



USA Rugby Board Meeting
Law offices of WilmerHale 7
World Trade Center
250 Greenwich Street
New York, NY 10007

Friday 22nd August, 2014

MINUTES

Meeting Commenced: 1pm

Present: Bob Latham (Chairman), Will Chang (Vice Chairman), Gary Heavner, Chad Keck, Bob Kimmitt, Pam Kosanke, Brian McLenahan, Nigel Melville (CEO), Jim Snyder (CFO)

Called-in: Rob King, Peter Seccia

Section 1 - Chairman

1.1 Chairman's Address (Bob Latham)

Bob welcomed the Board and particularly newly elected Board Members, Bob Kimmitt and Pam Kosanke. This was Bob's first Board Meeting as Chair and hoped that our meetings would continue to be productive, enjoyable and provide plenty of healthy debate. Predecessor Kevin Roberts did an excellent job keeping the Board focused on strategic and not operational issues where possible and Bob hoped that this would continue.

Bob recently visited the Women's Rugby World Cup in France and was impressed by the level of competition. Although the results did not go the way we would have liked, the Eagles were competitive and great ambassadors for USA Rugby.

Looking forward with Olympic qualification and men's Rugby World Cup ahead, we have to make sure that our teams are competitive in the coming 12 months. Our new commercial strategy and the development of Rugby International Marketing are important to develop our revenues and make us more competitive. We have a new college opportunity that will provide a boost for our men's and women's, sevens and fifteens National Championships.

Priorities for the Board included;

- Qualification for the 2016 Olympics
- Increased fundraising efforts to support all programs and the development of Rugby International Marketing
- Successfully bidding to host the 2018 Rugby World Cup Sevens
- A permanent seat for USA on the IRB Council
- Continue to develop a positive working relationship with the USA Rugby Congress

The Chairman confirmed that he would like to continue with the practice of annually reviewing the CEO and it was agreed that Bob Latham, Bob Kimmitt and Peter Seccia would perform the annual CEO performance review.

Bob also asked the Board to support his concept of inviting former Chairman, Kevin Roberts to act as Honorary Chairman for the USA v NZ game. The Board unanimously agreed.

1.2 Minutes of meeting June 6th, 2014 approved electronically

1.3 Matters arising (NM) – CEO confirmed that following the meeting in Houston (June), a coaching change was made to the men’s Eagles Sevens. Mike Friday and Chris Brown replacing Matt Hawkins.

Section 2 – Reports

2.1 CEO Report (NM)

A ‘Half Time’ report had been circulated to constituents prior to the meeting outlining the progress made by the organization during the first 6 months of the year. CEO presented and discussed his priorities with the Board (Presentation attached to these minutes). These priorities were discussed and agreed with the Board;

- Implement necessary staff changes to increase organizational efficiency
- Rugby International Marketing
- USA v New Zealand
- College Rugby Joint Venture
- IRB World Sevens Series (new Host Union Agreement 2016-20)
- Membership Benefits package development and new membership system
- Olympic Qualification
- 2018 Rugby World Cup Sevens bid

CEO updated the Board on the USA v New Zealand game and activities during the week.

A discussion followed about the USA Sevens (Las Vegas) tender to the IRB to host the event for a further 4 years. The IRB and the tournament sponsor still have reservations about Las Vegas as a host venue. These include the quality of the stadium, size of the field, integrity issues and challenges working with the USA Sevens group. Recent meetings between the IRB and USA Sevens regarding the Host Union Agreement had been acrimonious and posed a real threat to the future of the event in the USA. CEO to discuss directly with the IRB and address the current issues regarding the stadium and the commercial rights negotiations.

2.2 Finance Report (Jim Snyder, CFO)

Jim Snyder (CFO) updated the Board on 2013 Audit, first half 2014 financials and forecast for the year (presentation attached). Jim confirmed that his focus in his first 60 days has been to tidy up the books, increase the staffing levels of the finance department, increase our lines of credit to support cash flow and begin to implement tighter budget controls and management of budgets across the organization.

It was anticipated that USA Rugby would exceed its surplus goal for 2014 due to our event revenues exceeding budget expectations.

Membership revenues fell behind budget in the first quarter of 2014 but were back on track. The

new membership system has been launched for the new membership cycle and is proving to be far more efficient than the previous system.

Jim fielded questions from the Board, Rob King (Audit Chairman) congratulated Jim on his first 60 days in the role and confirmed that the Audit Committee were supportive of Jim as CFO and were enjoying working with him.

CEO thanked Rob and the Audit Committee for their work.

