

**BRAND USA**  
**OPEN TO THE PUBLIC**  
**MEETING**  
**OF THE BOARD OF DIRECTORS**

August 15, 2013

A public meeting of the Board of Directors (the "**Board**") of The Corporation for Travel Promotion d/b/a Brand USA (the "**Corporation**" or "**Brand USA**") was held today via teleconference and open to the public commencing at 10:00 a.m. EDT. The following members of the Board participated in the meeting:

Caroline Beteta, Chair  
David Lim, Vice Chair  
Daniel Halpern, Vice Chair  
Randy Garfield  
Mark Schwab  
George Fertitta

Tom Klein, Diane Shober, Arne Sorenson, Roy Yamaguchi and Lynda Zengerle were not in attendance. Attending from Brand USA were Chris Thompson, Don Richardson, Anne Madison, Carroll Rheem, Mary Ellen Curto, Amir Eylon and Jay Fridkis. Also in attendance was Kelly Argy of BDO, Robyn Mandel, Esq. of the law firm of Katten Muchin Rosenman LLP and George Schutzer, Esq. of Patton Boggs LLP. Ms. Mandel served as recording secretary. There being a quorum present, Chair Beteta called the meeting to order.

**CHAIRMAN'S INTRODUCTION**

Chair Beteta welcomed the members of the general public who were listening to this meeting and apologized for the technical difficulties that Brand USA experienced on July 31, 2013, causing the rescheduling of this meeting to today.

***Minutes***

Chair Beteta asked the Board to approve the minutes of the Board meeting held on April 17, 2013, which were circulated to the members of the Board prior to this call. With no comments, there was a motion and a second, and the Board unanimously approved the April 17, 2013 Board meeting minutes.

***New Management Introductions***

Chair Beteta Since welcomed three new members of senior management to the organization since the last board meeting on April 17, 2013.

- Chief Financial Officer Don Richardson
- Chief Marketing Officer Yvonne LaPenotiere
- Vice President of Research and Analytics Carroll Rheem

Chair Beteta noted that they each bring strong experience to Brand USA, and she is pleased to have them on the team.

### **POLICY UPDATES**

Chair Beteta explained that as part of its due diligence, the management of Brand USA has been working to refine policies and is seeking approval from the Board on updates to three policies – Travel and Entertainment Expense Policy, Whistleblower Policy and its Procurement Manual, which is part of its Contract and Procurement Policy. The Board will vote on each of the following resolutions relating to these policies after each is read.

#### ***Restatement of Travel and Entertainment Expense Policy***

WHEREAS, the Board of Directors desires to amend the Corporation’s Travel and Entertainment Expense Policy; and

WHEREAS, the Finance Committee has reviewed the proposed amendments to the policy and has recommended that the amendments be presented to the Board of Directors for adoption; and

WHEREAS, the Board of Directors desires to adopt the proposed amendments to the Travel and Entertainment Expense Policy; and

WHEREAS, the amendments have been incorporated in a restated policy;

NOW, THEREFORE, BE IT RESOLVED that the restated Travel and Entertainment Expense Policy as presented to the Board of Directors be, and hereby is, adopted as a policy of the corporation; and

BE IT FURTHER RESOLVED that the Secretary be, and hereby is, instructed to insert a copy of the restated policy in the corporate record book of the Corporation.

Chair Beteta asked for comments and one Director asked for clarification regarding which version of the policy was being adopted. This was satisfactorily addressed and Chair Beteta noted that these policies are living documents, and as such, Board and management will continue to make appropriate adjustments during their implementation.

After motion and second, the Board unanimously approved the above recited resolutions approving the Restated Travel and Entertainment Expense Policy.

***Whistleblower Policy***

WHEREAS, the Board of Directors desires to establish a revised whistleblower policy for the Corporation; and

WHEREAS, counsel has drafted a whistleblower policy which was presented to the Audit Committee for review and discussion; and

WHEREAS, the Finance Committee and Audit Committees have reviewed the draft policy and the Finance Committee has recommended the policy be presented to the Board of Directors for adoption; and

WHEREAS, the Board of Directors desires to adopt the whistleblower policy as presented by the Finance Committee;

NOW, THEREFORE, BE IT RESOLVED that the whistleblower policy as presented to the Board of Directors be, and hereby is, adopted as a policy of the Corporation; and

BE IT FURTHER RESOLVED that the Secretary be, and hereby is, instructed to insert a copy of the policy in the corporate record book of the Corporation.

