

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
February 8 & 9, 2009

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated January 28, 2009, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc., convened at 6:35 p.m., local time, on February 8, 2009 at the Columbus Marriott Northwest Hotel, 5606 Blazer Parkway, Dublin, Ohio. Mr. Alford presided as Chair and Mr. Houfek kept the minutes of the meeting, except during the executive session.

Trustees present:

Larry Alford
Edward W. Barry
Maggie Farrell
Tony Ferguson
Ralph K. Frasier
Kathleen Imhoff
Jay Jordan
David P. Lauer
Bruce Newell
Elisabeth Niggemann
David Roselle
Jane N. Ryland
Robert Seal
Betsy Wilson
Sandra Yee

Trustees Absent:

None

Also, present for all or portions of the meeting:

Rick J. Schwieterman, Executive Vice President, Chief Financial Officer
Karen Calhoun, Vice President, WorldCat and Metadata Services
Bruce Crocco, Vice President, Library Services for the Americas
Cathy De Rosa, Vice President, Marketing and Library Services
Lorcan Dempsey, Vice President, Programs and Research and Chief Strategist
James T. Houfek, Vice President, General Counsel and Secretary
James Michalko, Vice President, RLG Programs Development
George Needham, Vice President, Member Services
William Nilges, Vice President, Business Development
Tammi N. Spayde, Vice President, Human Resources
Michael Teets, Vice President, Global Product Architecture
Andrew Wang, Vice President, OCLC Asia Pacific
Greg Zick, Vice President, Digital Collection Services

Mr. Alford called the meeting to order in executive session. There were no action items to come before the Board, and after miscellaneous discussions, the Chair moved to recess the meeting until Monday, February 9, 2009 at 8:00 a.m. The motion of the Chair was seconded and unanimously approved and the executive session ended at 9:01 p.m.

On February 9, 2009 at 8:00 a.m., Mr. Alford reconvened the meeting as scheduled, and then inquired as to any changes to the proposed agenda. There being none, he requested a motion to approve the minutes of both the Special Meeting and the Annual Meeting of the Board of Trustees held on November 10, 2008. Upon separate motions duly made and seconded, the Board of Trustees unanimously approved the minutes of said meetings.

Mr. Alford then indicated that he had nothing to add to his Chair's report which could be found at Tab 2 of the Board materials, but that he wished to express a sincere debt of gratitude to Ms. Calhoun for her recent efforts towards communicating the corporation's position on recently proposed amendments to its use of records policies.

Mr. Alford then reported that the Executive Committee had met and discussed: (i) the proposed meeting dates for 2010 which could be found at Tab 3 of the materials, (ii) potential sites for the June 2010 Board meeting, and (iii) confirmed the decision to hold the June 2009 meeting in Chicago as planned. This concluded the Executive Committee report.

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) he wished to add his thanks to Ms. Calhoun for her work over the past several months on the use of records issues, (ii) he wished to also thank Mr. Ferguson for his recent assistance with the cooperative's negotiations with CALIS, (iii) he mentioned that his recent trip to Australia and his discussions with Mr. Chris Thewlis (who is the new regional manager of OCLC in Australia) were well received, (iv) he complimented Mr. Nilges on his continuing negotiations with Mr. Tim Spaulding and Mr. Brewster Kahle, (v) he reviewed the new perpetual licensing arrangement with ILLIAD, and (vi) he mentioned Ms. Jason Lee, who is the new OCLC Minority Librarian Fellow, and who

will be spending the next twelve months working with both the Department of Research and the CONTENTdm areas. That concluded Mr. Jordan's report.

Mr. Alford then called for the report of the Membership Committee. Mr. Newell reported that the Committee met, and had: (i) continued their dialog regarding the membership protocols with Members Council representatives, including the issues of the delegate allocation formula and the final number of delegates to be elected from each region, and (ii) reviewed the issue of an appropriate definition of membership in the cooperative which they hoped to finalize before the May meeting of Members Council. That concluded Mr. Newell's report, after which some discussion followed relative to the awareness and nuances of the current member definitions and their interpreted meaning on a global basis.

