

USA Triathlon Board of Director's Meeting

Saturday – Sunday, May 30-31, 2009

USOC West Wing

Colorado Springs, CO

Present:

Board of Directors:

Rob Kasper, President
Brian Harrington, Vice President
Jeff Matlow, Treasurer
Celeste Callahan, Secretary
Jim Donaldson
Mike Greer
Eric Averill
Bob Wendling
Victor Plata, Pro/Elite
Dave Kuendig, Pro/Elite
Kelly Cook, Pro/Elite (via teleconference)
Vince O'Brien (via teleconference)

Staff:

Skip Gilbert, Executive Director
Sharon Carns, Executive/Governance Affairs Manager
Gordon Weldon, Operations Director
Dave Christen, Operations Manager
Kathy Matejka, Event Services Director
Scott Schnitzspahn, Sport Performance Director
Jeff Dyrek, National Events Director
Tim Yount, Senior Vice President of Marketing and Communications
Deby Williams, Accounting Manager
Amanda Duke, Team USA/National Events Coordinator
Mike Mogren, IT Services Manager
Susan Kovarik, Office Liaison
Lindsay Wyskowski, Membership Coordinator
Dave Christen, Member Services Operation Manager
Charlie Crawford, Commissioner of Officials (via teleconference for Helmet Rule discussion)

Regional Council Chair Liaison:

Kevin Trock, Southwest Region

Guests:

Julie K. Gawronski, USOC
Ken Waugh, Waugh & Goodwin, LLP

Jill Goodwin, Waugh & Goodwin, LLP
Dave Surofchek, Smith Barney
Eric Kennedy, Holme Roberts & Owen, LLP

Note: Information may be reported, not necessarily in the chronological order, but according to topic

Saturday, May 30

Presiding: Rob Kasper

Call to Order – Rob Kasper 2:00 pm

Volunteer Service Recognized

Jeff Matlow formally resigned as Southwest National Board member and Treasurer. The Board presented Jeff with a certificate acknowledging his dedicated commitment and exceptional volunteer service, since 2007, as a member of the USAT Board of Directors.

Recessed: 2:05 pm (Executive Session for Southwest appointment and Treasurer Election)

Reconvened: 3:00 pm

Appointment and Election:

Vince O'Brien was appointed as Southwest National BOD member.

Please note: Vince O'Brien was not present via conference call to vote in the Treasurer election.

Bob Wendling elected Treasurer for the remainder of 2009.

President's Opening Remarks

Rob Kasper welcomed the Board of Directors. Rob stated that goals were set in the January 2009 Board meeting and, to date, the Board is ahead of schedule:

- Approved Regional Operations Manual
- Approved Strategic Plan
- Progress on global rulebook

- Additional ITU commission members
- Progress on governance structure – bylaw change recommendations going for membership vote

Executive Director's Opening Remarks

Skip Gilbert stated that, going into 2009, USAT was preparing for the economic downfall its effect on the organization. Currently USAT's membership is at 118,000 and financials are strong. Skip stated his pleasure of working with this Board of Directors. Furthermore, he believes the USAT staff is the best in the Olympic movement.

Financial Training

Jill Goodwin with Waugh & Goodwin, LLP conducted Board training on reading financial documents: profit and loss statements and statements of cash flows and balance sheets.

Audit Report

Ken Waugh with Waugh & Goodwin, LLP provided the Board with a preliminary audit update. Due to significant changes in IRS tax reporting requirements for 2008, a recommendation was made to form a Form 990 task force of board, staff, and auditor to prepare and make recommendations for board review of 2008 tax documents.

Treasurer's Report

Bob Wendling deferred to Jeff Matlow (USAT Treasurer until his resignation at the beginning of this meeting). Jeff reported that, despite the current economic climate and down-turns in the organization's investment income, USAT remains in a cash flow positive position.

Note: During the recess, Rob Kasper tasked Dave Kuendig, Bob Wendling, Vince O'Brien, Deby Williams, and Ken Waugh with forming the 990 Task Force.

Recessed: 4:30 pm

Reconvened: 4:45 pm

Financial Update

Dave Surofchek with Smith Barney provided the Board with a portfolio review on USAT's investments.

