



USA Rugby Board Meeting
Offices of Nixon Peabody
One Embarcadero Center
Suite 1800
San Francisco, CA 94111-3600

Friday 29st May 2015

MINUTES

Meeting Commenced: 9am

In Attendance: Bob Latham, Will Chang, Rob King, Peter Seccia, Chad Keck, Pam Kosanke, Brian McLenahan, Jeremiah Johnson

Staff in Attendance: Nigel Melville (CEO), Jim Snyder (CFO)

Apologies: Bob Kimmitt

Section 1 – Executive Session (without CEO/Staff)

Section 2 - Chairman

1.1 Chairman's Address (Bob Latham)

A memorable month for USA Rugby with the announcement that USA Rugby would host the Rugby World Cup Sevens in 2018, the Wallabies were coming to Soldier Field in September, Harlequins would be playing the Eagles in Philadelphia and the Men's and Women's Sevens teams finished their 2014-15 Series in 6th and 5th places respectively. The Women narrowly missed out on automatic qualification for Rio 2016 and on current form both Men and Women would be expected to qualify for Rio 2016 in Cary, North Carolina (June). The Eagles men won their first ever Series event in London (May). The recent development of the USA Rugby led America's 6 Nations is to be commended and

is an example of individual Unions helping themselves and not waiting for World Rugby to do this for them.

The 6 nations initiative will also help the North and South American teams organize themselves and create a lower tier competition all under the governance of the new Pan American Rugby Association (PARA).

The President of PARA (Gus Pichot, Argentina) has a revolutionary spirit and is supportive of the 6 nations and working closely with USA CEO to make this Competition a reality.

These developments are evidence to the World that progress is being made in the Americas. For USA Rugby the development of Rugby International Marketing is a timely initiative as we seek to maximize the commercial opportunities before us.

World Rugby had a presentation in Dublin by Inner Circle Sports who confirmed that International Federations and National Governing Bodies must take a more commercial view of their sports and seek to maximize the revenue opportunities before them.

Exciting times for USA Rugby and the staff and board members responsible for these developments are to be commended.

1.2 Minutes of meeting January 24th, 2015 approved electronically

Section 3 – Reports

2.1 CEO Report was circulated ahead of the meeting. CEO responded to Board questions. Key areas being the future staffing of the organization to deliver the initiatives

particularly Rugby World Cup 2018.

2.2 Finance Report (JS/RK)

Rob King (Audit Chair) and Jim Snyder (CFO) presented an update on the finances of USA Rugby and comments from the recent Audit and Risk Committee call.

Rob King presented 6 key points:

- Strong cash position
- Audit Committee Review of recent United States Olympic Committee financial audit of USA Rugby. A small number of recommendations now being addressed by the Finance Department. Specifically regarding financial controls and the expense process.
- The annual independent financial audit is now complete and the Audit Committee on their next call will review the auditor's letter. This appears to be a positive audit for the organization and any recommendations will be implemented as a priority.
- USA Rugby has implemented two new financial operating processes that will enhance the performance of the organization. Budget review dashboard for all budget controllers (Bison) and electronic online expense approvals (Chrome River)
- Audit Committee have concerns about the Accident Insurance Policy renewal, early indications are that this could be increased again this will demand discussion in the months ahead.
- CEO Bonus has been accrued in the 2014 financials and the Board must decide if this is to be awarded for CEO Performance in 2014.

Jim Snyder (CFO) took the Board through the current financial position, the 2014 Audited results and the 2015 forecast for USA Rugby, Rugby International Marketing and USA Rugby Trust (attached).

USA Rugby exceeded its budgeted surplus for 2014 with a surplus of \$265, 971. Jim

confirmed that all Board Members are required to annually sign the USA Rugby Conflict of Interests policy form and disclose any potential conflicts (Jim to circulate to the Board Members for signature and return).

