

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
June 13, 2011

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated June 2, 2011, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc. convened at 8:00 a.m., local time, on June 13, 2011 at the Hotel 1000, 1000 1st Avenue, Seattle, WA 98104. Mr. Alford presided as Chair and Mr. Houfek kept the minutes of the meeting, except during the executive sessions, when Mr. Barry kept the minutes.

Trustees present:

Larry Alford
Edward W. Barry
Maggie Farrell
Tony Ferguson
Kathleen Imhoff
Jay Jordan
David Lauer (via conference telephone)
Bernadette Gray-Little
James Neal
Bruce Newell
Elisabeth Niggemann
John Patrick
David Roselle
Brian Schottlaender
Betsy Wilson
Sandra Yee

Trustees Absent:

None

Also, present for all or portions of the meeting:

Bruce Crocco, Vice President, Library Services for the Americas
James T. Houfek, Vice President, General Counsel and Secretary
Rick J. Schwieterman, Executive Vice President, Chief Financial Officer
Tammi N. Spayde, Vice President, Human Resources
Greg Zick, Vice President, Global Engineering

Mr. Alford began the meeting by inquiring whether there were any changes to the minutes of the last meeting, or to the meeting agenda. There being none as to the minutes, the minutes of the Board of Trustees meeting of April 11, 2011 were moved, seconded, and unanimously approved. Mr. Alford then inquired as to any changes, objections to, removals from or discussion of the proposed consent agenda. The agenda was altered to move the Finance and

Investment Committee report to be presented following Mr. Crocco's presentation. The consent agenda was then approved.

Mr. Crocco then delivered an updated report on the current status of the WMS service.

Following some general discussion on the above report, the Chair then called for the report of the Finance Committee. Mr. Patrick reported that the Committee met with all members present and had: (i) reviewed the current financial position of the Company, including a review of the Corporate Operating Plan for FY 2012 with Mr. Schwieterman, (ii) reviewed the WMS financial projections with Mr. Crocco and Mr. Zick, and (iii) reviewed, discussed and approved the following three resolutions, which are now presented to the full Board for their approval:

RESOLUTION

WHEREAS, OCLC wishes to enter into a business relationship with PNC Bank under terms and conditions described and reviewed by the Board Finance Committee, and,

WHEREAS PNC Bank requires OCLC to approve certain resolutions in order to commence and maintain said relationship,

NOW THEREFORE, be it hereby

Resolved:

Loans and Extensions of Credit. Resolved that any two (2) officers of the Corporation holding the titles set forth below, as verified by an incumbency certificate executed by a Secretary or Assistant Secretary of the Corporation:

Name Title	Actual Signature
<u>Robert L. Jordan, President & CEO</u>	
<u>Rick J. Schwieterman, Executive Vice President & CFO</u>	
<u>James T. Houfek, Secretary & General Counsel</u>	

are hereby authorized, at any time and from time to time: (A) to obtain financial services and products of any kind from the Bank or from any other direct or indirect subsidiary of The PNC Financial Services Group, Inc. (collectively, “PNC”), including but not limited to loans and other products involving the extension of credit; equipment leases; letters of credit; investment sweep products (whether or not related to a credit product); other treasury management services and products; and capital markets services and products, including but not limited to (x) interest or currency swaps, futures, options, collars, caps, floors, forward rate or other interest rate protection or similar arrangements or any foreign currency transaction or similar transaction providing for the purchase of one currency in exchange for the sale of another currency, (y) equity, credit, or other derivative products, and (z) asset securitizations and other receivables financing transactions; (B) to sell to or discount with PNC any personal property (tangible or intangible), at any time held by the Corporation and for such purpose to endorse, assign, transfer and deliver the same to PNC or its agent or designee; (C) to guarantee the payment and performance of the indebtedness and obligations of other persons or entities to PNC; (D) to create or cause the creation of any trusts or other special purpose entities required to be established in connection with any product or service obtained from PNC; (E) to pledge, assign, transfer, mortgage, grant a security interest in or lien on any real or personal property (tangible or intangible) of the Corporation to or in favor of PNC as collateral security for the payment and performance of all loans, advances, debts, liabilities, obligations, covenants and duties of the Corporation or of any other persons or entities to PNC (whether or not in connection with a guaranty of such other person’s or entity’s obligations to PNC); (F) to execute, accept, authorize agreement to and/or deliver to or in favor of PNC such agreements, documents and instruments, required or requested by PNC in connection with any of the foregoing products, services or actions, including but not limited to loan agreements, promissory notes or other evidence of indebtedness, guaranties, equipment leases, letter of credit reimbursement agreements, treasury management service agreements, interest rate or currency protection agreements, equity, credit and other derivative documents (on International Swap Dealers Association forms or otherwise), asset securitization and other receivables financing agreements, trust agreements or other indentures, collateral security documents (including but not limited to security agreements, financing statements, pledge agreements, assignments, mortgages or deeds of trust), and any supporting documents required by the terms of any of the foregoing agreements, documents or instruments; all in such form as may be requested by PNC and any of which may contain a warrant of attorney authorizing PNC to confess judgment against the Corporation for all sums due or to become due by the Corporation to PNC and/or a provision waiving the right to trial by jury; (G) to execute and deliver to or in favor of PNC any amendments, modifications, renewals or supplements of or to any of the foregoing agreements, documents or instruments; and (H) to take any other action requested, required or deemed advisable by PNC in order to effectuate the foregoing resolution, all such other actions being hereby approved, ratified and confirmed.