Region Financial Update

Deby Williams, USAT Accounting Manager, provided an overview of the regions financial status.

Action item: Deby will send Kevin Trock a list of regions that are not in compliance with USAT's financial process.

Recessed 5:30 pm (Executive Session)

Reconvened Sunday, May 31

Call to Order – Rob Kasper 8:00 am

Approval of Minutes

Eric Averill motioned, Celeste Callahan seconded, to approve the minutes of the February 18, 2008 teleconference; January 17-18, 2009 in-person meeting; February 2, 2009 teleconference; February 9, 2009 teleconference; March 2, 2009 teleconference; March 19, 2009 teleconference; March 30, 2009 teleconference; March 31, 2009 Executive Committee teleconference; April 7, 2009 teleconference; and May 13, 2009 teleconference.

Motion passed.

Please note: Vince O'Brien was not in attendance via conference call during the vote.

Discussion/Resolution Items

Hang-A-Star:

Gordon Weldon, Operations Director, provided a Hang-A-Star presentation demo.

Membership Fees:

The Board discussed youth fees and one-days. Skip Gilbert explained that the Board is in the discussion phase and that no recommendations are currently being made. He would like soon to create a task force.

Minimum Age for Youth:

Kathy Matejka, Event Services Director, referred to USAT's Competitive Rules, Article II, Article 2.4b defining youth membership as (7 to 17 years of age). Kathy expressed her support to change the definition as to remain consistent through USAT's rules, sanctioning, and membership. The Board recommended that Kathy and Charlie Crawford, Commissioner of Officials, start the process to change the rulebook to read Age for Youth - "17 and under".

National Championship and Team USA Qualifying Criteria:

Jeff Dyrek, National Events Director, asked the Board for clarification on the National Championship and Team USA qualifying criteria protocol and approval process. The Board agreed that staff shall work with appropriate committees (AGC for all, to include Duathlon Committee for Duathlon criteria) to formulate recommendations for any changes to qualifying criteria to presented for Board approval. In cases where there are unresolved differences between staff and committee recommendations, both shall be presented for the Board to resolve.

Team USA Support Crew:

Jeff Dyrek, National Events Director, shared survey results that showed 86% of Team USA athletes believe that USAT should provide support staff services (to include medical, chiropractors, mechanics). The Board stated that, because ITU agreed to provide race fees two years in advance, we should be able to budget accordingly for these services. Team USA program will operate status quo until staff receives the two year in advance race fees.

Helmet Rule:

Charlie Crawford, Commissioner of Officials joined the discussion via teleconference.

Skip Gilbert Skip brought to the attention of the Board in the spirit of good customer service that he has been contacted by others regarding the strictness of USAT's helmet rule: Article V, 5.9a. Kathy Matejka presented the pros and cons in current environment.

Discussion occurred, and the Board agreed, that the benefit to a very small number of individuals by changing our helmet rule would be far outweighed by the greater risk and liability exposure of adopting a lesser standard.

Jim Donaldson motioned, Celeste Callahan seconded, to support Article V, 5.9a as written. Motion passed unanimously.

5.9 Helmets.

(a) Type of Helmet. All participants shall wear a protective head cover, undamaged and unaltered, which meets or exceeds the safety standards of the Consumer Product Safety Commission (CPSC). Helmets manufactured prior to March 10, 1999 must meet or exceed the safety standards of (i) the American National Standard Institute (ANSI Z-90.4), (ii) The Snell Memorial Foundation (Protective Headgear for Bicycle Users), or (iii) ASTM F-1446 or F-1447, and which is clearly labeled by the manufacturer as satisfying such standards. Removal of helmet cover, if required for that helmet to meet such safety standards, shall constitute an impermissible alteration in violation of this Section 5.9(a). Any violation of this Section 5.9(a) shall result in disqualification.

Motion passed

Skip asked if the Board will allow a dispensation to WTC and the Board unanimously disapproved (no formal motion or vote necessary, the board simply chose to not modify the previous motion).

