

**USA Rugby BOD Meeting  
June 8 & 9, 2018  
Stapleton, Colorado**

**Friday June 8th, 1pm MST**

Attendees:

Board: Barbara O'Brien, Jeremiah Johnson, Phaidra Knight, Todd Clever

Observers: Mark Lambourne

Guests: Michael Squires, Glenn Horine

Staff: Ross Young, Jack Barker, Melissa von Keyserling, Rosie Spaulding

Chair Opening Remarks (Barbara O'Brien)

- Welcomed all to Denver and provided an overview of topics to be discussed over the next 2 days.
- Encouraged a renewed emphasis on transparency and approaching topics from a holistic viewpoint.
- Expressed the gratitude of the staff and board towards World Rugby for their assistance to date.

Board meeting minutes, May 29<sup>th</sup>, 2018.

- B. O'Brien motioned for the meeting minutes to be approved. Jeremiah Johnson seconded the motion. Roll call vote. Motion approved by unanimous consent.

CEO Report (Ross Young)

- Report (attached) submitted by both Dan Payne and Ross Young
- Four (4) key priorities identified: Communications, Financial Stability/Management, Youth and High Performance
  - Financial responsibility and accountability across all departments has continued to be a priority, especially at the national office. Renewed focus on revenue generation, current cash standing and cash flow projections
  - High performance continues to contribute to the growth of a positive rugby culture, including the creation of Major League Rugby (MLR).
  - Community/Rugby Development seeking to integrate more collaborative efforts—coaching & referee courses
- Update on complaint filed by D. Schoninger, June 2018; Current legal counsel is advising; D&O policy in place to mitigate risk and provide ongoing legal support. Board members agreed to use BryanCave as single point for "Acceptance of Service."

RWC Update (Rosie Spaulding)

- Historical review—April/May, including ticket sales, partnerships, status of Impact Beyond, site visits and marketing efforts.
- Commercial and regional partnerships reviewed with a focus on current hospitality packages offered
- Ticketing is progressing towards goal (average sales: 1,500 per week/needed 27k to reach goal) with one day sales reigniting 3 days sales; Focus on "casual sports fans" and "live event fans." Encourage board members to continue to reach out to contacts to sell tickets.
- Timeline reviewed including lead-up events, actual welcome and weekend events including staffing and talent assignments; World Rugby guest vs. USAR guest experience reviewed as well as noting opportunity for both to mingle
- Financial summary review including best estimates and budget update

RIM Update (Mark Lambourne)

- Currently the board consists of 3 directors—Mark Lambourne, Jon Bobbett and Simon Massie-Taylor.

- Lambourne noted that the RIM board is aware that other shareholders are seeking advice and have drafted a letter to USAR Board which will be forthcoming. CSM is currently in active negotiation with RIM around current contract and ongoing engagement.
- With the support of World Rugby, RWC7s 2018 has been successfully transferred to USA Rugby through an arms-length financial transaction.
- RIM successfully negotiated and finalized the transfer/sale of The Rugby Channel (TRC) to FloSports. Possible opportunities remain around long term linear rights.
- Wales v. South Africa match in Washington DC results reviewed with negotiations still ongoing between RIM and the two international unions.
- Future plans:
  - Fulfill obligations through RWC (July); enter a “quiet” internal review/reorg. period (August); reemerge structured as a more integrated/holistic entity under USAR (Q4)
  - Discussed recruitment of a commercial manager who understands the landscape and potential candidates who would fulfill immediate responsibilities to current sponsors/partners.
  - Explore the addition of a Chief Commercial Officer reporting to CEO of USA Rugby.

#### Financial Overview, focus on RIM (Jack Barker)

- Presented the Memo: USAR Financial Summary dated June 8, 2018 (attached) including review of major structural issues identified and changes enacted within RIM/TRC to mitigate the impact on USAR.
- RIM stabilization plan reviewed including impact to the financials with the sale of TRC to FloSports and RWC7s to USAR
- Current RIM structure reviewed including realignment and reintegration with USAR to minimize fiscal impact on the governing body.
- RIM will renew focus on further unpinning income generating relationships—like Emirates. Representatives of RIM/USA Rugby to cement ongoing sponsorships
- Current USAR financial status/projections presented including review of department performance on or below budgets, continued priority on philanthropic efforts
- Overall, trends are positive and all working hard to continue to unwind the complexity of the issues identified with the focused goal being a long term successful union.

#### SRI Report/Presentation (Michael Squires, Glenn Horine)

USAR commissioned SRI to provide an assessment of the current board structure and membership (memo attached.)

