

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
April 20, 2009

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated April 10, 2009, 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 April 20, 2009 at 6565 Kilgour Place, 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
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
Rein van Charldorp, Managing Director, OCLC BV
Carol Mandel, RLG Committee Member

Mr. Alford called the meeting to order, and then welcomed Ms. Carol Mandel to the meeting. The Chair also expressed the thanks of the full Board for the work of Messrs. Murray

and Pace at the previous day's Finance Committee meeting. Following the announcement of an agenda change, Mr. Alford then inquired as to any additional changes to the proposed agenda. There being none, he requested a motion to approve the minutes of the meeting of the Board of Trustees held on February 8 & 9, 2009. Upon motion duly made and seconded, the Board of Trustees unanimously approved the minutes of said meeting.

The Chair then called for the report of the RLG Committee. Ms. Wilson reported that the Committee met with all but two members present, and: (i) continued discussions regarding methods of cost savings, (ii) discussed present and future workflow efficiencies, (iii) reviewed certain technical services collaboration, (iv) discussed the formulation of RLG metrics to evaluate the benefit of the merger and the "go forward" process, and (v) discussed long term funding methodologies and member dues structures for future activities. That concluded Ms. Wilson's report.

A formal RLG Programs update was then presented to the Board by Messrs. Michalko and Dempsey.

Following the presentation, Mr. Teets performed a live demonstration for the Board on the current version of WorldCat Local.

Mr. Alford then reported on the activities of the Review Board on Principles of Shared Data Creation and Stewardship and indicated that the Review Board was meeting regularly, and: (i) reviewed and discussed in detail the ARL report furnished to the committee, (ii) received over 1600 responses to date on the Review Board's record use survey, (iii) hoped to have a preliminary report ready for the May 2009 Members Council meeting, and for the Board's meeting in June, 2009, and (iv) agreed to seek additional input from the OCLC Members .

Mr. Alford then asked Ms. Mandel to provide input as to the ARL report that had been furnished to the Review Board. Ms. Mandel stated that: (i) the ARL members were very engaged in their review of OCLC's proposed, new record use policy, (ii) the members realize that the process and the product cannot be separated, (iii) the members feel that the proposed changes to the OCLC Record Use policy took what was perceived as a social contract and turned it into a legal contract, and (iv) the members feel that the policy needs to be redrafted and once again provided to the OCLC Members for comment prior to any final adoption. That concluded Ms. Mandel's comments.

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 2 of the Board

materials, and then called their attention to the following specific items: (i) as evident from the business plan presentation made to the Finance Committee , there is significant work going on inside OCLC which will significantly benefit libraries in the future , and (ii) he wished to acknowledge that he had approved Mr. Nilges' absence from the Board meeting to attend the London Book Fair. That concluded Mr. Jordan's report.

Mr. Alford then called for a break at 9:35 a.m.

The meeting was the reconvened in executive session at 9:40 a.m.

The executive session ended at 10:20 a.m., and the open session was then continued at 10:25 a.m.

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.

Mr. Alford then reported that the Executive Committee had met and discussed: (i) issues regarding Trustee attendance at future Regional Council meetings, (ii) attendance at the ARL meeting by several Board members to discuss record use issues, and (iii) the following resolution which the Committee recommended for approval by the full Board:

2010 MEETING DATES

RESOLVED, that regular meetings of the Board of Trustees shall be held, in calendar 2010, 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 8, 2010	September 20, 2010
April 19, 2010	November 15, 2010
June 14, 2010	

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 15, 2010.

There being no further discussion, and no second being necessary, the above resolution was moved and unanimously approved by the Trustees. This concluded the Executive Committee report.

The Chair then asked for an update from the Governance Transition Committee. Ms. Farrell indicated that the Committee: (i) began to wrap up its work as the governance transition continues to progress, (ii) attached an updated summary to the Board materials that provided additional detail as to the Committee's current status, (iii) planned to meet with the Members Council Executive Committee for an update, and (iv) prepared a governance transitions

procedure document to be furnished to the Members Council Executive Committee. Ms. Farrell then expressed her thanks to Ms. Wilson and Mr. Roselle for their dedicated work on the Committee. This concluded Ms. Farrell's report.