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions approving the Whistleblower Policy.

***Procurement Policy***

WHEREAS, the Board of Directors desires to establish a revised procurement policy for the Corporation; and

WHEREAS, counsel has worked with staff to develop a procurement policy for review and discussion by the Finance and Audit Committees; and

WHEREAS, the Finance Committee and Audit Committees have reviewed the draft policy and the Finance Committee has recommended the policy be presented to the Board of Directors for adoption; and

WHEREAS, the Board of Directors desires to adopt the procurement policy as presented by the Finance Committee;

NOW, THEREFORE, BE IT RESOLVED that the procurement policy as presented to the Board of Directors be, and hereby is, adopted as a policy of the Corporation; and

BE IT FURTHER RESOLVED that the Secretary be, and hereby is, instructed to insert a copy of the policy in the corporate record book of the Corporation.

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions approving the Procurement Policy.

**INVESTMENT MANAGEMENT SERVICES FIRM**

Chair Beteta described the next item on the agenda as the organization’s selection of an Investment Management Services provider, for which Brand USA issued a Request for Proposals, or RFP, on May 6. In accordance with its procurement policies, the RFP was also posted on the Brand USA website.

Following this process, management made a recommendation to the Board to engage the services of a particular firm. Specifically, Brand USA seeks to utilize the Investment Management Services of JPMorgan.

WHEREAS, the Corporation issued a Request for Proposals (“RFP”) for provision of Investment Management Services to the Corporation on May 6, 2013; and

WHEREAS, the staff of the Corporation has reviewed the responses to the RFP and, based on the criteria set forth in the RFP, recommended that the Corporation accept the proposal of JP Morgan, dated May 30, 2013 (the “Proposal”); and

WHEREAS, the Board of Directors concurs with the recommendation of the staff of the Corporation;

NOW, THEREFORE, BE IT RESOLVED that officers of the Corporation be, and they hereby are, authorized to enter into a contract with JP Morgan for Investment Management Services that reflects the terms of the RFP and the Proposal.

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions approving the selection of JPMorgan as the Investment Management Services Provider.

**CONFLICT OF INTEREST**

Chair Beteta moved to the next item on the agenda, which is a vote regarding how the organization reviews and processes potential conflicts of interest.

To deal with potential conflicts of interest that may arise in situations in which a corporation or organization that employs a Director enters into a transaction or arrangement with Brand USA, the following resolutions would delegate review and approval of any such potential conflicts of interest to the Nominating and Governance Committee (which is a currently existing committee).

For board consideration and vote on this topic, Chair Beteta asked outside counsel, George Schutzer of Patton Boggs, to read the proposed resolution to the board:

WHEREAS, the Board of Directors expects that from time to time the Corporation will contemplate entering into transactions or arrangements with companies or organizations that employ directors of the Corporation; and

WHEREAS, in such case, the director would be treated as having a “financial interest” in the transaction or arrangement under the Corporation’s Conflict of Interest Policy; and

WHEREAS, the Board of Directors desires to address such potential conflicts of interest properly and promptly to produce outcomes that are in the best interests of the Corporation;

NOW, THEREFORE, BE IT RESOLVED that a Governance and Nominating Committee be, and hereby is, temporarily delegated responsibility for determining whether proposed transactions and arrangements with companies or organizations that employ directors of the Corporation result in “conflicts of interest” under Article III, Section 3 of the Corporation’s Conflict of Interest Policy and, if a conflict of interest exists, to investigate and address the conflict of interest in accordance with Article III, Section 4 of the Policy; and

BE IT FURTHER RESOLVED that to ensure that the decisions of the Governance and Nominating Committee are made by directors who are not employed by companies or organizations that may “partner” with the Corporation, David Lim or Roy Yamaguchi shall serve as members of the Committee (in lieu of Tom Klein) for purposes of addressing the conflict of interest issues; and

BE IT FURTHER RESOLVED that Board counsel be, and hereby is, instructed to develop and to present to the Board of Directors draft procedures or policies for addressing in a uniform way potential conflicts of interest relating to transactions with companies and organizations that employ directors of the Corporation.

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions approving the delegation of conflict of interest review to the Nominating and Governance Committee.