_____ If the preceding box is checked, the Corporation adopts these Resolutions for the sole purpose of authorizing the persons named above to take the actions described above on behalf of the Corporation in its capacity as a corporate general partner of _____, a _____ partnership organized under the laws of the State of _____.

_____ If the preceding box is checked, the Corporation adopts these Resolutions for the sole purpose of authorizing the persons named above to take the actions described above on behalf of the Corporation in its capacity as a Member of _____, a limited liability company organized under the laws of the State of _____.

Revolving Credits. Resolved, that in connection with any extensions of credit obtained by any of the persons authorized in Section 5.1 above, that permit the Corporation to effect multiple advances or draws under such credit, any of the persons listed in Section 5.1 (or any

other person designated in writing by any of the persons listed in Section 5.1) shall be authorized to request such advances or draws.

Ratification. Resolved, that all past acts of officers of the Corporation in borrowing or obtaining credit from the Bank and in executing documents or otherwise entering into agreements and giving security on behalf of the Corporation are hereby ratified and confirmed.

Telephonic and Other Requests. Resolved, that the Bank is authorized to take any action authorized hereunder based upon: (i) the telephonic or electronic request of any person purporting to be a person authorized to act hereunder, (ii) the signature of any person authorized to act hereunder that is delivered to the Bank personally or by facsimile transmission, or (iii) the telex originated by any of such persons, tested in accordance with such testing procedures as may be established between the Corporation and the Bank from time to time.

General. Resolved, that a certified copy of these Resolutions be delivered to the Bank and that they and the authority vested in the persons specified herein will remain in full force and effect until a certified copy of a resolution of the Corporation revoking or modifying these resolutions and such authority has been delivered to the Bank.

RESOLUTION

RESOLVED, that the fiscal year 2012 budget of the Corporate Operating Plan, as presented to this meeting, be and the same hereby is approved.

RESOLUTION

WHEREAS, OCLC desires to divest itself of certain of its former RLG database assets to [REDACTED], and

WHEREAS, the Finance Committee of this Board has reviewed the details of such proposed divestiture, including a final sale price of [REDACTED] dollars, and

WHEREAS, the full Board wishes to authorize management to proceed to consummate the sale of these assets,

NOW THEREFORE, BE IT HEREBY

RESOLVED, that the corporation be, and it hereby is, authorized to proceed to sell certain former RLG database assets to [REDACTED] with the final sale price [REDACTED] dollars, under the general terms and conditions, as expressed to and reviewed by the Finance Committee of this Board, and

FURTHER RESOLVED, that Robert L. Jordan, President and CEO, Rick J. Schwieterman, Executive Vice President and CFO, and James T. Houfek, Vice President and General Counsel, or any of them individually, be, and each of them hereby is, authorized and empowered to do all things necessary, and to take all actions they may deem appropriate, to conclude the sale contemplated in the foregoing Resolution, and

FURTHER RESOLVED, that the remaining employees of the Corporation are hereby individually authorized to take such actions and perform such tasks as

may be necessary in order to complete said sale, as they may be directed from time to time by the Corporate officers set forth above.