Mr. Alford then called for the report of the Membership Committee. Mr. Newell reported that the Committee met, and recommended the following resolution for approval by the full Board:

MEMBERSHIP & GOVERNANCE PROTOCOLS

WHEREAS the revised OCLC Code of Regulations that took effect on July 1, 2008, required revisions to the membership and Contribution Protocols; and

WHEREAS the Membership Committee of the Board of Trustees has proposed a new document, titled "Membership and Governance Protocols"; and

WHEREAS the Members Council approved this document at its meeting on February 10, 2009, and transmitted it to the Board of Trustees for action,

BE IT THEREFORE RESOLVED that the attached Membership and Governance Protocols as presented to this Board be, and the same hereby are approved by the OCLC Board of Trustees, with an effective date of July 1, 2009.

(The Membership and Governance Protocols are 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 Mr. Newell's report, after which some discussion followed relative to the definition of an "OCLC Member."

The Chair then called for the report of the Audit Committee. Ms. Farrell indicated that the Committee met with all members present, and: (i) confirmed that the new audit partner for FY 2010 will be Mr. Michael Fritz, (ii) reviewed the annual insurance coverage and costs with staff, (iii) discussed the updated enterprise risk assessment and the financial health of the U.S. Regional Service Providers with the Corporate Controller, (iv) reviewed project development and project management with Ms. Spayde and Mr. Zick, and (v) reviewed the following resolution and recommended same to the full Board for approval:

AUDIT COMMITTEE CHARTER

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

(The amended charter is attached as Exhibit B.) There being no further discussion, and no second being necessary, the above resolution was moved and unanimously approved by the Trustees. 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 management's decision to freeze merit increases and reduce MIP pool for FY2010, (ii) listened to a presentation by Mr. Offord regarding proposed changes to the MIP inclusion scorecard for FY2010, which would be discussed with the full Board at the June meeting, and (iii) received an update on the global Human Resources strategy. 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) discussed revising the Committee guidelines relative to the new terms and concepts of the Regional and Global Council structure, (ii) began initial discussions regarding FY2010 Committee assignments, (iii) discussed Board appointed Trustee vacancies scheduled to occur in November, 2009, and (iv) reviewed the following two resolutions and recommended that said resolutions be approved by the full Board:

COMMITTEE ON MEMBERSHIP

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 Committee on Membership from the OCLC Board for fiscal year 2009/2010:

1. Bruce Newell
2. Robert Seal
3. Sandy Yee

FURTHER RESOLVED, that Mr. Newell is hereby approved and appointed as the Chair of said Committee.

APPOINTMENT OF BOARD OF TRUSTEES TO THE RLG COMMITTEE

RESOLVED, that effective July 1, 2009, the following OCLC Trustees are appointed to the RLG Committee for fiscal year 2009/10

RLG COMMITTEE

1. Elisabeth Niggemann
2. Lizabeth Wilson
3. Jane Ryland

FURTHER RESOLVED, that Ms. Wilson is hereby approved and appointed as the Chair of said Committee.

There being no further discussion, and no second being necessary, the above resolutions were separately moved and each 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 engaged in extensive discussions between staff and the Trustees. Mr. Roselle then presented the following two resolutions which had been reviewed by the Committee and which were recommended for approval by the full Board:

FY 2010 CORPORATE OPERATING PLAN

RESOLVED, that the fiscal year 2009/2010 budget of the Corporate Operating Plan, as presented to this meeting, be and the same hereby is approved.

CORPORATE ASSETS

RESOLVED, That this Corporation be and it hereby is authorized to proceed with the sale of certain Corporate assets on substantially the same terms, conditions and amounts as presented to the Finance Committee on April 19, 2009.