The Chair then called for the report of the Audit Committee. Ms. Farrell indicated that the Committee met with all members present, and met with representatives of Deloitte regarding the engagement of their firm to perform the FY 2009 audit. As a result of these discussions, the Committee recommended the following resolution to the Board for approval:

**DELOITTE AND TOUCHE
AUDIT FOR JUNE 30, 2009**

RESOLVED, That Deloitte & Touche be engaged to perform the annual audit of the corporation for the year ending June 30, 2009.

There being no further discussion, and no second being necessary, the above resolution was moved and unanimously approved by the Trustees. Ms. Farrell then continued with her report indicating that the Committee had also reviewed a fee proposal from Deloitte for audit services for FY 2010, 2011 and 2012, and after discussion regarding the appropriateness of maintaining Deloitte as the auditor over those years, the Committee recommended the following resolution to the Board for approval:

**DELOITTE & TOUCHE
AUDIT FOR FISCAL YEARS 2010, 2011 AND 2012**

WHEREAS, the Audit Committee has reviewed a proposal by Deloitte & Touche to conduct the annual audit of the Corporation for the Fiscal years 2010, 2011 and 2012;

WHEREAS, the Audit Committee has presented its recommendation to the full Board for its consideration;

NOW, THEREFORE, BE IT RESOLVED, that subject to the negotiation of a mutually satisfactory engagement agreement by management, the firm of Deloitte & Touche be engaged by OCLC to perform the annual audit of the Corporation for a period of three (3) years beginning with the fiscal year ending June 30, 2010.

Therefore, Maggie Farrell, Chair of Audit Committee and Robert L. Jordan, President and Chief Executive Officer and Rick J. Schwieterman, Executive Vice President and Chief Financial Officer and James T. Houfek, Vice President and General Counsel of the Corporation be and they hereby are each individually authorized to take whatever action they deem necessary and appropriate in order to carry out the purposes of the foregoing Resolution.

There being no further discussion, and no second being necessary, the above resolution was moved and unanimously approved by the Trustees. Ms. Farrell then continued with her report indicating that the Committee had also (i) discussed the appropriateness of retaining the same audit partner for additional years, and decided that good practice dictated that a new partner be engaged in order to maintain audit integrity, (ii) decided to incorporate a rule about the partner rotation issue in the review of the Committee Charter at the April meeting, (iii) decided that the new audit partner for FY 2010 will be Mr. Michael Fritz, (iv) expressed the Committee's appreciation to Ms. Chris Devine who has acted as the OCLC audit partner for the past 5 years and who will be responsible for conducting the FY 2009 audit, (v) reviewed changes to the IRS Form 990 for the next fiscal year with Ms. Kowaluk, and (vi) heard a report from Ms. Spayde and Mr. Zick regarding their work on process management. That concluded Ms. Farrell's report.

The Chair then called for the report of the Personnel and Compensation Committee. Mr. Lauer reported that the Committee met with all members present and: (i) reviewed the Committee Charter with no changes being recommended at this time, (ii) reviewed the current projections for the Management Incentive Plan ("MIP") and the Long Term Incentive

Plan (“LTIP”), (iii) reviewed the recent memo from Deloitte regarding intermediate sanctions issues which indicated a favorable opinion for OCLC, (iv) reviewed the new IRS Form 990 requirements, and (v) reviewed and recommended the following resolution regarding the LTIP which allows Mr. Jordan and/or Mr. Schwieterman to amend that plan for technical compliance reasons only, without further Board approval:

LTIP PLAN AMENDMENT

Whereas, the Board of Trustees previously approved the OCLC Online Computer Library Center, Inc. Long-Term Incentive Plan (“LTIP”) effective July 1, 2002;

