paine reminded everyone that this was an Olympic year. He reported the number of medals that Tiger and Luke had committed to for Korea. He said we could not lose track of our primary goals for 2017-18 and be laser focused on success at the Olympic Winter Games. Alex and Luke would have updates on Korea later in the meeting.

He next focused on anti-doping issues. It was an important issue because if we didn't get some resolution from the IOC over the next few months, it is very likely that the Russians would compete in Korea. Given what occurred in Sochi, it would be unfortunate if there was absolutely no action taken against Russia and the athletes who participated in doping. We continue to press the issue. Our goal is to make sure that our athletes are never disadvantaged on the competitive landscape by people doing illegal things. We will propose establishing an independent anti-doping committee at the FIS.

Paine disclosed that he was happy the US was awarded the 2028 Games in Los Angeles. We have met with the USOC and the 2018 folks trying to bring the Winter Olympics back to Utah. 2026 will be the first bid focused on and likely go to a European city. We are likely candidates for 2030 as is Calgary. Both bids would probably be awarded at the same time. He divulged that this would require between \$100-150 M to be put into Olympic facilities in Utah to keep them at international competitive levels. This would be a catalyst to get those facilities all upgraded. He would continue to work on this initiative.

There had also been discussion around reforming governance at the FIS and we would be proposing a significant number of governance proposals for the FIS Congress. It's important that the FIS get its governance updated to the current standard for international federations. We are most aggressive about this, but it's important to raise the awareness among our members as to where we stand, which is to be a leader in governance.

5. Sales & Marketing: Dan Barnett

Paine praised the work of Tiger Shaw in filling out his management team with high performers. The most recent addition is Dan Barnett, the chief commercial officer and he provided Barnett's background with the America's Cup. He asked Barnett to introduce himself and talk about his comprehensive views on marketing ski and snowboard.

Dan Barnett said it has been a whirlwind 60 days but a great and inspiring time. He spoke of the incredible athletes and events within the organization and very strong brand as well as having major sponsors and broadcast partners. He noted there were opportunities to have substantial growth and he would focus on these. The first was

increasing revenue through new business. The second was engaging our key athletes and the third was centralizing our key assets to increase the value of our commercial model on the social media front where there was a lot of room for growth.

He said we needed to increase the value of our commercial model. His first month was spent on figuring out how we structure a metrics-driven, sophisticated sales process; in doing so, finding new assets with high value, allocating appropriate values to those assets in a tiered structure and recognizing the global and domestic importance of those assets. We were going to have a four-tiered partnership approach with Tier 1 being title sponsorship of the team. Tier 2 will be global partnerships. Tiers 3 and 4 would be at the \$1.5M and \$1 M level and below, respectively. This mirrors what most global rights holders do which is to have a quality vs. quantity approach.

Some assets had been undervalued and some were done with a piecemeal approach. Everything will be based on metrics. Everyone wants to know that their ROI will be in terms of social, digital, visibility, access to high demographics, and we didn't track that data. We did incredible things such as Fenway with Big Air but couldn't back it up with quantifiable data. We've created new decks, new athlete videos, and gotten ready to go to market. Now, he was meeting with multiple agencies and reignited discussions with a number of domestic partners.

Barnett said he'd like us positioned as a global property as there was a huge untapped well. There were many European nation brands who want association in the US as the largest commercial market in the world and also with the US Ski Team, due to its high level of success. We are in active discussions with 25 major brands, domestic and global. He said he'd never seen such high-level engagement from potential rights holders so the outlook was very promising. He discussed the global opportunities that were in the market and they were actively and aggressively pursuing that now. This also provided opportunities for some sports which have massive viewership in other nations.

Key athletes were then mentioned as the US had a number of dominant athletes, more so on the female side than any other sports property in the world, rivaling tennis and success going forward in terms of fan base was directly linked to the ability to make key athletes household names. He would be working on a strategy of identifying those key athletes and develop a strategy for them so they see us as an asset to them rather than a burden, explaining our strategy, what the asks will be of them, and what we will give them in return. We will roll those strategies across all of our distribution platforms and try to bring the athletes as many sponsorship opportunities as possible.

Finally, he was working on centralizing key assets, in particular, social media. In the past there was a lot of third party activity, whether movies, television, or social/digital content. These were good for the overall sport, but no benefit accrued to the organization and the biggest asset we can demonstrate to stakeholders is that they get direct access to a centralized database and a high demographic. That's a shift on our side to try and grow our footprint and the accessibility to that fan base. He noted the aggressive goal of 100% growth for this year.