FURTHER RESOLVED, That Robert L. Jordan, President and Chief Executive Officer, Rick J. Schwieterman, Executive Vice President and CFO, or 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 in order to complete this transaction.

FURTHER RESOLVED, That each of the officers of this Corporation be and they are each authorized to execute and deliver in the name and on behalf of this Corporation such certificates, instruments and other documents, and to do such other acts and things as they or any of them shall deem necessary or appropriate to carry out the purposes of the foregoing Resolution.

There being no further discussion, and no second being necessary, the above resolutions were separately moved and each unanimously approved by the Trustees. This concluded Mr. Roselle's report.

Mr. Alford then asked for new business, and seeing none, called the Board into executive session at 11:15 a.m. General discussions were had, and the following resolutions were separately moved, seconded and unanimously approved:

ROBERT JORDAN SIXTH AMENDMENT

RESOLVED, that after appropriate review and discussion, Mr. Alford, on behalf of the Corporation, is hereby authorized to enter into the Sixth Amendment to the Agreement to Extend and Amend the Employment Agreement between OCLC and Robert L. Jordan, with the authority to further negotiate the final issues therein, under substantially the same terms and conditions as discussed with the full Board.

POWER OF ATTORNEY FOR MEXICO

Resolved that pursuant the provisions of the Articles of Incorporation, the Code of Regulations and By-Laws for Governance of Board of Trustees of OCLC ONLINE COMPUTER LIBRARY CENTER, INC, in this act it is recognized, certified and ratified, that Mr. James T. Houfek in his character of Secretary of OCLC ONLINE COMPUTER LIBRARY CENTER, INC., effectively holds the representation of the same and therefore has express authority and faculties to (i) in the name and on behalf of OCLC ONLINE COMPUTER LIBRARY CENTER, INC. grant and revoke general and/or special powers of attorney for lawsuits and collections with authority for its substitution, so that the same may be exercised within the territory of the United Mexican States, the Mexican Republic or Mexico, as such country is commonly known; and (ii) to perform the certification of any and all documents of OCLC ONLINE COMPUTER LIBRARY CENTER, INC.

De conformidad con lo dispuesto en las Cláusulas de Incorporación, el Código de Regulación y los Estatutos de Gobierno del Consejo de Fiduciarios de OCLC ONLINE COMPUTER LIBRARY CENTER, INC., en este acto se reconoce, certifica y ratifica que el señor James T. Houfek en su carácter de Secretario de OCLC ONLINE COMPUTER LIBRARY CENTER, INC. efectivamente detenta la representación de la misma y cuenta por tanto con facultades y autorización expresa para (i) en nombre y representación de OCLC ONLINE COMPUTER LIBRARY CENTER, INC. otorgar y revocar poderes generales y/o especiales para pleitos y cobranzas con facultades de substitución para que los mismos sean ejercidos dentro del territorio de los Estados Unidos Mexicanos, la República Mexicana o México, tal y como dicho país se conoce usualmente; y (ii) para realizar certificaciones de toda clase de documentos de OCLC ONLINE COMPUTER LIBRARY CENTER, INC.

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 12:30 p.m.

/s/

Larry Alford, Chair

/s/

James T. Houfek, Secretary

EXHIBIT A**MEMBERSHIP AND GOVERNANCE PROTOCOLS**

As Amended (proposed) February 2009

I. PREAMBLE AND DEFINITIONS

This document sets forth the following protocols for membership in and for the governance of the OCLC cooperative. It is authorized by Article IV and succeeding passages of the OCLC Code of Regulations.

For purposes of this document, the following definitions shall apply:

- Memory institution: A library, museum, archives, historical society, or similar institution.
- OCLC: Founded in 1967, OCLC Online Computer Library Center is a nonprofit, membership, computer library service and research organization dedicated to the public purposes of furthering access to the world's information and reducing the rate of rise of library costs.
- OCLC cooperative or Cooperative: See OCLC
- Corporation: See OCLC

II. MEMBERS

Article IV of the OCLC Code of Regulations states, "Members shall be those entities that meet the minimum but continuing threshold of engagement with OCLC, as set forth in OCLC's Membership and Governance Protocols." Article IV, Section A of the Code empowers the Membership Committee to develop the definition of membership for the review and approval of the Global Council and the Board of Trustees.

