

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
April 16, 2007

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated April 2, 2007, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc., convened at 9:00 a.m., local time, on April 16, 2007 at 6600 Kilgour Place, Dublin, OH, 43017. Ms. Wilson presided as Chair and Mr. Houfek kept the minutes of the meeting, except during the executive session, when Ms. Wilson kept the minutes.

Trustees present:

Larry Alford
Edward W. Barry
William J. Crowe
Maggie Farrell
Ralph K. Frasier
Victoria Johnson (via conference call)
Jay Jordan
David P. Lauer
Bruce Newell
Elisabeth Niggemann
David Roselle
Jane N. Ryland
Robert Seal
Jerry Stephens
Betsy Wilson

Trustees Absent:

None

Also, present for all or portions of the meeting:

James T. Houfek, Vice President, General Counsel and Secretary
Rick J. Schwieterman, Vice President, Chief Financial Officer
Cathy De Rosa, Vice President, Marketing and Library Services
Don Fabricant, Vice President, Library Services for the Americas
Gary R. Houk, Vice President, Corporate Information Technology & Business Integration
James Michalko, Vice President, RLG Programs Development
George Needham, Vice President, Member Services
Tammi N. Spayde, Vice President, Human Resources
Phyllis B. Spies, Vice President, Collection Management
Michael Teets, Vice President, Global Product Architecture
Rein van Charldorp, Managing Director, OCLC PICA
Greg Zick, Vice President, Digital Collection Services

To begin the meeting, Ms. Wilson asked if there were any changes to the agenda or the minutes of the Board meetings held on February 12, 2007, and there being none, she then

requested a motion to approve said minutes. Upon motion duly made and seconded, the Board of Trustees unanimously approved the minutes. The Chair then noted that this would be Ms. Spies' last Board meeting before her retirement, and congratulated Ms. Spies on her 34 years of service to OCLC.

Ms. Wilson then referred the Board to Tab 2 of the Board materials for the Chair's report. There were no additions or questions.

Ms. Wilson then indicated that the Executive Committee of the Board met on April 15, 2007 and had: (i) approved the schedule of dates for Board meetings during calendar year 2008 (see resolution below), (ii) reviewed the current status of the Governance Committee work (with a resolution to be discussed later in executive session), and (iii) held the usual exchange with Mr. Jordan regarding the current state of affairs of the Corporation. Ms. Wilson then introduced the following resolution which the Committee approved and unanimously recommended to the full Board for passage:

RESOLVED, that regular meetings of the Board of Trustees shall be held, in calendar 2008, at the offices of the Corporation or at other locations designated by the Board at 8:30 a.m., local time, on the following dates:

February 10, 2008	September 22, 2008
April 14, 2008	November 10, 2008
June 9, 2008	

FURTHER RESOLVED, that the annual meeting of the Board of Trustees shall be held immediately following the annual meeting of the Trustee Members on November 10, 2008.

There being no second necessary, a vote was taken and the Board approved the above resolution unanimously. There being no additional comments, Ms. Wilson's report concluded.

The Chair then called for the President's report. Mr. Jordan asked that the Board look to his written report for details, a copy of which could be found at Tab 4 of the Board materials, and then called their attention to the following specific items: (i) there has been much activity in the recent past with the need to reorganize the Company to better position it globally for the future, with Mr. Murray primarily tasked with that undertaking, (ii) there is a concurrent review of all products and services, relative to their cost and revenue potential and the available resources at hand, (iii) a study

is in process to determine the best distribution strategy for the Company as it moves into the future, with the outside consultants expected to present their preliminary findings on May 23rd, 2007, and (iv) OCLC has recently been named one of the "best places to work in central Ohio". That concluded Mr. Jordan's report.

Ms. Wilson then called on Ms. Johnson for her report from the Joint Committee on Membership. Ms. Johnson related that the Committee met and had: (i) informed the NELINET network that the Committee had reviewed its request and saw no reason to change the delegate algorithm at this time, and (ii) discussed and prepared a draft resolution to be brought to the Members Council in May that would recommend procedures for the selection of the designated delegates no later than August 15, 2007, including a provision for the selection of two delegates by OCLC Asia Pacific (one year term), one delegate by OCLC Latin America/Caribbean (one year term) and one delegate from the cultural heritage community (three year term) as recommended by OCLC staff, and approved by the Members Council. This concluded Ms. Johnson's report on behalf of the Committee.

The Chair then called for the report of the Finance Committee. Mr. Barry indicated that the Committee met on April 15th, 2007 with the entire Strategic Leadership Team, and had reviewed the Corporate Operating Plan for the Company for FY 2007-2008. Mr. Barry then introduced the following resolution which the Committee had previously approved and unanimously recommended to the full Board for passage:

RESOLVED, that the fiscal year 2007/2008 budget of the Corporate Operating Plan, as presented to this meeting, be and the same hereby is approved.

Having been recommended by the Committee and thus no further motion or second being necessary, the aforementioned resolution was unanimously approved.