Recessed: 10:15 am

Reconvened: 10:30 am

Legal Update:

Kathy Matejka, Event Services Director provided the BOD with a legal update. Brian Harrington suggested that USAT have online waiver presentation for Race Directors at the Race Director Symposium next year. (Jan. 2010).

Code of Ethics:

Subject: Adoption of a USA Triathlon Code of Ethics

Background: Heretofore, the USA Triathlon Board of Directors has convened to consider discovered or reported conflicts of interest on an ad hoc basis. Conflicts of interest arise from the many elected, appointed, and other volunteers that serve USAT on the Board, on Councils, and on National and Regional Committees, Commissions,

and Task Forces. The first meeting of the year provides orientation for new and ongoing volunteer members of these USAT groups. Typically conflict of interest disclosure forms are distributed, reviewed, signed and submitted to USAT unaccompanied by any material that details the proper and ethical behavioral standards expected of the volunteers. In addition, the process of acting on ethical misconduct and conflict of interest issues lacks a specific protocol for discussion and adjudication. Further, the conflict of interest policy specified in the USAT By-Laws lacks sufficient clarity to help Board members make proper decisions. The adoption of a Code of Ethics for governance volunteers, in addition to outlining with greater specificity expectations for ethical behavior, would also improve the clarity of conflict of interest provisions in the USAT By-laws. Finally the publication of a Code of Ethics and establishment of an independent Ethics Committee is an opportunity to send a strong message to all USAT constituencies regarding transparency and high ethical standards.

Financial Impact: None

Relevant and Affected Bylaws, Rules, and Procedures: Clarifies and adds specificity to USA Triathlon By-laws ARTICLE VIII. Revises the Ethics Policy Receipt and Conflict of Interest Disclosure Statement.

Whereas, the standards of ethical behavior mandated by USA Triathlon's bylaws would be enhanced by more specific procedures for timely and consistent investigation and adjudication,

And Whereas, The adopted USAT Strategic Plan calls for Improving Effectiveness of Governance by creating an Ethics Committee to review matters impacting the integrity of USAT.

Now therefore, be it resolved that the USAT Triathlon Board of Directors adopt the USAT Board of Directors and Volunteer Code of Ethics revision draft 18 of April 19, 2009,

And be it further resolved that as stated in the proposed Code of Ethics, that the USAT Board of Directors create a standing Ethics Committee with composition and duties outlined in the code.

Submitted by: Eric Averill

Eric Averill motioned, Brian Harrington seconded to adopt Code of Ethics.

Motion passed unanimously

USAT Board of Directors and Volunteer Code of Ethics

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Ethics Policy Receipt and Conflict of Interest Disclosure Statement

I. Introduction

As the national governing body of the sport of triathlon, USA Triathlon desires and is expected to conduct its business employing the highest ethical standards. This document is intended to clarify the principles and procedures for defining, preventing, disclosing and remediating violations of ethics. This includes, but is not limited to potential, real or perceived conflicts of interest by colleagues of USAT.

II. Purpose of the Code

Our Code of Conduct (the “Code”) provides a set of expectations, a set of rules, and general guidance, and applies to all USA Triathlon directors, officers, regional council members, committee members, volunteers, agents, and representatives of USA Triathlon member organizations when dealing with USA Triathlon (collectively “colleagues” or “USAT colleagues”). The Code’s aim is to help ensure that we all carry out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with athletes, member organizations and organizations to which we belong, third-party payers, subcontractors, independent contractors, vendors, consultants, governments, the public, and one another. The Code is a critical component of our overall Ethics and Compliance Program and is designed to ensure we meet our ethical standards and comply with applicable laws and regulations.

The Code is intended to be comprehensive and easily understood but it is not intended to be exhaustive or complete. In some instances, the Code deals fully with the subject covered. In many cases, however, the subject addressed has either so much complexity or some unique and unanticipated characteristics that additional guidance is needed. To obtain additional guidance, you may use the resources referenced throughout the Code or listed at the end. The standards set forth in the Code are mandatory and must be followed.

Our Code operates in tandem with the policies and procedures of our organization, our staff and with all applicable U.S. and foreign laws and regulations. Where differences exist because of local customs, norms, laws and regulations, we ask our colleagues to use the highest standard of behavior or the most restrictive requirement that applies.