Following some general discussion, and no second being necessary, the Board unanimously approved each of the three resolutions above. It should be noted that Mr. Neal abstained from voting on the [REDACTED] resolution. This concluded Mr. Patrick's report.

Mr. Alford then delivered the Chair's report, indicating that he had nothing further to add to his written report contained in the Board's meeting materials.

The Chair then reported that the Executive Committee had met, and had: (i) reviewed the Board budget for FY 2012, and had made several changes in order to reduce the Board's expenses for the coming year, (ii) commended Mr. Jordan for his suggestion that Global Council meet in person at least twice a year, (iii) approved the second Global Council meeting to be held in November of this year, (iv) discussed methods to increase the awareness and education of incoming Global Council delegates, (v) discussed an appropriate means of addressing some of the inquiries generated by the last Global Council meeting, as well as how the Global Council, the Trustees and the senior management of OCLC might better interact with the Council delegates, and (vi) reviewed, discussed and approved three resolutions, two of which are presented below, and one which will be presented in executive session later in the meeting:

RESOLUTION

WHEREAS, the Board of Trustees of OCLC have recently reviewed the By-Laws for Governance of the Board of Trustees of OCLC ("By-Laws"), to ensure that the Corporation can continue to achieve its public purposes, as set forth in its charter, and

WHEREAS, in order to achieve those public purposes into the future in a manner consistent with the best interests of the Corporation and its Members, the Board has recommended certain amendments to the By-Laws regarding the financial responsibility of the Board and its Finance and Investment Committee, and

WHEREAS, amendments to the By-Laws require an affirmative vote of two-thirds of the Board of Trustees present at a meeting (and do not require ratification or other action by the Global Council),

THEREFORE, BE IT HEREBY RESOLVED, that the By-Laws for Governance of the Board of Trustees of OCLC be restated in their entirety as detailed in attached "Appendix 1."

RESOLUTION

WHEREAS, OCLC is the sole shareholder of OCLC EMEA B.V., and,

WHEREAS, currently the OCLC EMEA B.V. Articles of Association require the approval of the Supervisory Board, or in the absence thereof, the approval of the sole shareholder (OCLC Dublin), in order to act on any of the following matters:

- A. *the performance of all legal acts, whose value or interest exceeds such an amount as the Supervisory Board (or in the absence of a Supervisory Board, the sole shareholder) will have determined and informed the management board of;*
- B. *the acquisition, sale and encumbering of registered goods;*
- C. *entering into loan agreements and loans for and at the expense of the company, with the exception of withdrawals with respect to an existing credit, the current limits which are loans over € 45.000 and loans from others above € 200.000.*
- D. *binding the company as a surety or as joint and several debtor and warranting the performance by a third party or the company providing security for a debt of a third party;*
- E. *conducting lawsuits, taking measures for the enforcement of a judgment, effecting compromises and referring disputes to the judgment of arbitrators, but with the exception of measures that need to be taken to maintain the law;*
- F. *the participation or any other financial interest in and conducting the management of other businesses and companies, exercising the right to vote connected with or related to the possession of shares in such businesses and companies, as well as the sale or other termination of participations and interests in businesses and companies as referred to;*
- G. *the appointment of authorized signatories and determining their authority to represent;*
- H. *the amount of remuneration/compensation to be paid to the Managing Director.*

and,

WHEREAS, the OCLC Board of Trustees wish to appoint and empower certain individuals from time to time to serve as Shareholder Representatives of the Company in order to act as and on behalf of OCLC as the sole shareholder, both in regard to the aforementioned matters, as well as to also insure that appropriate management practices and procedures are implemented within OCLC EMEA B.V., with the intent of protecting and preserving the Company's investment as the sole shareholder in OCLC EMEA B.V., and,

NOW THEREFORE, be it hereby

RESOLVED, that Robert L. Jordan, President and Chief Executive Officer and Rick J. Schwieterman, Executive Vice President and Chief Financial Officer be, and they hereby are appointed as Shareholder Representatives of OCLC to OCLC EMEA B.V., to serve at the pleasure of the Board until their successors are elected; and be it

FURTHER RESOLVED, that as to items A-H above, upon the specific additional direction of the OCLC Board of Trustees, said Shareholder Representatives are hereby empowered to take such action as is necessary to advise OCLC EMEA of the Board's approval or disapproval of proposed actions which fall under items A-H above, and if approved, to work with OCLC EMEA to insure completion of such actions accordingly; and be it