2.3 College Rugby (PS/NM)

CEO confirmed that talks were at an advanced stage with International Marketing Group (IMG-WME) regarding a joint venture that will create a new look a USA Rugby College Sevens National Championship (men and women, sevens and fifteens). All parties will meet in New York (September 3rd) to finalize this deal. Peter Seccia (Chair - College Management Council), Rich Cortez (Director of College Rugby) and CEO will attend on behalf of USA Rugby.

2.4 IRB (BL)

Bob updated the Board with developments at the IRB and particularly the IRB Governance Review. This was of particular interest to USA Rugby as one of our key priorities is a seat on the IRB Council. The review document would be circulated to EXCO at the end of the year and any proposed changes would be voted on by Council in May 2015.

Bob also updated the Board on the recent North American and Caribbean Rugby Association (NACRA) meetings in Miami and confirmed that it was agreed that USA Rugby would host the 2015 NACRA Sevens Olympic qualifier event.

Bob also explained the Olympic Athlete qualification process, confirming that provided that the necessary steps were followed, players with USA passports could be selected to represent the USA at the Olympics even if they have represented another Country as international rugby players. This would include an 18 months stand down period for the athlete – one player had been identified and is currently following this process – others may follow.

2.5 Rugby International Marketing (WC/NM)

Will Chang updated the Board on his work developing the proposed for profit commercial arm of USA Rugby, Rugby International Marketing. The third party valuation of the proposed company had been undertaken by Inner Circle Sports (New York) and circulated to the board. Expressions of interest had been received from potential investors for 10% of the Company to the value of \$2m. It was agreed that there should be a 5 person board appointed to run this company and the board Agreed that Chad Keck, Brian McLenahan and Peter Seccia would be the initial Board of Directors. Will Chang and Bob Latham would attend meetings as observers.

The new board will now meet to appoint their Chairman and begin the process of communicating the benefits of the new entity to our stakeholders.

Will Chang and CEO to continue discussions with potential investors and report back.

The Board discussed the opportunities for Rugby International Marketing, the broadcast channel, broadcast rights, governance, finance, men/women's club rugby and professional rugby.

2.6 Fundraising (NM)

CEO updated the Board on the work of the USA Rugby Trust and the important revenue that the Trust can provide for USA Rugby programs. It was agreed that the Olympic programs are a high priority and that the USA Rugby Board should develop and implement an Olympic Fundraising

effort as a priority. This should include the development of materials that can be circulated to potential donors by individual Board Members in an effort to provide increasing support for our teams in qualification year.

CEO to discuss this with the Trust Board and develop the necessary materials to support this effort.

The USA Rugby Board is keen to connect with the Trust Board in Chicago and to hear about how they can support the Trust board in their work. CEO agreed to facilitate a meeting in Chicago.

2.7 Women's Rugby (BL/NM)

Following the Women's Rugby World Cup, the Chairman proposed that we should now conduct a review of the Women's game in the USA. Pam Kosanke was asked to undertake this review and to make recommendations to the Board. This review to include all levels of the women's game, non elite, elite, sevens and fifteens.

2.8 Athlete Advisory Council (BM/PK)

Brian and Pam confirmed that the Athlete Advisory Council were meeting regularly and currently developing a Player Agreement for all national teams. CEO thanked them for their hard work and was pleased with the progress they were making on behalf of the athletes. He also urged them to continue to educate the players about their role and work on their behalf.

2.9 Rugby World Cup Bid 2018 (NM)

A discussion about the Rugby World Cup tender process included the dates of the tender process and the potential City hosts and venues being considered. Will Chang will continue to Chair the bid committee and an extended RWC Sevens Committee will be developed once the bid process was complete. USA have a strong chance of being awarded the event and it was agreed that this would be a huge opportunity for the development of the game in the USA.

2.10 Board Schedule 2014/15 (BL)

2014

October 31st (Chicago) 8am-11am

2015

January 24th (Chicago) In association with National Development Summit. Could be 25th, to be confirmed. Congress also to meet that weekend.

May 16th (Boulder)

August 22nd (USA v Canada, venue tbc)

November 7th (Dallas)

Section 3 – Approvals

3.1 Nominations Committee Composition (BL)

Bob confirmed that Marni Vath would continue to Chair the Nominations Committee and be supported by Francois Viljoen Tom Wacker and Brian McLenahan.

Section 4 – Any Other Business

4.1 Whistle Blower Policy – USA Rugby Audit recommended that USA Rugby adopt a 'Whistle Blower Policy' (attached). A proposed policy was circulated prior to the meeting and adopted as presented.

Proposed: Bob Kimmitt

2nd: Gary Heavner
Vote: Approved

4.2 USA Rugby Club Eligibility Regulations - Not circulated prior t the meeting, Gary Heavener to circulate and Board to conduct an electronic vote in the next few days.

Meeting Closed: 6pm

Next Meeting: Friday October 31st, 8am (Chicago)