The Chair then called for the report of the Personnel and Compensation Committee. Ms. Johnson reported that the Committee met; and had: (i) reviewed the new construct for the Management Incentive Plan for FY 2007-2008 which was redesigned to reflect an enterprise-wide perspective, (ii) reviewed and approved a proposal to add an above target component to the revenue metric, (iii) received a report from Ms. Dana Houston regarding the current status of the company's

inclusion and diversity performance, (iv) received a report from Ms. Patricia Dove detailing the new corporate talent management program, (v) discussed a draft of the strategic plan for the Human Resources Department, (vi) reviewed additional information on the corporate definition of “participants”, and (vii) reviewed the Committee Charter and suggested changes thereto. Ms. Johnson then indicated that the Committee had other matters that would be discussed later in executive session. That concluded Ms. Johnson’s report.

The Chair then called for the report of the Nominating and Board Development Committee. Ms. Niggemann reported that the Committee met and had: (i) continued its discussion regarding new Board member orientation procedures, (ii) reviewed proposed changes to the Committee Charter that would be brought before the full Board in June, 2007, (iii) discussed the Committee’s role in the upcoming Board governance study, (iv) began initial discussions with Mr. Jordan about the content and coverage of the Board/SLT November Retreat, and (v) reviewed the Board performance evaluation process. Ms. Niggemann then indicated that the Committee had discussed and approved the following resolution for passage by the full Board:

RESOLVED, that upon the review and recommendation of the Nominating and Board Development Committee, the following three Trustees are hereby approved and appointed as the new representatives to the Joint Committee on Membership from the OCLC Board for fiscal year 2007/2008:

1. Victoria Johnson
2. Robert Seal
3. Jerry Stephens

There being no need for a second, the resolution was unanimously approved. That concluded Ms. Niggemann’s report.

The Chair then called for the report of the Audit Committee. Mr. Seal indicated that the Committee met and had: (i) conducted an updated review of the overall corporate risk exposure and assessment, (ii) heard a confidential report on the financial status of the OCLC network distribution partners, (iii) met with representatives of KPMG on the results of several internal audits that they had conducted, and (iv) heard an update on the current corporate insurance coverage and cost. This concluded Mr. Seal’s report.

The Chair then called for the report of the RLG Committee. Ms. Ryland reported on behalf of Mr. Neal that the Committee met and had: (i) discussed program updates and the annual RLG Partners meeting scheduled for Washington, D.C. in June, 2007, (ii) continued its monitoring of the transition of former RLG products and services over to OCLC, including the addition of 56 million new RLG records to WorldCat (8 million of those being new content), (iii) reviewed drafts of reports regarding corporate time expenditures directed towards research efforts, (iv) reviewed progress on the recruiting of and renewal by RLG Partners to better fund projects in the research area, and (v) discussed the excellent progress being made in the development of a work agenda for the Research Department which included six new projects/themes. That concluded Ms. Ryland's report.

At Mr. Jordan's request, Ms. De Rosa provided an update on several upcoming plans and projects.

The Chair then called for a break at 10:15 a.m.

The Chair then reconvened the meeting at 10:30 a.m., at which time the following reports were delivered to the Board:

End-User Environment: Mr. Matt Goldner and Ms. Jasmine De Gaia.

Following the above presentations, the Chair then called for a break at 11:30 a.m.

The meeting was reconvened at 11:45 a.m. in executive session.

During the executive session, the following resolutions were discussed, moved and seconded, and upon separate vote for each, were unanimously approved by all Board members present:

REVIEW OF OCLC GOVERNANCE

WHEREAS, by resolution unanimously approved on February 12, 2007, the OCLC Board of Trustees authorized the Chair of the Board, working with the President and CEO, to take all steps necessary to undertake a study and review of the OCLC governance documents and procedures, at a total cost to be approved by the OCLC Board, with the goal of being prepared to present the results thereof at the November 2007 meeting of the OCLC Board of Trustees, and

WHEREAS, the Board wishes to now act in furtherance of said resolution and in keeping with the duties assigned to it thereby,

NOW, THEREFORE, be it Resolved that:

- The following individuals are hereby approved and named to the Governance Study Committee:

Bill Crowe (Chair)
Brad Baker
Berndt Dugall
Barbara Gubbin
Vickie Hanawalt
Marshall Keyes
George Needham (staff liaison)
Loretta Parham
Jane Ryland
Sandy Yee

- The budget, which is estimated to be \$125,000 - \$200,000, for the activities of the Governance Study Committee is approved as presented to the Executive Committee at their meeting on April 15, 2007.

VICE PRESIDENT APPOINTMENTS

RESOLVED, That the President's appointment of:

Karen Calhoun, as Vice President, WorldCat and Metadata Services;
Don Fabricant, as Vice President, Library Services for the Americas;
Robin Murray as Vice President, Global Product Management, and
Andrew Wang as Vice President, OCLC Asia Pacific, are hereby approved.

FURTHER RESOLVED, that following review by both the Personnel and Compensation Committee and the Board, the recommendations of management regarding salary and incentive compensation of Ms. Calhoun, and Messrs. Fabricant, Murray and Wang are hereby approved.

Following approval of the above resolutions, Mr. Jordan was excused and the remaining Trustees discussed the CEO's performance, review and preliminary goals for FY 2007/2008.

There being no further business to come before the meeting, upon motion duly made and seconded, the meeting was adjourned at approximately 1:05 p.m.

/s/
Betsy Wilson, Chair

/s/
James T. Houfek, Secretary