FURTHER RESOLVED, that other than matters covered under items A-H above, said Shareholder Representatives also be, and they hereby are, each individually authorized from time to time and at their own discretion, to direct the management of OCLC EMEA B.V. to take such actions as the Shareholder Representatives, or either of them, may deem appropriate on behalf of the sole shareholder, in order to insure the preservation and protection of the Company's investment in OCLC EMEA B.V., through the implementation of appropriate management practices and procedures; and be it

FURTHER RESOLVED, That said Shareholder Representatives are each individually authorized to execute and deliver in the name and on behalf of this Corporation such additional documents, and to do such other acts and things as they or either of them individually shall deem necessary or appropriate to carry out the purposes of and to implement the foregoing Resolutions.

Following some general discussion, and no second being necessary, the Board unanimously approved each of the two resolutions above. That concluded Mr. Alford's report.

Mr. Alford then requested the report of the Membership Committee. Mr. Newell reported that the Committee had met in April with all members present and had reviewed issues regarding the appropriate manner to address disputes that might arise over the use of OCLC records under the WorldCat Rights and Responsibilities document. Following review by the appropriate members of the Global Council, but without the formal recommendation of the

Membership Committee (since they had not met again prior to this meeting), the following resolution was now presented to the full Board for their consideration:

RESOLUTION

WHEREAS, the policy "WorldCat Rights and Responsibilities" was created by the Records Use Policy Council, and adopted by the OCLC Board of Trustees and Global Council in June 2010; and,

WHEREAS, Section 5 of this policy, titled "Addressing Disputed Use of WorldCat Data by Members," states, "If either party believes that timely resolution cannot be reached, then the matter will follow resolution and/or arbitration procedures to be determined by the Global Council and the Board of Trustees";

THEREFORE BE IT RESOLVED, if an impasse is reached in a dispute between OCLC and a member regarding the use of OCLC records that cannot be resolved to the satisfaction of both parties, the OCLC Membership Committee, a standing committee composed both trustees of the board and Global Council delegates, will facilitate resolution of the dispute.

Following some general discussion, being appropriately moved and seconded, the Board unanimously approved the above resolution, which will now go to the Global Council for ratification. That concluded Mr. Newell's report.

The Chair then called for the report of the RLG Committee. Mr. Neal indicated that (i) the newly established Research Libraries Partnership ("RLP") members recently met at George Washington University, (ii) membership in the RLP was up to 115 signed member institutions, 30 of which were new members never before associated with RLG, and (iii) continued dissolution of the successor corporation (aka "RISO"). Mr. Roselle then introduced the following resolution for consideration by the full Board:

RESOLUTION

WHEREAS, after long and careful negotiation, The Research Libraries Group, Inc. was merged with OCLC, via an asset purchase agreement effective July 1, 2006, and

WHEREAS, this combination was possible through the hard work and foresighted leadership of library and

academic leaders from both organizations, particularly Betsy Wilson, chair of the OCLC Board of Trustees and Jim Neal, chair of the RLG Board of Directors, and

WHEREAS, the agreement was the product of good will and extraordinary effort by Jay Jordan and Jim Michalko, the respective executives of OCLC and RLG as well as the staffs of both organizations and

WHEREAS, the combination intended to integrate all of the RLG services and products into the OCLC service array to the benefit of all libraries using OCLC services and this integration was accomplished smoothly and without interruption, and

WHEREAS, the combination intended to create, by allying RLG's programmatic expertise with OCLC's Research group, the leading venue for applied research, community building, and prototyping of systems and services in support of research and learning through libraries, archives, museums and related cultural heritage institutions worldwide, and

WHEREAS, the OCLC Research division has successfully become a primary focus for OCLC's interaction with its research library constituents and a critical contributor to the design and construction of future research library services, and

WHEREAS, OCLC has recognized this contribution and the importance of research library engagement by creating and funding the OCLC Research Library Partnership within OCLC Research effective July 1, 2011 in order to institutionalize and expand this type of activity,

NOW THEREFORE, be it resolved that the OCLC Board of Trustees records its deep satisfaction with the agreement, the outcomes of the last five years and the added capacity and capabilities that are now integrated into OCLC's ongoing operations and asks that this resolution be communicated to the former members of the RLG Board of Directors, as well as with the former RLG and new RLP members, and with the wider library community, with its thanks and congratulations.