- Report consisted of current structure/composition, best practices identified and resulting recommendations
- Discussion of methodology and analysis used including SWOT results with 4 key areas of focus and investment identified: Leadership, Strategy, Commercial and Diversity/Inclusion
  - Leadership—competency of current board members, what needed in future board members to best represent/leverage asset pyramid; focus on transparency in the nominations process
  - Strategy—Identify competitors in the market, what are they doing well; focus on effective communications
  - Commercial—establish a board configuration and competency that understands the complexity of the org with an emphasis on media and technology
  - Diversity/Inclusion—Board and leadership should reflect the USAR community
- Best Practices discussed including “Fit for Purpose” which includes a strong chairman, involved executives and congress/athlete representation; selection against competencies including weighting of competencies; removal process examined and established; seek the right mix of corporate & community responsibility

**Adjournment: 5:45pm MST**

**USA Rugby BOD Meeting (Cont'd)**  
**June 8 & 9, 2018**  
**Stapleton, Colorado**

**Saturday June 9<sup>th</sup>, 9 am**

Attendees:

Board Members: B. O'Brien, J. Johnson, P. Knight, T. Clever

Observers: M. Lambourne

Guests: Michael Squires, SRI; Glenn Horine, SRI

Staff: R. Young, J. Barker, M. Keyserling,

Financial Review, focus on USAR (J. Barker)

- Implications from the stabilization of RIM discussed including future events and staffing. Further integration between RIM and USAR will be beneficial to all
- Due to diligence of national office staff, spending to date against 2018 budget has been well below projections
- USAR budgets reviewed and presented to leadership in a format allocating revenue/expenses to specific projects/departments. Net income in 2018 is projected to be break even due to open positions not filled and emphasis on organizational philanthropic efforts; cash projected to be positive at year end
  - Discussed realigning fiscal year to August 1-July 31, in line with rugby seasonality
  - Full reconciliation of RWC2018 financial performance needs to take place and agreed with World Rugby to finalize amounts owed.
  - Although currently running lean—neither community services nor HP affected by RIM's stabilization
- In addition to current financial steps taken, work to commence in Q3/Q4 to formalize a long term financial plan

SRi Review/Discussion (Michael Squires/Glenn Horine)

- Three step model
  - Governance Review—agreement on roles/responsibilities; how human capital aligns more effectively
  - Board Appointment Process—Review of existing process with eye to establishment of competency matrix; Gap analysis
  - Executive Organizational Development—“get real” establish realistic salaries and expectations of executive staff; target recruitment process for key staff
- Immediate Next Steps
  - Assess current board strengths/weakness with an eye for what is needed
  - Halt current nominations process—Jeremiah Johnson to reach out to Chair of Nominating Committee (Marni Vath) as well as begin the conversation with Congress (Justin Whitton) re: SRi Review; O'Brien to send SRi report to Marni Vath.
  - SRi to serve as advisor to Nominating Committees ongoing efforts
- Since World Rugby has provided a line of credit and support to USAR, there is a prudent business case to evaluate the current structure and address the issues with resources at hand (SRi)

Relaunch Plan for RIM (Mark Lambourne)

- Background and reintegration plan for future—two part: Operational issues and legal implications

- Refocus efforts on proper asset valuation and combination to meet sponsorship needs; develop greater merchandising efforts; outsource events to provide more consistent experience at lower cost to USAR
- Legal issues discussed included naming rights, valuation and investors
- Next steps: Important to bring commercial experience to USAR

#### Review of Administrative Structures (Ross Young)

- Proposed creating a task force to examine current governance structures; proposed more effective/efficient future governance structure specific to Congress formation with a focus on responsibility and accountability.
  - Discussion
- Young proposed Mark Lambourne to lead and populate a working group alongside SRi to review the formation of a holistic strategic plan.
- Direct Actions:
  - SRi will provide scope of work and timeline on deeper governance review
  - Mark Lambourne to provide scope of work for restructuring officer position and working group.

Release of SRi team with thanks.

#### PlayRugby USA Discussion (Mark Lambourne)

- Discussion of new revenue stream added to USAR, major initiative with quick wins as both USAR and PlayRugby are naturally aligned. MOU to be produced with 30 day review period followed by 60 day integration

#### MLR Update (Ross Young)

- Sanctioning agreement was approved by USAR Board previously via email vote, April 26, 2018.
- Currently fine tuning details of a 90 day review period (post season) with the assistance of legal counsel.
- Young will return to Board after review period with fully formed agreement

#### The Rugby Weekend (Ross Young)

- Event will be a great kick off point for early release of strategy and governance plan
- Board provided authorization for the scheduling of a gala event on Friday evening noting “First 15” efforts as well as developing a holistic community theme/feel to the evening; show clarity and unity of purpose

Executive Session, 2:30 pm MST

Adjournment, 2:57pm MST