2.3 Rugby International Marketing (CK/WC)

Chad Keck (Chairman of Rugby International Marketing) updated the Board on the search for investment in RIM. The Rugby Football Union have now agreed a term Sheet with RIM and this is now being incorporated into the Operating Agreement and the expectation is that this process will be completed within the next 10 days. The Rugby Football Union will make an investment of \$2m for a 10% equity share in Rugby International Marketing. Their investment will also include a seat on the Rugby International marketing Board; Sophie Goldschmidt (Chief Commercial Officer, RFU) would be the RFU's choice.

The Board discussed further investments in RIM from interested partners and to present

to them the opportunity to invest in a further 10% equity in RIM.

Motion: On receipt of 10% equity investment in Rugby International Marketing the current round of funding will remain open for a further 45 days and that participation of USA Rugby Board Members will be permitted.

Proposed: Will Chang

Second: Rob King

Vote: Approved

2.4 Rugby World Cup 2018 (NM)

CEO to meet with World Rugby in London to begin the planning process, seat the commercial advisory group and create a staffing plan. Competition format has yet to be agreed (3 days v 4 days), World Rugby to visit San Francisco and San Jose in the near future to meet the local organizing committee. Will Chang to establish a Rugby World Cup Host Committee.

2.5 Rugby World Cup 2023/2027 (NM)

CEO will attend the 2023 Rugby World Cup briefing (London, Thursday June 4th With John Murray who worked on the Chicago 2016 Olympic bid and is the former President of the Chicago Sports Commission. Countries will also attend the meeting.

2.6 Event Sanctioning (NM)

CEO updated the Board on the event sanctioning process. With the growth of the game and increased numbers of teams and promoters wanting to participate and run games in the USA, USA Rugby will develop a sanction document that sets out the criteria under which USA Rugby will sanction such events. These will be based on the current sanctioning criteria of comparable sports. The sanctioning process will be circulated to the Board for their input in the coming weeks.

2.7 World Rugby (BL)

Bob Latham updated the Board on the recent World Rugby Meetings in Dublin. The Governance review process was of particular interest to USA Rugby and Bob explained the various scenarios being discussed. The new Governance structure would likely provide USA Rugby with a seat on the World Rugby Council; there will be agreed criteria as to how a Union can increase their number of seats and votes. The criteria has yet to be agreed.

2.8 Athlete Advisory Council (BM/PK)

Pam and Brian updated the Board on the work of the AAC. Two complaints have been received from women players exiting the program at the Olympic Training Center. These are being investigated and the nature of these complaints relate to coaching/selection and player feedback. Pam and Brian will continue to educate players about the Athlete Advisory Council and its role. CEO agreed to fund travel and accommodation for an

Athlete Advisory Council Member to visit the OTC and continue to communicate the message to the full time athletes.

The term of current Athlete Advisory Chairman, James Gillenwater was discussed, this will continue through the current summer Olympic quadrennial (2016).

2.9 Committee Review (JJ)

Jeremiah updated the Board on the Committee review. The process was far slower than it needs to be, the group has been holding regular meetings and attendance has been falling. Some of the key members of the group have become frustrated with the process, however, Jeremiah believes that progress is being made and a full report will be provided to the Board and Congress ahead of their next meeting on the weekend of August 22nd in Boulder, Colorado.

2.10 Congress Meeting 8/22 (JJ)

Jeremiah is working on quarterly Congress calls and Bob has offered to attend. The date is now set for the 22nd August and a pre-congress meeting will be held on the evening of the 21st. USA Rugby will host a social for Congress on the Saturday evening following the meeting

2.11 Board Meeting Dates (BL)

Next meeting of the board will be on Friday 21st August 2pm, USA Rugby Offices, 2500 Arapahoe, Suite 200, Boulder, Colorado 80302.

Section 4 – Approvals

3.1 USOC Board Guidelines (NM)

The Board Guidelines were discussed and it was agreed that this was a useful document. CEO was asked to discuss further with the USOC and other NGB's regarding how these guidelines would ideally be endorsed/adopted? CEO to report back and further discussion will take place at the next meeting.

Section 5 – Any Other Business

No new business

Meeting Closed 2.30pm