Paine requested Barnett to speak to the multi-sport aspect of the future. Barnett said that it was dangerous to make assumptions on the value of any particular discipline, such as alpine, over another. Alpine was not king when you review the viewership and other metrics. He cited freestyle in Lake Placid as having the highest viewership domestically.

Nordic combined and ski jumping and cross country have huge viewership levels throughout Central Europe.

In conversations with blue chip brands, alpine often does not lead that conversation. We are very conscious of that and look to leverage each for the benefits they bring to the table. The major blue chip sponsors were very interested in the Big Air events in the discussions we've been having. That was the single event that was of most interest to them. What this shows is the benefit of having such diverse offerings and being able to find a solution for each brand based on their parameters.

Greg Boester asked about NASTAR and how it was doing. Brooke McAfee said there were four more years of licensing payments left in that acquisition and once paid, would drop the expense considerably and become profitable after that. Barnett added that the revenue for NASTAR would be more indirect through allocation value in sponsorship deals with its database of 900K with high demographics.

Calum Clark described the first year's issues and added that concerns such as lack of innovation resulted in slowing of growth. We have a three-year plan to get this righted. This year a number of functions to enhance the user experience and provide better assets are in place. We are working with the resort management teams to find out how they perceive the program and get them to add it back in. It's in ok shape and we just need to maintain it.

Boester noted the danger of putting too much emphasis and brain power behind it in light of everything else.

6. Financial Report: Brooke McAfee

Brooke McAfee said she would focus briefly on the last fiscal year end with \$1.3M in operating net income including \$750K in debt reduction gifts. This allowed a reduction in the line of credit to \$2.9M from \$4.9M the previous year. FY18, all of our organizational goals were supported in the operating budget.

Grow the visibility of our sports and brand through our athletes was an expansion of our original goal. This goal was amended to emphasize the importance of the athletes.

She then discussed the historical trend of the last five years in a line graph of where we've been and where we were headed. The average growth was 3.7% over the period. The revenue line expands away from expenses and that will allow us to continue to pay down our debt and eventually build organizational reserves.

She noted the budget was \$35.3M with \$250K in planned net income and \$500K in debt reduction gifts. She noted the main increase in revenue was due to the USOC grant which was now known for this fiscal year and came in above budget. We hoped to receive quad based funding from the USOC in future so that we knew the amount that could be expected over the entire quad and could plan appropriately.

She discussed the remainder of the revenue items and at this time both marketing and foundation were on track to achieve their goals. She highlighted the investment of \$1.8M more to the athletic elite team budget due mostly to the Olympics. On the events side,

expenses were reduced by the elimination of the one-time events, i.e. Squaw Valley and Aspen, but also included the Olympic qualification events for the season.

In the Foundation, a principal gift officer had been added whose focus would be gifts over \$1M. She communicated the marketing department restructure was complete with Barnett's hiring and we implemented a 1% 401 k employee match, beginning in October.

McAfee then discussed the \$35.3M expense breakout of the budget. In closing, overall 80% of the budget was invested in athletic programs, 10% in revenue-generating activity and 10% in administrative activities.

Relating to Human Resources, she shared that the employee survey would be sent out again in the next few weeks and Grant Thornton had been hired to put a compensation structure together for the entire organization. Lastly, she revealed the increased costs of health care. The renewals came back 19% higher and we were working to bring that cost down.

7. Athletic Update: Luke Bodensteiner

Bodensteiner communicated that a good summer of training with good conditions were enhanced by a number of new training site partners. More training is yet to come but good performances have come in New Zealand and Argentina. Athletes accrued nine World Cup podiums already this season. He was pleased with the execution of the coaches and the teams and their level of training and achieving their training goals.

