

**USA Gymnastics Interim Board of Directors Meeting
May 22, 2018
Chicago, IL
Minutes of Regular Session**

Interim Board Members

Cindy Bickman (Advisory Council Director)
Lois Bingham (Independent Director)
Kittia Carpenter (National Membership Director, Women's Artistic Gymnastics)
Bobbie Cesarek (Advisory Council Director)
Evelyn Chandler (Advisory Council Director)
Jim Crawford-Jakubiak (Independent Director), by phone
Ava Gehringer, (Athlete Director, Rhythmic Gymnastics)
Karen Golz (Independent Director), Chair
Ivana Hong (Athlete Director, Women's Artistic Gymnastics), by phone (portion of meeting only)
Randy Jepson (National Membership Director, Men's Artistic Gymnastics)
Stefanie Korepin (National Membership Director, Rhythmic Gymnastics)
Claudia Kretschmer (National Membership Director, Women's Artistic Gymnastics)
Steve Legendre (Athlete Director, Men's Artistic Gymnastics)
Scott Lineberry (National Membership Director, Trampoline and Tumbling)
Dylan Maurer (Athlete Director, Acrobatic Gymnastics)
Bob Meier (National Membership Director, Acrobatic Gymnastics)
David Rudd (Independent Director)
Justin Spring (National Membership Director, Men's Artistic Gymnastics)
Julie Springwater (Independent Director)

Others present

Robbie Bach, U.S. Olympic Committee Board of Directors and USOC-designated liaison
Rick Adams, U.S. Olympic Committee
Renee Jamison, USA Gymnastics Director of Administration & Olympic Relations
Debbie Schaffer and Eric Boockford, AON, agenda #3
David Holcomb, Chair, Nominating and Governance Committee, agenda #5 and 6
Abby Adlerman and Kaitlin Quistgaard, Boardspan, agenda #6
John Hewett, USA Gymnastics Chief Financial Officer, agenda #9
Dennis McIntyre, USA Gymnastics Vice President of Men's Program, agenda # 8
Ron Galimore, USA Gymnastics Chief Operating Officer, agenda #11
Tom James, USA Gymnastics corporate counsel

Jim Crawford-Jakubiak was on the phone as the meeting commenced, and periodically dropped off and re-joined the meeting.

Stefanie Korepin was not able to be present as the meeting commenced, but arrived and joined the meeting at 9:00 a.m. CST.

Ivana Hong was not able to be present as the meeting commenced, but joined by phone periodically throughout the meeting.

1. Welcome/Discussion of the agenda

The chair called the meeting to order at 8:00 am CST. The Chair welcomed the Interim Board members and conducted a roll call. She declared a quorum existed with 17 voting members present.

The Chair noted that USA Gymnastics CEO, Kerry Perry, was not able to be present as she was preparing to appear the next day for Congressional testimony in Washington, D. C.

Congratulations were extended to Ava Gehringer, who recently graduated from law school.

The Chair reviewed the agenda for the meeting.

2. Standing Committees

The Chair updated the Interim Board on the filling of vacancies on standing committees:

- Finance, Compensation and Audit Committee (Independent/non-Board member seat) – The Chair recently appointed Jim Babcock, from Ernst and Young in Indianapolis.
- Nominating and Governance Committee (Advisory Council seat) – The Chair continues to work on filling this seat.

3. D&O Insurance

Debbie Schaffer and Eric Boockford, representatives from USA Gymnastics' insurance broker, AON, provided an overview of the successful renewal of USA Gymnastics' D&O insurance, including premiums, coverages, exclusions, limits, etc.

During this segment, it was noted the D&O coverage was somewhat improved over prior coverage but was substantially more costly (almost a seven-fold increase) than the prior policy and that the premium cost for renewal of the general liability policy is expected to be impacted as well.

There were some comments made about the upcoming renewals of the general liability coverage and the work AON will undertake to secure the GL coverage.

9:00 – Stefanie Korepin arrived at the meeting.

9:10 – Robbie Bach joined the meeting via phone.

9:11 – Jim Crawford-Jakubiak left the call.

4. Executive Session

A MOTION for the Interim Board to go into executive session was made by Cindy Bickman and seconded by Randy Jepson. The motion passed.