III. Responsible Care

All USA Triathlon operations must be conducted in a manner that protects the health and safety of our colleagues and all people in the communities where they operate, and that follows all applicable rules and laws.

IV. Leadership Responsibilities

All USA Triathlon colleagues are obligated to follow this Code. However, all persons in the organization with leadership roles must exercise that responsibility in a manner that is kind, sensitive, thoughtful, and respectful. We expect each leader to create an environment where all team members feel free to raise any concerns and/or new ideas regarding USA Triathlon's Code of Ethics. We also expect that leaders will ensure those on their team have sufficient information to comply with laws, regulations, and policies, as well as the resources to resolve ethical issues. They must help to create a culture within the Federation that promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to share concerns with appropriate personnel when they arise. We must never sacrifice ethical and compliant behavior in the pursuit of other organizational objectives.

A. OPEN COMMUNICATIONS

Open and honest communication is one of the cornerstones of a productive business environment. At USA Triathlon we put a premium on communication that encourages new ideas and participation at all levels of the organization. Every USAT colleague is encouraged to contribute. We can all suggest changes and refinements to our business practices that could result in better work product, reduced costs or enhanced service to our constituents. Effective communication is a product of listening as well as talking. USAT colleagues are encouraged to listen first, and then ask questions, discuss options and make informed decisions that incorporate appropriate input from all applicable

organizational units. We must all work diligently to create an environment where asking questions and challenging the status quo is encouraged and rewarded.

B. LEGAL AND REGULATORY COMPLIANCE

USA Triathlon may provide varied services in many states. In all cases, these services must be provided within appropriate federal, state, and local laws and regulations. Such laws, regulations, and conditions of participation vary widely. We have developed policies and procedures to address many legal and regulatory requirements. However, it is impractical to develop policies and procedures that encompass the full body of applicable law and regulation. Obviously, those laws and regulations not covered in organization policies and procedures must be followed. Anyone aware of violations or suspected violations of laws or regulations, or organization policies and procedures must report them immediately to the Executive Director or President.

C. CONFLICT OF INTEREST

1. Purpose

The purpose of the conflict of interest policy is to protect USA Triathlon's interest when it is considering a transaction or arrangement that might benefit the private interest of a USAT colleague. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

2. Definitions

a. Interested Person: Any director, council member, member of a committee, or other colleague who has a direct or indirect financial interest, as defined below, is an interested person.

b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(1) An ownership or investment interest in any entity with which USA Triathlon has a transaction or arrangement,

(2) A compensation arrangement with USA Triathlon or with any entity or individual with which USA Triathlon has a transaction or arrangement, or

(3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which USA Triathlon is negotiating a transaction or arrangement.

Compensation includes direct and indirect payment as well as gifts or favors in excess of limitations established in Section F “Receiving Business Courtesies”.

A financial interest is not necessarily a conflict of interest.

c. Colleagues: All USA Triathlon directors, officers, regional council members, committee members, volunteers, agents, and representatives of USA Triathlon member organizations when dealing with USA Triathlon.

3. Procedures for Identifying and Addressing Conflicts of Interest

The following procedures shall be followed when a potential conflict of interest arises regarding any colleague.

a. Upon learning that USA Triathlon, any USA Triathlon Region, any USA Triathlon Committee, or any subordinate entity of USA Triathlon is proposing to enter or has entered into a contractual arrangement or agreement that may be a potential conflict of interest, any colleague shall promptly notify the Ethics Committee of the existence of the potential conflict, and the Executive Director shall disclose immediately the potential conflict to those vested with considering and making any decision on the arrangement or agreement. In addition, any Regional Council Chair shall disclose immediately the potential conflict to those vested with considering and making any decision on any arrangement or agreement that takes place with that Region's funds. Additionally, any chair of a USA Triathlon Committee authorized to enter into contractual arrangements shall disclose immediately the potential conflict to those vested with considering and making any decision on any arrangement or agreement that takes place with that committee's funds.