He wished to acknowledge a few partners who assisted with training this year. Long-standing partners such as Deer Valley, Mammoth and Copper have worked very well. New additions included great support from the following;

- Squaw Valley
 - Substantial Alpine tech training April/May; Moguls camp in May with China to build strong affinity; not an official site yet but in continued discussions with Todd Kelly and Andy Wirth
- Timberline (Mt. Hood)
 - Successful first year, expanded and provided much budget-relief; meeting in October with leadership to discuss long-term renewal
- Project Jump in operation and a successful new feature this year
 - Approximately 50/50 split with Utah Olympic Legacy Foundation; UOL takes on Operations & Maintenance and eventual capital replacement; we generate \$100K of venue credit based on user fee revenues
- U.S. Ski Team Development Site partnership program with partners who provide training at no cost for regional and development teams, between five and 10 year deals
 - Heavy uptake in the East with Burke, GMVS, Sugarloaf/CVA, Waterville and Mittersill, and Stratton in process; Squaw in the West, but nothing in Rocky/Central which we would like and will focus on; 140 days of free training for regional and development projects

In tandem with the development site program, we launched the High Performance Center program. We've had good uptake with many of our top clubs, eight have joined the program. This provides very high performance for athletes at the club level. Very strong positive reviews; side benefit has been to get these programs talking and

collaborating; working together more and better than they have in many years with reported high levels of collaboration across participating clubs. The program is focused on athletic development at the club level. There are eight centers (Burke, GMVS, KMS, SMS, CVA, Squaw, Sugar Bowl, and SVSEF). We have a few more clubs we would love to see join this program and get the benefit of their participation.

Club development program continues to expand and has received great reviews, delivering a high-level of value into our club programs. 11 new clubs have joined in the certification process this year; 18 have gone through the program. All the initial Gold and Silver clubs are now going through a re-certification process.

We are expanding the Club Excellence Conference in the days preceding the Congress; we've had great participation in the event to the extent now that we are expanding content with three regional club excellence workshops (one in the east, west and Central, in addition to the national seminar during Congress) to penetrate more clubs and deliver more information.

The Coaches' education program is also an area of emphasis, particularly as we continue to evolve our development programs toward a more club-based system; it will be incumbent on us to provide greater support to clubs and coaches as we rely on them more for athlete development as noted in our long-term strategic planning. Coach education is an area where we feel we have a significant opportunity, and have a planned expansion for that department over the next four or five years.

In a comparison with other national ski associations, this is an area in which we are still lagging. We just haven't done enough. There is a lot more impact to be made that will help our performance sustainability over time. This year we've done a re-evaluation of our systems which have been in place for 10 years or so to bring them up to standard.

We are launching a revision to L100 this fall to align with the National Training Systems and a common Coaching Core curriculum across all sports. Along with that, we've re-organized our Video on Demand gallery, and will be launching a new Learning Management System this fall which will expand online offerings, automate tracking of certifications, enhance our CEUs, and provide more offerings to non-certification track coaches (BRASS, First Aid, etc.) We are re-training all of our clinicians this fall in the revised content system.

On the subject of long-term planning, we are beginning our discussions with the USOC related to the funding of the next Quad. What we are promoting with the USOC is annually in revenue, we aim to protect the revenue stream post-Olympics (when it's typically reduced substantially), and are pushing the idea of a Quad funding commitment that we can deploy with some flexibility across those four years to improve our financial stability in the athletic program. This is a new concept for the USOC but we have an opportunity there to protect the revenue stream that we have built with them.

Our Athletes' Council has been very engaged under Heather McPhie Watanabe's leadership. The AC meets regularly and has had very good dialogue. We've got great advocates on the AC. It has become very focused on supporting the anti-doping initiative; Rosie Brennan, Holly Brooks and Bryan Fletcher have pushed this as an agenda and have spoken with many people about the issue. They are conceptualizing how the athletes could be a positive force for change as we go forward on that effort.

Kikkan Randall has been nominated by the USOC, based on our nomination, to stand for election to the IOC Athletes Commission. The US can nominate one athlete. She will run with five others. Two of six candidates will be elected. Election to take place during the Olympics in Korea and we've engaged with the USOC tactically on lobbying efforts. How athletes can campaign is very restrictive. But we will leverage existing relationships in creating some momentum behind her. Paine said we needed to get athletes to speak in support of Kikkan in advance of the Olympics and at the Olympics.

On the international relations front, we have agreed in principle with the Chinese Ski Association and Chinese Olympic Committee on a cooperative agreement between our associations, that we feel will open up a relationship like we had with the Russians before Sochi and the Koreans the past four years. The MOU was meant to be signed on September 30, in Park City but has been delayed to a later date to accommodate the schedule of the Chinese Vice Premier and head of BOCOG. We have a strong relationship with them right now and will use that to the benefit of our and their athletes.