Following some general discussion, being appropriately moved and seconded, the Board unanimously approved the above resolution. That concluded Mr. Neal's report.

The Chair then called for the report of the Audit Committee. Ms. Farrell reported that the Committee had not met but that: (i) the Company's insurance company had prepared a

summary of its coverage vis-à-vis the pending lawsuit against OCLC, and that summary was in the Board materials, and (ii) the Committee reviewed in April a KPMG enterprise risk assessment update, a copy of which was also distributed to all of the Trustees in their Board materials. Ms. Farrell then distributed a draft of a proposed Board Code of Conduct and Ethics statement, and following a general discussion, it was decided that the Committee would conduct further review and refinement of that document for consideration at the September meeting. That concluded Ms. Farrell's report.

Mr. Alford called for a break in the meeting at 9:45 a.m., after which the Board reconvened at 9:55 a.m.

The Chair then called for the report of the Personnel and Compensation Committee. Ms. Yee indicated that the Committee met, and with a quorum present had (i) reviewed the projected Management Incentive and Long Term Incentive Plan payouts for FY2011, and (ii) reviewed other matters that would be discussed in executive session later today. That concluded Ms. Yee's report.

The Chair then called for the report of the Board Governance Committee. Ms. Wilson reported that the Committee met, and had reviewed the following resolution which was now presented to the full Board for their consideration and approval:

RESOLUTION

RESOLVED, that upon the recommendation of the Global Council Executive Committee and review and recommendation of the Board Governance Committee, the following three Global Council Delegate Members are hereby approved and appointed as the new representatives to the Committee on Membership from the Global Council beginning July 1, 2011 and ending June 30, 2012 :

1. Poul Erlandsen
2. Anne Prestamo
3. Hsueh-Hua Chen

Following some general discussion, and with no second necessary, the Board unanimously approved the above resolution. Ms. Wilson then indicated that the Committee had also: (i) reviewed plans for the November Board retreat, (ii) discussed potential Committee appointments, (iii) reviewed the current Board evaluation survey, which will be sent out to all of the Trustees in

August, (iv) discussed a draft proposal for establishment of a Board Emeritus program for retiring Board members, and (v) discussed items that would be further considered in executive session later today. That concluded Ms. Wilson's report.

The Chair then called for the President's report. Mr. Jordan asked that the Board look to his written report for details, and mentioned that (i) the recent retirement of Ms. Calhoun would be a great loss to the cooperative, (ii) staffing considerations were now being discussed given her departure, (iii) the BOND merger was proceeding well, and special thanks were due to Mr. Norbert Weinberger for his hard work in assisting with this transaction, (iv) Tillburg University in the Netherlands had recently signed up for the WMS service, and (v) efforts to work with alternate service providers are continuing where appropriate. That concluded Mr. Jordan's report.

The Chair then called for a short break at 11:22 a.m., after which the Board reconvened in executive session at 11:35 a.m. During the executive session, the following resolutions were discussed. Since each resolution had been recommended by a Committee of the Board, no second was necessary, and each resolution was separately and unanimously approved by the full Board:

RESOLUTION

RESOLVED, that following review by both the Personnel & Compensation Committee and the Board in executive session, the recommendations of the Personnel and Compensation Committee regarding a Management Incentive Plan award as presented in executive session be approved and the allocation of said funds be directed as follows:

Management Incentive Plan awards to non-executive plan participants of the Corporation be and the same are hereby approved as determined by the President and Chief Executive Officer pursuant to the provisions of the Management Incentive Plan.

RESOLUTION

RESOLVED, that following a review of the individual performance of the President & CEO for FY 2011, the Board in executive session hereby approves the annual base salary for Robert L. Jordan to be effective July 1, 2011.