The Interim Board went into executive session at 9:12 a.m. CST.

The Interim Board came out of executive session at 11:04 a.m. CST and took a break.

The Interim Board continued with the regular session of the meeting at 11:12 a.m. CST. It was noted that Ivana Hong and James Crawford-Jakubiak had rejoined the meeting by phone and, therefore, all members of the Interim Board were present in person or by phone.

5. Bylaw Amendments

David Holcomb, Chair of the Nominating and Governance Committee, made introductory comments.

The Board received several documents prior to the meeting, including an updated marked-up and a clean version of the Bylaws reflecting all proposed amendments, a summary of technical corrections that were made since the April 29 meeting of the Interim Board when all substantive amendments were discussed, and a “changes at a glance” document.

Nominating and Governance Committee Chair David Holcomb, and Vice Chair Lois Bingham, spoke of the importance of these Bylaw amendments and the lasting impact it will have on USA Gymnastics and its governance structure. By approving the Bylaw amendments, the Interim Board will fulfill the two main tasks it was charged with: to restructure the Board so it was reduced in size and to have a majority of the directors be independent.

A MOTION was made for the Interim Board to approve all of the Bylaw amendments and the related Governance Implementing Procedures by Lois Bingham and seconded by Cindy Bickman. The motion passed unanimously, with 19 votes in favor, none opposed, and no abstentions.

The Bylaws as amended, the “changes at a glance” document, and the Governance Implementing Procedures will be posted on USA Gymnastics’ website, along with a press release announcing the approval of the Bylaw amendments.

6. Election of Independent Directors

David Holcomb and representatives from Boardspan, Abby Adlerman and Kaitlin Quistgaard, provided the Interim Board with an overview of the process that was used to identify candidates for the Independent Director positions on the new Board. They walked the Interim Board through the recruitment, screening, vetting process, including Nominating and Governance Committee meetings and candidate interviews that took place.

Additionally, a candidate rubric was developed to overview the candidate's skill sets, both individually and collaboratively.

A brief description of each of the new Independent Director candidates was presented. The Independent Directors currently on the Interim Board who are candidates for the Independent Director positions on the new Board left the room while a discussion of the full slate of candidates ensued. Following that discussion, all of those Independent Directors returned to the room.

David Rudd excused himself from the meeting and left the room so the Interim Board could consider and act on the following motion:

A MOTION was made to elect David Rudd as an independent director on the new Board by Cindy Bickman and seconded by Scott Lineberry. The motion passed unanimously, with David Rudd not participating in the vote .

Lois Bingham, Karen Golz, and Julie Springwater excused themselves from the meeting and left the room. David Rudd then temporarily assumed the position of Chair of the meeting for the Interim Board to consider and act on the following motion:

A MOTION was made to elect Lois Bingham, Karen Golz, and Julie Springwater as independent directors on the new Board by Randy Jepson and seconded by Evelyn Chandler. The motion passed unanimously, with Lois Bingham, Karen Golz and Julie Springwater not participating in the vote.

Lois Bingham, Karen Golz and Julie Springwater then returned to the room and Karen Golz resumed as Chair of the meeting.

A MOTION was made to elect Kathryn Carson as an independent director on the new Board by Claudia Kretschmer and seconded by Cindy Bickman. The motion passed unanimously.

A MOTION was made to elect Brent Lang as an independent director on the new Board by Randy Jepson and seconded by Evelyn Chandler. The motion passed unanimously.

A MOTION was made to elect Staci Slaughter as an independent director on the new Board by Kittia Carpenter and seconded by Scott Lineberry. The motion passed unanimously.

A MOTION was made to elect Kimberly Till as an independent director on the new Board by Kittia Carpenter and seconded by Scott Lineberry. The motion passed unanimously.

Karen Golz excused herself from the meeting and left the room.

A MOTION was made to elect Karen Golz as Chair of the new Board was made by Scott Lineberry and seconded by Randy Jepson. The motion passed unanimously, with Karen Golz not participating in the vote .

David Holcomb on behalf of the Nominating and Governance Committee, extended its thanks to Boardspan for their role in assisting the Committee to identify and nominate the Independent Directors.