8. Alpine Project 26: Eric Resnick

Eric Resnick reported on the alpine Project 26, an effort that Dexter Paine asked Tiger and Eric to co-chair and develop a working group to follow up the work done by Dan Leever about where to invest within our talent pool i.e. analyzing markers for future success, the analytically driven proven benchmarks on how we should develop criteria, how we structure our teams, what can we learn from what others have done successfully in the US and internationally.

Paine thanked all those involved; it was a lot of work with weekly meetings and daily work. Once finished, we can take the experience to other sports, with the same quantitative practical approach to ensure we have best in the world development programs, across all sports.

9. FIS Update

FIS Council Update: D Paine/H Tauber

Paine said that there was not a lot to update in terms of current business as the next sport committee meetings were in Zurich at the end of the month.

FIS Strategies/Issues/Proposals: L Bodensteiner/A Natt

Paine had alluded to this earlier and everyone should have received an outline that Luke put together of the governance proposals, which were self-explanatory. Rather than spend time on each, he asked if there were questions; there were none. Natt noted that he and Luke had spoken with Hank Tauber at length that morning regarding the proposals and would continue to discuss these with him going forward; he had good advice on how to move these things forward.

10. Safety Update: Alex Natt

SafeSport Entity

That entity, based upon the great work of Nina Kemppel and others, is operating and adjudicating claims of sexualized conduct vis-à-vis the athletes. The USOC was also providing educational materials which should help athletes to identify conduct to be avoided. They have a number of webinars which are available to the membership free of charge.

One of the mandatory requirements as an NGB is that we re-certify all members who are in positions of authority over athletes every two years, a change with which we will comply. We need to build a system to monitor compliance by the grass roots. We designated coaches, officials, and others in position of authority over athletes, including this governance board, as being subject to the SafeSport code. Governance board members will be asked to go through the re-certification.

The USOC hired an auditing firm to review each NGB's compliance and we have some work to do on the publicizing of those folks who are in positions of authority over athletes. We've done all of the back of the house things that we need to do and now need to work on promotion of the SafeSport education modules and compliance with education.

BRASS

We have been working collaboratively with this group and their executive director Michael Silitch has been offered work space in our building. He is working with Jon Casson, our education director, putting together instructional materials. They hosted a number of staff in the spring for certification and will be doing so again in the fall. We have hosted a number of avalanche safety seminars over the last few years. They will also produce another Know Before You Go film in which we have input.

Korean Safety Plan

Natt said that everyone was paying attention to the saber rattling going on and that we would again be retaining Global Rescue as we did in Sochi to support our Champions Club program. They will have four operatives during the Games, two of whom will travel with the Foundation contingent and Luke later in the month to begin planning. We are working collaboratively with the State Department, the Olympic Committee, and Global Rescue to provide as much information as we can.

We have set up a number of call-in opportunities for those interested in security planning for the Games. It's an entirely different challenge from Sochi. In Sochi it was potential domestic terrorism. There is no issue of that in Korea. The society is very orderly with very low crime and few instances of domestic terrorism.

The conventional wisdom is, with the contingent of Chinese and Russian athletes presumably at the Games, it's very unlikely that there will be any mischief caused by Mr. Kim Jong Un. Our job is to plan and prepare, and Global Rescue's main concern is designing an exit strategy should the need arise. We will continue to provide information to athletes, donors and this board as events warrant.

11. Nomination & Governance Committee: Eric Resnick/ Lisa Kosglow

✚ Finance Committee: Brooke McAfee

Kosglow commented that during Dexter's time as chair, he took on an enormous amount of responsibility and a number of roles within the organization. She was in awe of his dedication to this organization and curious as to how he found time to work his day job. She had previously reported on the committee looking at ways to spread the roles and responsibilities of the chairman through possibly committee restructuring and other tactics. The Nomination & Governance Committee continues to assess the current committee structure and their roles.

We currently do not have a Finance Committee and at this time, the Nomination & Governance Committee would like to make a recommendation to create a standing Finance Committee to incorporate additional expertise on the board.

McAfee said she foresaw quarterly meetings with deeper dives into the financial projections and, before presenting a new operating budget to the board, the committee reviews and understands the numbers and asks the hard questions. This committee would also help determine the endowment draw and look at our capital structure and how we are financed on the building and review areas like the line of credit.