WHEREAS, the Board of Trustees desires to permit the President & CEO or the Executive Vice President and CFO to approve certain technical or administrative changes to the LTIP from time to time that have no impact on the structure, payouts or metrics of the LTIP;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees authorizes the President & CEO or the Executive Vice President & CFO to approve administrative or technical amendments to the LTIP and finalize amendment of the Plan Documents as long as such amendments do not change the structure, payouts or metrics of the LTIP;

FURTHER RESOLVED, that the President & CEO or the Executive Vice President & CFO shall be authorized to approve an amendment to the LTIP SECTION 9. AMENDMENT AND TERMINATION OF PLAN to reflect this change to the LTIP.

There being no further discussion, and no second being necessary, the above resolution was moved and unanimously approved by the Trustees. That concluded Mr. Lauer’s report.

The Chair then called for the report of Nominating and Board Development Committee. Ms. Niggemann reported that the Committee met with all members present, and: (i) agreed that Mr. Newell would direct the Trustee orientation activities and Ms. Ryland would direct the Board website issues for the coming year, (ii) expressed thanks to Mr. Seal and Mr. Newell for directing those activities during the past year, (iii) discussed the information gathered during the exit interviews of the departing Trustees, (iv) continued discussions on identifying potential Trustee candidates for future vacancies, (v) reviewed the Board retreat assessments which were very positive, and (vi) determined that certain changes to the Committee Charter were

appropriate, and therefore recommended that the following resolution be approved by the full Board:

NOMINATING AND BOARD DEVELOPMENT COMMITTEE CHARTER

RESOLVED, that the proposed Nominating and Board Development Committee Charter as presented to this Board be, and the same is, hereby approved.

(The amended charter is attached as Exhibit A.)

There being no further discussion, and no second being necessary, the above resolution was moved and unanimously approved by the Trustees. That concluded Ms. Niggemann's report.

The Chair then called for the report of the Finance Committee. Mr. Roselle reported that the Committee met with all members and several guests present and had engaged in extensive discussions between staff and the Trustees. There were no action items resulting from the meeting. This concluded Mr. Roselle's report.

The Chair then called for the report of the RLG Committee. Ms. Wilson reported that the Committee met with all members present, and: (i) discussed the operational impact and significant level of output for the work being completed within the OCLC Research Department on behalf of the RLG Partners, (ii) discussed the upcoming annual RLG Partners meeting and program budget, (iii) reviewed and agreed that OCLC continues to meet both the spirit and the letter of its commitments to the RLG Partners under the merger agreement, both in terms of monetary and staff contribution and allocation, and (iv) discussed long term funding methodologies for activities after June 30, 2011 when the OCLC contribution obligations end pursuant to that merger agreement. That concluded Ms. Wilson's report.

The Chair then asked for new business, and hearing none, asked for an update from the Governance Transition Committee. Ms. Farrell indicated that the Committee was meeting with the Members Council later today to discuss issues of delegate allocations, and the Governance Transition Committee report attached to the Board's materials at Tab 8. Ms. Farrell then said that following the vote at the May Members Council meeting on final transition issues, the

Committee's role would revert to one of monitoring the implementation and progress of the transition to a Global Council.

Mr. Alford then thanked the executive staff for their efforts to make this a successful meeting, and then called the Board into executive session at 9:30 a.m. General discussions were had, with no action items resulting from the executive session.

There being no further business to come before the meeting, a motion to adjourn was moved, seconded and unanimously approved by all of the Trustees, and the meeting was adjourned at 10:00 a.m.

Larry Alford, Chair

James T. Houfek, Secretary

EXHIBIT A**OCLC BOARD OF TRUSTEES
NOMINATING AND BOARD DEVELOPMENT COMMITTEE
CHARTER**

In order to provide guidance to the Nominating and Board Development committee in fulfilling its responsibilities, the Board of Trustees (“Board”) of OCLC Online Computer Library Center, Inc. (“OCLC”), has adopted this Nominating and Board Development Committee Charter (Charter). The Nominating and Board Development Committee of the Board shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

Committee Role

The Nominating and Board Development Committee assists the Board in fulfilling its responsibility for maintaining continuity of Board membership and managing the internal affairs of the Board. The Committee also assists with other duties as may from time to time be assigned to it by the Board.