PROPOSED RESOLUTION

WHEREAS, Robert L. Jordan and the OCLC Board of Trustees have agreed on Mr. Jordan's retirement from his position as President and Chief Executive Officer of OCLC, Inc.; and

WHEREAS, The Board has determined the need to appoint a President and CEO Search Committee ("Search Committee"); and

WHEREAS, The Board Chair previously appointed a Search Firm Selection Committee ("Selection Committee"), chaired by Trustee Ed Barry with Trustees Lizabeth Wilson, Sandra Yee, and David Lauer to select and retain an executive search firm to assist the Search Committee;

NOW BE IT HEREBY RESOLVED, that the Board of Trustees of OCLC, Inc. hereby authorizes the Board Chair in consultation with the Board Vice Chair, the Chair of the Governance Committee, and the chair of the Personnel and Compensation Committee, with the approval of the Executive Committee by email ballot, to appoint members of the Search Committee and a chair of the search committee;

FURTHER RESOLVED, the Search Committee shall consider all matters in connection with selecting a President and CEO and shall have the power and authority to take such steps and perform such acts as may be necessary and proper to carry out its assignment. Final selection of the President shall be made and announced by the full Board of Trustees;

FURTHER RESOLVED, that the Board delegates to the Chair of the Selection Committee and Chair of the Search Committee the authority to retain the services of an executive search firm and/or consultants necessary for the effective and efficient search for candidates. The chair of the Search Committee shall inform the Board Chair when such authority is exercised;

FURTHER RESOLVED, that the charge of the Search Committee shall be as follows:

The primary charge of the Search Committee is to provide the Board of Trustees an unranked recommendation of suitable candidates, with a proposed target date of no later than March, 2012.

Among the essential duties of the Search Committee are:

- Develop a plan that ensures that perspectives from trustees, members and OCLC staff are included in the search process as it deems appropriate
- Develop a search plan in conjunction with a retained executive search firm which ensures broad national and appropriate international exposure for the position, as well as consideration of internal candidates
- Actively participate in the process to ensure a diverse slate of candidates is considered
- Ensure that candidates receive accurate and thorough information about OCLC from a range of perspectives and viewpoints at each stage in the process
- Select and interview semifinalists
- Maintain utmost confidentiality at all times with respect to applicants and candidates as well as the Committee's deliberations

The Board concluded the executive session at 1:00 p.m., after which the Chair then inquired if there was any further business, and there being none, a motion to adjourn was moved, seconded, and unanimously approved by the Trustees.

Larry Alford, Chair

James T. Houfek, Secretary

APPENDIX 1

Revised: June 13, 2011

BY-LAWS FOR GOVERNANCE OF BOARD OF TRUSTEES OF OCLC Online Computer Library Center, Inc.

ARTICLE I PURPOSE

These By-Laws are approved and adopted by the Board of Trustees for the governance of its internal affairs as the Board of Trustees of OCLC Online Computer Library Center, Inc. If these By-Laws or any portion thereof conflict with either the Articles of Incorporation or the Code of Regulations of OCLC Online Computer Library Center, Inc., the Articles of Incorporation or the Code of Regulations shall be controlling.

ARTICLE II DEFINITIONS

As used in these By-Laws, the word "Corporation" and "OCLC" mean OCLC Online Computer Library Center, Inc., and the terms "Trustees", "Board of Trustees" and "Board" mean the Trustees of OCLC Online Computer Library Center, Inc. as provided for by law and by the Articles of Incorporation of OCLC Online Computer Library Center, Inc.

ARTICLE III MEETINGS

Section A. Schedule of Meetings.

(1) Annual Meeting. The Board shall meet immediately following the annual meeting of the Trustee Members.

(2) Regular Meetings. The Board shall meet at least four (4) times each year (in addition to the Annual Meeting) at dates and times to be determined by the Board. The meetings shall be held at the business offices of the Corporation or at a place or

places as the Board determines. The Secretary of the Corporation shall notify each Trustee of each such meeting at least ten (10) days prior to the day named for such meeting by any reasonable means, including, but not limited to, personal delivery, telegram, telecopy, electronic mail transmission, or United States regular mail, express mail, or courier service with postage or fees prepaid.

(3) Special Meeting. The Chair, a Vice-Chair, or three (3) or more of the Trustees may call a special meeting of the Board. The Secretary shall give notice of said meeting to each Trustee at least three (3) days prior to the day named for such meeting. The Secretary shall give notice to the Trustees in the same manner as set forth in Section A (2), of this Article. The time, place and purpose for the special meetings shall be determined by the person or persons requesting such meeting and shall be given to the Secretary for inclusion in the notice required under this Section A(3).