This is a five member committee which would be structured as follows;

Board Chair: Dexter Paine

Finance Committee Chair: Paul Raether

Finance Committee Vice Chair: Eric Resnick

Investment Committee Chair: Rich Tutino

Athlete representative: Heather Watanabe

- Motion: To approve the creation of a Finance Committee whose members shall be the NGB chair, the Investment Committee chair, an athlete representative chosen by the Athletes' Council and two members chosen by the President in consultation with the Nomination & Governance Committee. The Committee shall select its chair and the membership of the committee shall be reviewed every two years.

M/S/C Andy McLane/ Dexter Paine, by acclamation

For Andy McLane the composition of the Finance Committee was reiterated and Brooke McAfee confirmed that those nominated were willing to serve.

Liz Arky commented that we were creating a committee of the board, but not everyone was a member of the board. Was that correct?

Natt affirmed that Mssrs. Raether and Tutino were not members of the board. Natt explained that it was not the only board committee that was not entirely composed of members of the board, e.g. the Ethics and Judicial Committees contained 'independent members'.

McLane asked whether the Nomination & Governance Committee had to be voting members of the board which Natt affirmed.

✚ Chairmanship Transition: Eric Resnick/Lisa Kosglow

Kosglow stated that Dexter Paine had been adamant about finding his replacement as Chairman but he also recognized the challenges that had surfaced since starting the process; furthermore, we had two issues where Dexter was taking major leadership including the Olympic bid and modernizing the governance of the FIS and the committee believed it beneficial for the organization to have Dexter in the chairman's role as these projects progress and Dexter agreed as well.

That said, the Nomination & Governance Committee recommended to the board to re-nominate Dexter as chairman for a period of 18 months, beginning at the annual meeting of the board in May, 2018. We recognize that we may not require him to stay for the entire 18 month period. As well, we have decided as a committee to meet monthly moving forward and asked Bill Shiebler to be a voting member on the committee. Bill has been assisting us with the chairman search as a non-voting member but his experience and insight have been invaluable to the committee over the past few months and we would like to welcome him as a full voting member. Eric Resnick concurred.

Paine added that he appreciated the vote of confidence from the Nomination & Governance Committee, that he was passionate about all aspects of the organization, and that the extension would be useful in dealing with the issues mentioned. The vote will be handled in the spring.

✚ Foundation Transition: Alex Natt

Natt explained that Trisha Worthington was not on today's call and invited Greg Boester to add his comments. The Foundation will be going through a leadership transition beginning this December when Mr. Boester and the other officers will be relinquishing their positions and there is a search process which will be announced shortly to the full Foundation Board of Trustees in which trustees will be asked to nominate or self-identify their interest.

There will be a vetting process by a subset of the Foundation Nominating & Governance Committee. We had a meeting of that committee this morning of which Msrs. McLane and Resnick are chairs. We have a well-described process which is intended to be transparent which will result in a successor to Mr. Boester and his fellow officers following the December meeting.

We are also going to be eliminating the Secretary and Treasurer functions from that board. When the original bylaws were created there was not a paid professional staff to cover these functions. Brooke McAfee and he would assume those roles as they had over the last number of years. Those officers will be replaced by two additional vice presidents if the bylaw amendments are passed. He thanked Greg Boester for his leadership and getting to a place of good process and transparency and the result will be new Foundation leadership in January. Boester said he'd described this well and had nothing to add.

Paine thanked Boester for his leadership at the Foundation. It had been extremely successful with the Foundation having raised more money and therefore given more money to our athletes in the last four years. The new endowment will significantly enhance our ability to fund athletes, coaches and

education, all of which were extremely important to this organization. He mentioned Boester's long tenure on the national governing board at 19 years and appreciated that service as well, especially his willingness to ask the tough questions.

12. Next Board Meetings: Dexter Paine

- ✚ November 14, 2017, 10:00 a.m. Mountain, Teleconference
- ✚ March 15, 2018, 1:00 p.m. Mountain, Teleconference
- ✚ May 5, 2018, 7:30 a.m. Mountain, Annual Meeting, Park City, UT

13. Closing Comments & Motion to Adjourn: Dexter Paine

In his final remarks, Paine noted that the management team's ability to run this board meeting in Tiger Shaw's absence and articulate what this organization is doing is a huge compliment to them all and speaks to their strengths.

There being no further business, Mr. Paine asked for a motion to adjourn.

- Motion to adjourn the Board of Directors' Meeting.
M/S/C Lisa Kosglow/Greg Boester

Slc 10/3/17
Legal review 10/5/17