The Governance Implementing Procedures provide the mechanism to implement the staggering of Director terms of service. As stated on paragraph 5 of the Governance Implementing Procedures, unless a Director expressly states a preference for a shortened term, the determination as to which initial term of service will be assigned to the Independent Directors is to be made by random draw conducted by the Chair with a corroborating witness present. When Karen Golz, David Rudd, Lois Bingham and Julie Springwater indicated their desire to be candidates for Independent Director seats on the new Board, they each expressed their preference for a certain length of term as follows and, therefore, each has the initial term on the new Board which will end on the dates indicated below:

- Karen Golz December 31, 2018
- Julie Springwater December 31, 2019
- David Rudd December 31, 2020
- Lois Bingham December 31, 2021

The Chair then conducted the random draw to determine the initial term of service for the other 4 Independent Directors elected at this meeting. The draw was conducted in front of all of Interim Board members who were present and the meeting. The results of the draw are as follows, with the indicated Independent Directors having an initial term of service on the new Board which will end on the dates indicated below:

- Kathryn Carson December 31, 2018
- Kimberly Till December 31, 2019
- Brent Lang December 31, 2020
- Staci Slaughter December, 31, 2021

7. Timeline and elections for seating of the new Board

The Interim Board reviewed the timelines and communication pieces for the selection process for the Athlete Directors, Advisory Council Director, and National Membership Directors. Questions were raised and answered about the communication vehicles, voting process, vetting process, etc. The Interim Board affirmed that all newly elected directors will be seated coincident with the expiration of the terms of the members of the Interim Board members, consistent with the Governance Implementing Procedures.

8. Men's Program Report

Dennis McIntyre provided an update on men's program activities including leadership and staffing, high performance updated, strategic planning and challenges.

9. Finance

The Finance, Compensation and Audit Committee has an initial call set up for May 30. Priorities are the 2016 audit, and transitioning to a new CFO following John Hewett's retirement this summer.

John Hewett reviewed the 2018 year to date financial progress, including as reflected on the statement of financial position and cash flow statement that was distributed to the Interim Board.

Legal costs have not slowed down due to the ongoing investigations.

A weekly call with the auditors occurs. It is anticipated that the 2016 audit will be finalized in late-June. The auditors are also working in the 2017 audit.

The Interim Board discussed and made the following requirement for all standing committee members, if not already completed: completion of Confidentiality and Conflict of Interest forms, criminal background screening, and safe sport training.

10. Safe Sport

Julie Springwater, chair of the Safe Sport Committee, provided an update on the Safe Sport committee, which recently met telephonically. As a new standing committee, there are still challenges in defining the committee's role. How do the committee's duties differ from that of the staff and what is the interplay between the two?

Discussion took place about the new structure of the safe sport staff that had been announced the week prior.

An update was provided to the Interim Board on the implementation status of the Deborah Daniels recommendations; a review of those recommendations that have been implemented, that are in the process of being implemented, under review, or are cultural and therefore, ongoing. USA Gymnastics is working on a public-facing status report that will be posted on its web site. The Board discussed the structure for responding to the recommendations. The U.S. Olympic Committee will likely audit/review those recommendations that have been implemented as part of the oversight of the process.

Julie Springwater left the meeting to catch her scheduled airline flight.

11. Program update

Ron Galimore provided an update on the recent competitions and initiatives for trampoline and tumbling, rhythmic, acro, and women's programs. Further information was provided

on the RFI for a permanent training and wellness center, as well as interim training solutions that are being pursued by the women's program. There was also discussion about the use of private club facilities for training camps.

12. Suggestions for tasks and other considerations of the new Board

The Interim Board discussed a number of items they would like the new Board to pursue and consider in the areas of governance, operations, and program. An ongoing list will continue to be generated through the end of the Interim Board's service and will be turned over to the new Board.

13. Future Board meetings

The Chair reviewed the future Board meeting dates:

- May 30 Interim Board, by conference call
- June 20 Interim Board, by conference call
- July 12 New Board - first meeting, to be an in-person meeting in Indianapolis

A MOTION to adjourn was made by Cindy Bickman and seconded by Steve Legendre. The motion passed.

The meeting was adjourned at 5:05 p.m. CST.

Respectfully Submitted,

David Rudd
Secretary, USA Gymnastics Interim Board of Directors