The colleague must disclose:

(1) The existence and nature of the colleague's potential conflict of interest and

(2) All facts known to him or her regarding the subject matter of the transaction or situation that an ordinarily prudent person would reasonably believe to

be material to a judgment about whether to continue with the transaction or how to deal with the situation.

b. The USA Triathlon Ethics Committee will examine the potential conflict of interest, whether it violates the By-laws of USA Triathlon (Article XVIII) and, depending on the nature of the conflict of interest, vote on either:

(1) To continue the transaction at issue or,

(2) To address the situation at issue: Colleagues subject to a conflict of interest determination shall be given the opportunity to present their interpretation of the facts, but shall not be permitted to be present or to participate in the deliberations or vote of the Board of Directors with respect to such conflict of interest. Recusal of the colleague shall require such colleague to physically remove themselves from a meeting, conference call, e-mail, listserv, or any other electric communications, or

(3) To refer the matter to the Board of Directors with or without an opinion of whether the transaction or situation rises to a conflict of interest.

c. Conflict of interest transactions or situations referred to the Board of Directors for determination shall be resolved by majority vote of the Board. A majority of all the members on the board remaining after any members are recused under paragraph B.2., above, constitutes a quorum for purposes of such a vote, and a majority of all the members present after any members are recused under paragraph B.2., above, constitutes a majority for purposes of such a vote.

d. Resolution of potential conflict of interest transactions or situations, whether by the Ethics Committee or the Board of Directors shall be accomplished by the evaluation of objective, bylaw mandated criteria:

(1) Participation in the evaluation or approval of any contractual arrangement involving USA Triathlon if such individual would financially benefit coming, not-becoming or remaining a party to the arrangement.

(2) If the ability to act in the best interests of USA Triathlon will be or reasonably may be affected by such individual's own financial, business, property, or personal interest

(3) Violation of applicable law

e. When a conflict exists, resolution of the matter may include:

(1) Approving or disapproving any transaction or situation at issue, or

(2) Requiring the colleague to remove himself or herself from positions in which the conflict of interest exists until there is no longer a conflict; or

(3) Requiring the colleague to discontinue, reduce, or modify his or her participation in the board, committees, or task forces where the conflict exists.

f. Evaluations of potential conflicts of interest involving members of the Board of Directors shall be decided upon by majority vote of the Board of Directors remaining after recusal of the interested person(s). Evaluations of potential conflicts of interest involving other colleagues of USA Triathlon shall generally be conducted by the Ethics Committee, with the option to refer to the Board stated in b.(3), above.

g. In addition to the procedures described above, colleagues have an obligation to address any perceived conflict of interest of other colleagues if they are aware of such conflicts regarding matters pertaining to USA Triathlon.

4. Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest regarding an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision whether a conflict of interest actually existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken regarding the proceedings.

D. RELATIONSHIPS WITH VENDORS AND SUPPLIERS

At USA Triathlon, supplier and vendor relationships are managed in a fair, equitable and ethical manner consistent with our Code and all applicable laws and regulations and good business practices.

All USAT colleagues must respect the terms of supplier contracts and licensing agreements and maintain open, honest dialogue consistent with good business practices. USAT Colleagues must also safeguard all information received from a vendor or supplier, including pricing, technology and proprietary design information, and not disclose it to anyone outside of USA Triathlon without written permission from USAT's Executive Director.

E. USE OF ORGANIZATION RESOURCES

Organizational resources include such things as company time, materials, supplies, equipment, information, electronic mail and computer systems purchased by USAT. As a rule, the personal use of any USA Triathlon asset without prior approval is prohibited. The use of USA Triathlon resources for personal financial gain is strictly forbidden.

F. BUSINESS COURTESIES – GIFTS & ENTERTAINMENT

GENERAL

This section of the Code should not be considered in any way as an encouragement to make, solicit, or receive any type of entertainment or gift. This section of the Code applies to the giving and receiving of gifts by or to colleagues and their spouses and immediate family members.

This section of the Code, while generally complete, does not and is not intended to address every possible pattern of conduct. In cases where a colleague has a question or concern about application of this section of the Code to the giving or receiving of a gift, the colleague should discuss that concern or question with a Regional Council Representative, the Executive Director, or President.