## **BUSINESS UPDATES**

Chair Beteta asked Brand USA President and CEO Chris Thompson to provide an update on the activities of Brand USA since the last Board meeting on April 17. Chair Beteta noted that the Brand USA staff has been working hard to implement programs, including IPW, which was the most successful and best engagement of IPW to date. Chair Beteta credits the IPW success to the resources that Brand USA put into it, noting that the robust incremental effects of Brand USA are visible.

### ***Partnership Updates***

CEO Thompson provided an updated on Brand USA partnerships and noted that in FY12, 300 companies had contributed to Brand USA. He is happy to report that the majority of those have repeated contributions this FY13, in many case at higher amounts. Since Brand USA needs to bring in \$100 million (instead of the \$50 million needed in the prior fiscal year), Brand USA appreciates its partners stepping up. At the final tally, they hope they will bring in enough funds to draw down the \$100 million from ESTA funds. CEO Thompson thanked those that have contributed and encouraged those that have not done so, to come forward with contributions.

### ***IPW Report***

CEO Thompson echoed the Chair's comments that at IPW, there was energy like none he had ever seen. The Brand USA booth was the busiest he had ever seen and there was record attendance at the conference. A lot of partners or potential partners came by the Brand USA booth and engaged and the lunch hosted by Brand USA on Monday was well received.

### ***Consumer Marketing Campaign Update***

Brand USA went back to its initial markets of Canada, UK and Japan, as well as adding Brazil and Mexico and plans to engage in new markets in the near future. CEO Thompson looks forward to reinforcing old markets and taking advantage of new markets.

### ***Global Partnership Update / Partnership Marketing***

Brand USA has expanded its footprint around the globe; initially in UK and Ireland, Japan, and South Korea, and now having expanded into China, Taiwan, Hong Kong, Australia, New Zealand and India, and soon to be in Latin America, Central America, South America and Canada. Once in all of those markets, Brand USA will reach those countries that represent 90% of travelers to the U.S. CEO Thompson is especially excited to be in emerging markets that have potential.

Brand USA's partnership services have been highlighted by an inspiration guide that be published this year. The team has also expanded media planning and buying, expanded in-country programs with regard to media as it relates to all channels (print, digital, media, television and out of home). Each type of marketing is geared specifically to the particular country and cultures there. They are also looking to expand in country marketing through trade shows. Brand USA will be present at 29 trade shows next year, which is up from 25. They are also focusing on ways to deploy programs with individual partners who are in markets abroad. With respect to emerging markets, Brand USA is paving the way for partners to market in those regions.

One program that CEO Thompson is particularly excited about is the launch of a new online travel agent training program for the UK. The USA Discovery Program is an online interactive program, where agents can become designated as experts in certain U.S travel arenas, such as regions or lifestyles. Thomas Cook has committed to train travel agents through this program.

#### ***FY14 Business Planning Update***

The Brand USA management team has been planning for FY14, which begins October 1. They have taken best practices and lessons learned, and are using innovative ways to add value. At the beginning of October, Brand USA will host a webinar with industry members to walk through the FY14 plan, which includes greatly expanding advisory committees in a meaningful way. Brand USA will continue to try to represent all states, DC and territories of the U.S. and CEO Thompson wants the industry to sit side by side with Brand USA as they review the landscape of the world. They also plan bring everyone in the industry together in January to start discussions for marketing plans for FY15 and release that plan at IPW in Chicago next year.

In conclusion, CEO Thompson thanked the Board for their help. His tenure as CEO is almost 11 months, and he is as excited as he has ever been. He appreciates all the work that was done before he got to Brand USA and all of the work that continues from his colleagues, industry members and the Board.

Chair Beteta thanked CEO Thompson and the management team for the work that they are doing to bring more international travelers to the United States. She also encouraged everyone to go to the Brand USA website to learn about other programs because this was just a sampling of the things that are coming up.

The organization's fiscal year ends on September 30, 2013, and Chair Beteta acknowledged that CEO Thompson and his team are working diligently to bring the year to a successful close on behalf of the United States' travel and tourism marketing effort and on behalf of Brand USA's partners.

**FY14 PLAN TO COMMERCE**

Chair Beteta then explained that the Objectives, Budget and Marketing Plan was due to Commerce on August 1 and was submitted to Commerce on that date following review by the Board of Directors. The Board intended to approve the submission prior to that date but due to the technical difficulties and rescheduling of the public Board meeting to today, the Board will consider the following resolutions to ratify the submission of those documents.