Section B. Quorum. At all meetings of the Board, a majority of the Trustees shall constitute a quorum for the transaction of business. If, at any meeting of the Board there are fewer than a quorum present, the majority of those present may adjourn the meeting from time to time. In the event a quorum is subsequently achieved after such adjournment of the meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

ARTICLE IV OFFICERS

Section A. Selection. The officers of the Corporation shall consist of a Chair of the Board of Trustees, a Vice-Chair or Vice-Chairs of the Board of Trustees, a President, a Secretary, a Treasurer, and such other officers as the Board of Trustees shall from time to time determine.

The Chair and the Vice-Chair or Vice-Chairs of the Board shall be elected from and by the Board at a meeting called for that purpose, or at the annual meeting following the election of successor Trustees. They shall serve for those terms set by the Board

as specified in the Code of Regulations and until their successors are elected and qualified and may succeed themselves.

The President, the Secretary, the Treasurer, and such other officers shall be appointed by the Board and shall serve at the pleasure of the Board.

Upon appointment, the President shall become a member of the Board of Trustees by reason of his office, equal in status to all Trustees for all purposes, including voting and determination of quorum. The Secretary, the Treasurer, and other Board-designated officers need not be members of the Board of Trustees.

The officers of the Corporation shall have those duties and powers, responsibilities and authority to act for or on behalf of the Corporation as are normally incident to such office or which are designated by the Board.

Section B. Removal and Vacancies. Officers may be removed for cause by a majority vote of the Board present at a meeting at which a quorum is present, after notice to such officer provided by the Secretary and stating the cause(s). Such notice shall be given at least three (3) days prior to the meeting at which the Board will vote upon removal.

Vacancies occurring in an office of the Corporation shall be filled by appointment in accordance with this Article.

ARTICLE V COMPENSATION AND RETIREMENT AGE

Section A. Compensation. Compensation of officers designated by the Board, members of the Board and committee members shall be such as is determined by the Board from time to time.

Section B. Retirement Age. There shall be no mandatory retirement age for either the Trustees or the officers of the Corporation.

ARTICLE VI TRUSTEES UNEXPIRED TERMS

Section A. Vacancies. Vacancies occurring on the Board, by reason of removal, death, disability, resignation or other reason, shall be filled by a majority vote of the Trustee Members present at a meeting at which a quorum is present, and the successor Trustee shall serve for the unexpired term of his or her predecessor, except that a successor Trustee for one (1) of the six (6) Trustees elected by the Member Delegates shall serve until appropriate action by the Member Delegates regarding succession.

Section B. Removal. A Trustee may be removed by the two-thirds (2/3) vote of the Trustee Members present at any annual or special meeting duly called at which a quorum is present, and the vacancy thus created shall be filled in accordance with this Article.

ARTICLE VII FINANCIAL RESPONSIBILITY

Section A. Budget. The Board shall approve the annual budget plan after receiving the recommendation of the Finance and Investment Committee and shall, when deemed appropriate, approve broad changes in the pricing philosophy of the Corporation.

Section B. Loans. The Board shall review and act upon all loans in excess of Five Hundred Thousand Dollars (\$500,000.00), after receiving the recommendations of the Finance and Investment Committee.

Section C. Capital Expenditures. The Board shall review and act upon unbudgeted capital expenditures in excess of Three Hundred Fifty Thousand Dollars (\$350,000.00) and expenditures in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) on unbudgeted contracts for acquisition or sale of real estate, for construction of a facility and for research investment, after receiving the recommendation of the Finance and Investment Committee.

Section D. Disposition of Corporate Assets. The Board shall review and act upon actions disposing of assets of the Corporation which have a book value, or would generate

gross proceeds, in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00), after receiving the recommendations of the Finance and Investment Committee.

Section E. Donations and Contributions. The Board shall review and act upon donations and contributions by the Corporation which are individually in excess of Ten Thousand Dollars (\$10,000.00).

Section F. Financial Ratios. The Board shall establish financial ratios to assess the financial soundness of the Corporation.

Section G. Special Expenditures. The Board shall review and act upon expenditures for special projects which the Board feels are important to carry out the tax-exempt purposes of the Corporation as a tax exempt organization.

Section H. Outside Auditors. The Board shall review and act upon the recommendations of the Audit Committee for the appointment of outside auditors for the Corporation.

Section I. Employee Benefits. The Board shall review and act upon employee benefit and insurance plans recommended by the Personnel and Compensation Committee.