Committee Membership and Organization

The Nominating and Board Development Committee will consist of at least one (1) Board member (plus the Board Chair who is automatically an ex-officio member of all Committees), such final number and composition to be approved by the Board from time to time, as deemed appropriate. One member of the Committee shall be appointed by the full Board as Committee Chair. The Committee Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas and making regular reports to the Board.

The Committee shall meet a minimum of twice a year, with additional meetings scheduled as deemed necessary by the committee.

Committee Responsibilities

Though the Committee may consider additional duties from time to time, the general responsibilities of the Committee in carrying out its role are described as follows:

	Task to be completed	When Performed
1.	The Nominating and Board Development Committee will meet its responsibilities for advising the Board on appropriate continuity of membership by taking the following actions:	
1.a.	Regularly refreshing a pool of potential Trustee nominees.	As needed
1.b.	Identifying a slate of nominees as successors to the Trustee-elected members of the Board, in advance of the expiration of their respective terms of office.	April – as needed
1.c.	Working with management or other Board members, as appropriate, to secure permission from the nominees to submit their names for election and confirm their willingness to serve if elected.	April – as needed
1.d.	With each Trustee nomination recommendation, considering the mix of Trustee characteristics, experiences, diverse perspectives and skills that is appropriate to OCLC.	April – as needed

1.e.	In considering continuing Trustee tenure, the Nominating and Board Development Committee works to ensure that the Board maintains openness to new ideas and a willingness to critically re-examine the status quo. The Nominating and Board Development Committee recognizes that endorsing a Trustee for re-nomination implies evaluation of individual Trustees. Re-nomination is neither to be expected nor guaranteed.	April – as needed
1.f.	Presenting a slate of nominees as successors to the Trustee-elected members of the Board for consideration by the Trustee Members of OCLC.	November – as needed
2.	The Nominating and Board Development Committee will meet its responsibilities for making annual recommendations for the organization of the Board by taking the following actions:	
2.a.	Developing, and reviewing as necessary, a set of principles to guide the development and continuity of leadership for the Board.	As needed
2.b.	Recommending a slate of Board officers and Board committee assignments for Board action at each November Board meeting.	November
2.c.	Recommending a slate of Board members for the Joint Committee of Membership at each April Board meeting.	April
2.d.	Recommending a slate of Board members for the RLG Committee and committee chair as needed.	As needed
3.	The Nominating and Board Development Committee will meet its responsibilities for review of Board performance and effectiveness by taking the following actions:	
3.a.	Conducting an annual survey of Board members to assess Board effectiveness.	September
3.b.	Reporting annually to the Board on Board effectiveness.	September
3.c.	Consulting with the Board Chair for appropriate action if any Trustee's performance requires such consultation.	As needed
3.d.	Conducting an exit survey for Board members leaving the Board.	As needed
4.	The Nominating and Board Development Committee will meet its responsibilities for Board development by taking the following actions:	
4.a.	Establishing, monitoring, and reviewing the orientation procedures for new Board members.	As needed
4.b.	Recommending a Board member to be a mentor to each newly elected Board member for a period deemed appropriate.	As needed –
4.c.	Planning and evaluating the annual Board retreat, in cooperation with OCLC Management.	As needed
4.d.	Developing continuing education experiences for the Board. (Boardroom website)	As needed

4.e.	Monitoring maintenance, use and development of the Board website through a liaison relationship with designated OCLC staff members responsible for the website.	As needed
5.	The Nominating and Board Development Committee will meet its responsibilities for review of Committee responsibilities by taking the following actions:	
5.a.	Reviewing the Committee charter on an annual basis and recommending any proposed changes to the Board for approval.	September