***Objectives, Budget and Marketing Plan***

WHEREAS, the Board of Directors is required to and desires to adopt a budget for the Corporation for the fiscal year ending September 30, 2014, a marketing plan for the Corporation for the fiscal year and objectives for the fiscal year; and

WHEREAS, the Corporation was required to submit the foregoing documents to the Department of Commerce by August 1, 2013; and

WHEREAS, the staff of the Corporation has developed a budget, marketing plan and objectives for fiscal year 2014 in consultation with Committees of the Board; and

WHEREAS, the Finance Committee has reviewed proposed fiscal year 2014 budgets and has presented to the Board of Directors a fiscal year 2014 budget for adoption; and

WHEREAS, the Marketing Committee has reviewed a proposed marketing plan and recommended it for adoption; and

WHEREAS, the Marketing Committee has reviewed proposed objectives and recommended them for approval for submission to the Department of Commerce; and

WHEREAS, the Board of Directors has in closed session reviewed confidential information underlying the proposed budget, marketing plan and objectives and made changes as the result of such review; and

WHEREAS, the budget, marketing plan and objectives, as so developed, were to have been presented to the Board of Directors for adoption at the public meeting scheduled for July 31, 2013; and

WHEREAS, the public meeting was postponed at the last minute because of technical difficulties; and



WHEREAS, in reliance on the actions of the Board of Directors in the closed meeting and with the consent of the Chair of the Board of Directors, the officers forwarded the fiscal year 2014 budget, marketing plan and objectives to the Department of Commerce; and

WHEREAS, copies of the budget, marketing plan, and objectives as submitted to the Department of Commerce have been provided to the directors; and

WHEREAS, the Board of Directors desires to ratify the fiscal year 2014 budget, marketing plan and objectives sent to the Department of Commerce;

NOW, THEREFORE, BE IT RESOLVED that the actions of the officers in submitting the FY 2014 budget, marketing plan and objectives to the Department of Commerce be, and hereby are, ratified.

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions approving the submission to the Department of Commerce of the FY14 Objectives, Budget and Marketing Plan.

**ELECTION OF FY14 OFFICERS/COMMITTEES**

Also in preparation for the start of FY2014, the Governance and Nominating Committee has made recommendations to fill the Chair positions and Committee memberships for the coming year. Chair Beteta expressed her excitement to enter into this resolution to transition Board leadership. She thanked the executive management team led by CEO Thompson and noted her appreciation for the staff who came to DC to work for this organization. Incredible work has been done and Brand USA has gained real traction in the industry as the organization that represents America. Chair Beteta also recognized and thanked her fellow Board members. She has been amazed by unanimity of focus and care of staff to bring this organization to a fully functioning company. Last, she noted that with the new leadership stepping up – “the best is yet to come.”

Chair Beteta then read the following resolutions for Board vote:

***Election of Chair and Vice Chairs of the Board***

WHEREAS, the Bylaws require that the Board of Directors elect a Chair for a term of one year and one or two Vice Chairs for a term of one year; and

WHEREAS, the terms of the current Chairs and Vice Chairs expire on September 30, 2013; and

WHEREAS, the Board of Directors desires to elect a Chair and Vice Chairs for fiscal year 2014 and the Governance and Nominating Committee has made nominations for such positions;

NOW, THEREFORE, BE IT RESOLVED that Daniel Halpern be, and hereby, is elected to serve as Chair for a term beginning October 1, 2013, and ending September 30, 2014; and

BE IT FURTHER RESOLVED, that David Lim and Tom Klein be, and hereby, are elected to serve as Vice Chairs for a terms beginning October 1, 2013, and ending September 30, 2014.

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions to approve the Chair and Vice-Chairs. Chair Beteta congratulated the appointees.

***Election of Officers (Treasurer and Secretary)***

Regarding the election of Officers, Chair Beteta read the following resolutions for Board vote:

WHEREAS, in connection with electing the Chair, Vice-Chairs and Committee Members for FY 2014, the Board of Directors desires to appoint a Secretary and Treasurer for a term beginning October 1, 2013, and ending September 30, 2014;

NOW, THEREFORE, BE IT RESOLVED that the following individuals be, and hereby are, appointed to the following offices for a term ending at the earliest of (i) the day the director ceases to be a director of the Corporation, (ii) the effective date of the director's resignation from the office held, and (iii) the later September 30, 2014, and the date his or successor has been appointed and qualified for office; provided, however, that if prior to October 1, 2013, the Secretary of Commerce appoints a successor to a director whose term expires on September 30, 2013, the director shall not serve as an officer in FY 2014:

Secretary: Lynda Zengerle

Treasurer: Arne Sorenson

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions electing the Officers of the Corporation.