RECEIVING BUSINESS COURTESIES

There will be times when a current or potential business associate may extend an invitation to attend a non-business, social event to further develop a business relationship. USAT colleagues may accept such invitations, provided: (1) the cost associated with such an event is reasonable and appropriate and not exceed \$250; and (2) such events are infrequent.

USAT colleagues may accept gift certificates within the limits set forth in this policy, but may not accept cash or financial instruments (e.g., checks, stocks). Under no circumstances may a USAT colleague solicit a gift.

EXTENDING BUSINESS COURTESIES

There may be times when a colleague wishes to extend to a current or potential business associate an invitation to attend a social event (e.g., reception, meal, sporting event, or theatrical event) to further or develop a business relationship. The purpose of the entertainment must never be to induce any favorable business action. During these events, topics of a business nature must be discussed and the host must be present. The cost associated with such an event must be reasonable and appropriate. As a rule, this means the cost will not exceed \$250.00 per person. Moreover, such business entertainment regarding any particular individual must be infrequent, which, as a rule, means not more than four times per year. All such business entertainment must comport with the code of conduct or code of ethics of the recipient's organization, and it must be covered by the appropriate USA Triathlon budget.

The organization will under no circumstances permit or authorize participation in any business entertainment that might be considered lavish.

G. USA TRIATHLON INFORMATION

BOOKS, RECORDS AND COMMUNICATIONS

Each USAT colleague is responsible for the integrity and accuracy of organization documents, communications and financial records. These records serve as a basis for managing our activities and are important in meeting our obligations to vendors, sponsors, government regulators, creditors, the Board, and our athletes.

All financial information must reflect actual transactions and conform to accounting principles generally accepted in the United States of America. USA Triathlon maintains a system of internal controls to assure appropriate authorization, recording and accountability of USA Triathlon's assets. When colleagues are asked to respond to requests by internal auditors, legal staff, independent accountants, the Board, and outside counsel, they must be complete and truthful. Colleagues must include all relevant information, even if the request does not specifically ask that that be done.

It is a violation of the Code to alter or falsify information on any record or document, to intentionally make a false or exaggerated claim to anyone, or to mislead anyone about what we do. Organization documents and records are retained according to the law, and our own record retention policies. No one may remove or destroy records before the specified date without first obtaining permission as outlined in USA Triathlon's records management policy.

INTELLECTUAL PROPERTY

USA Triathlon vigorously protects our own intellectual property rights as well as rights of others. Intellectual property rights include patents, copyrights, trademarks, and trade secrets. Property rights also include mailing lists, membership data and software programs created by us or other companies that are copyrighted, are trade secrets, or are otherwise restricted.

COMPUTER NETWORKS AND INFORMATION

Use of USA Triathlon information networks and resources is both a necessity and a privilege. USAT Colleagues with access to our networks are responsible for using the highest standards of organizational and social behavior in all of their usage and communications. Colleagues who use USA Triathlon's networks from remote locations (e.g., home or other non-USA Triathlon locations) are subject to the same standards of use as are colleagues who use USA Triathlon networks on USA Triathlon premises.

USA Triathlon computer networks are for legitimate USA Triathlon-related business purposes only. Limited personal use may be acceptable if such use is authorized by the President and does not interfere with the performance of the colleague's normal responsibilities. USA Triathlon reserves the right to periodically monitor, access and disclose the contents of USA Triathlon computer systems and networks and to block access to non-work-related Internet sites.

FINANCIAL REPORTING AND RECORDS

We have established and maintain a high standard of accuracy and completeness in documenting, maintaining, and reporting financial information. This information serves as a basis for managing our activities and is important in meeting our obligations to our colleagues and stakeholders. It is also necessary for compliance with tax and financial reporting requirements. All financial information must reflect actual transactions and conform to generally accepted accounting principles. All funds or assets must be properly recorded in the books and records of USA Triathlon. USA Triathlon maintains a system of internal controls to provide reasonable assurances that all transactions are executed according to appropriate authorization and are recorded in a proper manner to maintain accountability of the organization's assets. We diligently seek to comply with all applicable auditing, accounting and financial disclosure laws.