ARTICLE VIII STANDING COMMITTEES

Section A. Executive Committee. The Board of Trustees may designate three (3) or more Trustees, including the President and the Chair of the Board, to constitute an Executive Committee, which Committee shall have and exercise the authority of the Board of Trustees in the management of the affairs of the Corporation when the Board of Trustees is not in session.

Section B. Finance and Investment Committee. The Board of Trustees may designate one (1) or more Trustees, including the President, to constitute a Finance and Investment Committee, which to the fullest extent permitted by law, the Articles of Incorporation and the Code of Regulations of the Corporation, during the intervals between meetings of the

Board of Trustees, shall possess and may exercise every power, right, and privilege conferred by law, the Articles of Incorporation or the Code of Regulations upon the Board of Trustees in the purchase, sale, conveyance, transfer, delivery, hypothecation, investment, reinvestment, and deinvestment of all real, personal, mixed, tangible and intangible property of the Corporation, and in the making and negotiating of loans on behalf of the Corporation as its needs from time to time may require.

The Committee shall conduct a preliminary review of the annual budget plan, shall review proposed financial plans and programs, and shall recommend action to the full Board.

The Committee shall keep a record of its action and transmit such record to the Board to become a part of its legally approved minutes at the next regular meeting.

Section C. Personnel and Compensation Committee. The Board of Trustees may designate three (3) or more Trustees to constitute a Personnel and Compensation Committee to be responsible for review of the Corporation's personnel, compensation, and benefits policies as well as working conditions to insure the highest possible quality of life for the Corporation's employees. No Trustee who is an employee of the Corporation, or former employee of the Corporation receiving retirement benefits, shall serve on the Personnel and Compensation Committee.

Section D. Audit Committee. The Board of Trustees may establish an Audit Committee composed of not fewer than five (5) nor more than seven (7) Trustees that shall select an independent, certified auditor and recommend to the Board the appointment of that auditor. The Audit Committee shall meet at least two (2) times annually for the following purposes: review the planned audit scope; review the results of the independent auditor's examination of financial statements, the auditor's opinion thereon, and the auditor's recommendations with respect to accounting, internal control and other matters; review the Corporation's internal auditing procedures; examine conflict of interest reports of Trustees and members of management; and review such other methods of financial and compliance controls

as may be appropriate. The Audit Committee shall be subject to the Audit Committee Charter, as that document may be amended from time to time, in the performance of its duties and obligations.

Section E. Joint Membership Committee. The Board of Trustees shall establish a Joint Membership Committee. The Joint Membership Committee shall be composed of three (3) or more Trustees, an equal number of Member Delegates, and such additional non-voting Trustee or non-Trustee participants as the Board and the Committee may determine from time to time. The Global Council shall nominate potential Member Delegates to fill the Member Delegate positions to the Committee, and the Board shall make the final selection of Committee members from those potential candidates. The Board shall elect the Chair of the Committee, and said Committee shall be further governed by the *Membership and Governance Protocols* as created and amended by the Joint Membership Committee and as approved by a majority of the Member Delegates and a majority of the Board of Trustees from time to time.

Section F. Other Standing Committees. The Board of Trustees may establish other standing committees which the Board may determine at any time and from time to time to be necessary or desirable. The Board of Trustees may designate the number of members of such standing committees; and the members may be from among the Trustees or may be any other persons as determined by the Board. The Board shall name committee members, create the charge of the committee and grant authority to the committee which is permitted by law, the Articles of Incorporation and the Code of Regulations of the Corporation and which the Trustees shall deem appropriate.

Section G. Committee Chairs. The Chair of the Board shall be Chair of the Executive Committee. Except as otherwise provided in this Article VIII above, the Board shall appoint other Committee Chairs, who shall serve at the pleasure of the Board.

**ARTICLE IX
AD HOC COMMITTEES**

Section A. Committee Composition. The Board of Trustees may designate three (3) or more persons, including at least one (1) Trustee, to serve upon ad hoc committees as the Board from time to time creates.

Section B. Committee Chairs. The Board of Trustees shall appoint Ad Hoc Committee Chairs, who are not required to be Trustees, and who shall serve at the pleasure of the Board.

**ARTICLE X
AMENDMENTS**

Except as otherwise required by law, the Articles of Incorporation or the Code of Regulations, these By-Laws may be amended by the Board at any meeting, by an affirmative vote of two-thirds (2/3) of those Trustees present.