***Appointment of Committee Members***

Next, regarding the appointment of committee members, Chair Beteta read the following resolutions for Board vote:

WHEREAS, the Board of Directors has responsibility under the Bylaws, the District of Columbia Nonprofit Corporation Act, and/or the charters of the standing committees of the Board of Directors to elect members of the committees; and

WHEREAS, the charters of the Finance and Marketing committees call for the Governance and Nominating Committee to make nominations for membership of those committees and directors may nominate themselves for membership on the Governance and Nominating Committee; and

WHEREAS, the Governance and Nominating Committee has submitted to the Board of Directors nominations for membership of Committees and the Board of Directors has considered self-nominations for service on the Governance and Nominating Committee; and

WHEREAS, the Board of Directors desires to appoint directors to serve on committees for Fiscal Year 2014:

NOW, THEREFORE, BE IT RESOLVED, that the following directors be, and hereby are, elected to serve on the following committees for a term beginning on October 1, 2013, and ending in each case on the earliest of (i) the day the director ceases to be a director of the Corporation, (ii) the effective date of the director’s resignation from the committee, and (iii) September 30, 2014; provided, however, that if prior to October 1, 2013, the Secretary of Commerce appoints a successor to a director whose term expires on September 30, 2013, the director shall not serve on a committee in FY 2014:

<b>Committee</b>	<b>Members</b>
<b>Finance</b>	Arne Sorenson Daniel Halpern David Lim Tom Klein Lynda Zengerle
<b>Audit</b>	Roy Yamaguchi Randy Garfield Lynda Zengerle Mark Schwab
<b>Governance and Nominating</b>	Tom Klein Caroline Beteta Diane Shober

	Lynda Zengerle
<b>Marketing</b>	David Lim Caroline Beteta George Fertitta Diane Shober Randy Garfield

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions approving the appointment of Directors to Board committees.

***Appointment of Committee Chairs***

Finally, regarding the appointment of committee chairs, Chair Beteta read the following resolutions for Board vote:

WHEREAS, the charters of the Finance, Marketing and Audit Committees authorize the Chair to appoint the chairs of those Committees; and

WHEREAS, the charter of the Governance and Nominating Committee states unless the Board of Directors has determined otherwise by resolution, the Chair shall appoint one of the Vice Chairs to serve as chair of the Governance and Nominating Committee; and

WHEREAS, the Chair-elect has designated the directors that he intends to appoint as chairs of the committees; and

WHEREAS, the Chair-elect desires input from the Board of Directors on his proposed appointments;

NOW, THEREFORE, BE IT RESOLVED that Board of Directors hereby endorses and ratifies the following appointments:

Arne Sorenson as chair of the Finance Committee,

David Lim as chair of the Marketing Committee,

Roy Yamaguchi as chair of the Audit Committee, and

Tom Klein as chair of the Governance and Nominating Committee.

Chair Beteta asked for comments and since there were none, after motion and second, the Board unanimously approved the above recited resolutions approving the selection of Committee Chairs.

**PUBLIC QUESTIONS**

Chair Beteta opened up the meeting to the public for any questions. There were none.

**CLOSING REMARKS FROM THE CHAIR**

Chair Beteta thanked her colleagues on the Board, the Brand USA team and the industry for their support of Brand USA. She looks forward to continuing to work with Brand USA and the industry and is excited for all of the upcoming events and expanding Brand USA's global footprint even further.

**ADJOURN**

Before adjourning the meeting, Mark Schwab, on behalf of the Board, thanked Chair Beteta publicly for all of the work that she did, especially stepping up to the CEO role when it was needed. Other Board members concurred and Chair Beteta thanked them, noting that this has been an incredible experience. There being no further business before the Board, the Chairman adjourned the meeting at 11:00 a.m. EDT. The next meeting will take place on November 19, 2013.

The foregoing minutes approved by the Board of Directors on November 19, 2013.

Signature on file

Lynda Zengerle, Secretary