H. CONTACT WITH OUTSIDE ATTORNEYS

If an attorney contacts you for any reason regarding USA Triathlon, you should refer him or her to the Executive Director and/or Legal Counsel. You should never answer questions or supply documents to attorneys outside of USA Triathlon.

V. Adjudication

Any colleague that violates or condones the violation of the Code of Ethics is subject to disciplinary measures as required by the USAT Bylaws, which may include termination of membership and expulsion from governance, committees, councils, commissions or other positions.

VI. Whistleblower Policy

A "whistleblower" as defined by this policy is any USAT Colleague who reports an activity to one or more of the parties specified in this policy that he/she considers to be illegal, dishonest, unethical or in conflict with the interests of USA Triathlon.

Examples of illegal or dishonest activities are:

- Violations of federal, state or local laws,
- Billing for services not preformed or for goods not delivered,
- Other fraudulent financial reporting or,
- Undisclosed ethical or conflict of interest activity.

If a colleague has knowledge of or a concern regarding such activity, he or she should contact the Executive Director or the President who are responsible for investigation and coordinating adjudication. The colleague must exercise sound judgment to avoid baseless allegation. A colleague who intentionally files a false report of wrongdoing will be subject to sanctions up to and including termination.

"Whistleblower" protections provide confidentiality and prevent retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense, disclosure of identity may be required. USA Triathlon will not retaliate against a whistleblower. This policy includes, but is not limited to, protection from retaliation in the form of any adverse action. Any "whistleblower" who believes he or she is being retaliated against must contact the Executive Director or the USAT Board President immediately. The right of the "whistleblower" to protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

USAT colleagues with any questions regarding this policy should contact the Executive Director or President of USAT.

VII. USA Triathlon Ethics Committee

The Ethics Committee of USA Triathlon shall be composed of the Executive Director/CEO, the President of the Board of Directors, at least one other board

member, one independent member with expertise in the field of ethics, and any others as determined by the Board of Directors. The Ethics Committee shall:

- A. Review reported potential violations of the Code of Ethics and, if appropriate, recommend actions to the Board.
- B. Resolve conflict of interest issues for colleagues other than members of the Board of Directors, or prepare recommendations for Board resolution of such conflict issues.
- C. Prepare recommendations to the Board of Directors for resolution of conflicts of interest issues involving members of the Board.
- D. Review conflict of interest statements of candidates for elected or appointed USA Triathlon colleague positions, and prepare recommendations for Board of Director action to remove any candidate for consideration whose ability to act in the best interests of USA Triathlon will be or reasonably may be affected by such candidate's own financial, business, property, or personal interest.

VIII. USAT Bylaws Article XVIII – Conflict of Interest

Section 1. Except as permitted by and in compliance with one or more provisions of California Nonprofit Corporation Law including one or more of Sections 5233 through 5236, no member of the Board of Directors, officer, or member of any committee of USA Triathlon, and no employee, consultant, agent or representative of USA Triathlon shall participate in the evaluation or approval of any contractual arrangement involving USA Triathlon if such individual would financially benefit, directly or indirectly, from USA Triathlon becoming or remaining a party to the arrangement. No member of the Board of Directors, officer or member of any committee of USA Triathlon, employee, consultant, agent or representative of USA Triathlon, shall be elected to or appointed to any office or position representing USA Triathlon if the Board of Directors determines that such individual's ability to act in the best interests of USA Triathlon will be or reasonably may be affected by such individual's own financial, business, property, or personal interest. No member shall enter into an agreement with USA Triathlon which would violate applicable law.

Section 2. Upon learning that USA Triathlon is proposing to enter or has entered into a contractual arrangement or agreement which is referred to in Section 1, and is not in compliance with one or more provisions of the California Nonprofit Corporation Law including one or more of Sections 5233 through 5236, each individual named in Section 1 shall promptly notify the President and the Executive Director in writing of the existence of the potential conflict, and the Executive Director shall disclose immediately the potential conflict to those vested with considering and making any decision on the arrangement or agreement which is referred to in Section 1. In the

event of an election or appointment which the Board of Directors determines violates the terms of Section 1, and is not in compliance with one or more provisions of the California Nonprofit Corporation Law including one or more of Sections 5233 through 5236, the individual shall resign from or decline the office or appointment. Nothing herein shall, however, permit removal of a Director from the office of Director except by those persons so authorized as elsewhere in these Bylaws.

Section 3. In the event this Article is violated, USA Triathlon shall have the right to recover from the individual in question his/her direct or indirect financial benefit and to void the arrangement.

Section 4. Each year at the first regular meeting of the Board of Directors after each election of directors, each director shall file with USA Triathlon office a disclosure of all activities in which such director or the director's spouse or children held a direct or indirect financial interest, or from which they received compensation during the preceding twelve (12) months, that were directly or indirectly involved with the sports of triathlon or its component sports, or were doing business with USA Triathlon. Such list shall be made available to the public upon request.

Ethics Policy Receipt and Conflict of Interest Disclosure Statement

I acknowledge receipt and understanding of USA Triathlon's Code of Ethics, and I pledge compliance with the spirit and the letter of the requirements contained therein.

To the best of my knowledge or belief, I have no actual or potential conflicts of interests, except as stated below. (List any current or potential contractual arrangement involving USA Triathlon from which you would financially benefit, directly or indirectly, from USA Triathlon becoming, not-becoming or remaining a party to the arrangement. In addition, list any financial, business, property or personal interest that will or reasonably may affect your ability to act in the best interests of USA Triathlon. Attach additional pages if necessary)

In addition to the above listed actual or potential conflicts of interest, members of the Board of Directors and candidates for election to the Board of Directors must list all activities in which they or their spouse or children held a direct or indirect financial interest, or from which they received compensation during the preceding twelve (12)

months, that were directly or indirectly involved with the sports of triathlon or its component sports. Attach additional pages if necessary:

Print Name

Signature _____ Date _____

National USAT Board members and national volunteers, return to:

Sharon Carns
USA Triathlon
1365 Garden of the Gods Rd. Suite 250
Colorado Springs, CO 80907
719/597-2121 Fax
719/597-9090 Phone, ext. 100
sharon@usatriathlon.org

Regional USAT Council members and regional volunteers, return to:

Regional Coordinator

The Board discussed reporting protocol regarding whistleblower policy.

Rob Kasper asked the Board to sign form and return to USAT.

Action item: Victor Plata will create a chain of command and email to Rob.

Ethics Committee

Rob Kasper recommended Eric Parthen with the USOC be on this committee, and Bob Wendling nominated Eric Averill.

Bob Wendling motioned, Victor Plata seconded to populate the Ethics Committee with Eric Parthen and Eric Averill.

Action item: Eric Averill will contact Eric Parthen to verify interest in serving on the Ethics Committee.

Motion passed unanimously

Age Group Committee

Celeste Callahan motioned, Eric Averill seconded to approve Jim Donaldson as Board Liaison to the Age Group Committee, replacing Jeff Matlow.

Nominating Committee

Vince O'Brien agreed to chair the Nominating Committee for the remainder of 2009, replacing Celeste Callahan who is running for re-election.

Motion passed unanimously

Committee Reports

The Board reviewed the following annual committee reports: AGC, AAC, Audit & Finance, Collegiate, Duathlon, Hall of Fame, Hearing & Appeals, IT, Marketing Advisory, NCC, ParaTriathlon, Regional Council, Strategic Planning and Women's. Committee reports attached to the original of these minutes.

During committee reports Rob Kasper tasked Victor Plata, Dave Kuendig, Kelly Cook, Mike Greer, Jim Donaldson, and the RDC to review prize money limits for professional and age group athletes, and formulate a recommendation for Board approval on the July Board teleconference. .

Action item: Victor Plata will update the BOD on the prize money limit discussion as a part of the elite athlete structure discussion on the next BOD conference call 6-15-2009.

Action item: Skip Gilbert will consider publishing the standard for coaching certification background checks.

Adjournment: The meeting adjourned at 11:30 am