An institution may become a Member of OCLC in one of two ways:

- "Governing Members" are those institutions that fully embrace the OCLC values of commitment to collaboration through contribution of intellectual content and in resource sharing. This commitment is manifested by these institutions' contractual agreement to contribute metadata, including their current cataloging and holdings as described in "OCLC WorldCat Principles of Cooperation," to an OCLC-affiliated database, in order to make such information available to and for the benefit of all members of the cooperative.

Contribution to WorldCat is the basis of "Governing Member" status in OCLC.

- "Members" also embrace the OCLC values of commitment to collaboration through contribution of intellectual content and in resource sharing. Their commitment is manifested in their contractual agreement to contribute to cooperative products or services of OCLC and/or its affiliates, but they may not necessarily contribute all of their current cataloging to an OCLC-affiliated database.

Institutions qualify for "Member" status in OCLC by contractually agreeing to be involved in one or more cooperative programs or services of OCLC. These would include "Partial Users" under OCLC's previous rules, as well as ILL only (lending) participants.

These membership levels refer to libraries, museums, archives, historical societies, professional associations, and other groups that contribute to or use the intellectual resources of the cooperative.

Global Council Member Delegates as described below in Section V may come from Governing Member or Member institutions. All elected delegates would be full voting

members of the Global Council itself. Voting rights for Governing Members and Members are as set forth in the OCLC Code of Regulations from time to time.

For purposes of this document, “Governing Members” and “Members” are referred to hereafter as “OCLC Members.”

- **Participants.** “Participants” are those institutions that choose to use OCLC products and services without any responsibility to return any intellectual contribution to the cooperative. While the financial contribution made by these institutions is important to OCLC, financial contribution alone does not qualify one for membership or for voting rights.

III. REGIONS

At the adoption of these Protocols, there will be three OCLC Regions: OCLC Europe, the Middle East and Africa; OCLC Asia Pacific; and OCLC the Americas. These Regions may be increased, merged, subdivided, or otherwise changed as needed to reflect changes in the working environment.

As OCLC grows and evolves, the Regional Councils may be similarly increased, merged, subdivided or changed. Changes in the number or definition of Regional Councils require a change in these Protocols, as outlined in Section VII, below.

Nothing in this document is intended to eliminate, reduce or discourage other advisory groups composed of OCLC Members.

IV. REGIONAL COUNCILS

Within each Region, a Regional Council will advise OCLC. The Regional Council is defined as an assembly of the constituency of the OCLC Members in that Region.

Charge

Regional Councils will serve as:

- A unit of OCLC governance which elects Member Delegates to the Global Council, as described in Article IV of the OCLC Code of Regulations;
- A two-way conduit to allow the broadest, most inclusive conversation among OCLC staff, Members, participants, and interested parties;
- Incubators for new ideas and initiatives within the cooperative;
- An inclusive forum and a vehicle to allow interested memory institutions to learn more about OCLC and opportunities for participation in the cooperative.

Purpose

The Regional Councils participate in OCLC governance by electing delegates to the Global Council (see below, and Article IV, Sections C-G of the OCLC Code of Regulations). The Regional Councils facilitate discussion of issues with the OCLC cooperative.

Governance

Each Regional Council will have a Chairperson, who shall be an employee or a member of the governing board of an OCLC Member within that Region. The Chairperson may not be an employee of OCLC. Each Regional Council will create and amend its own internal procedures. Where the internal procedures are silent, the current edition of The Standard Code of Parliamentary Procedure, by Alice Sturgis, shall be the procedural authority. For the sake of procedural consistency between the Regions, these procedures may be finally amended by majority vote of the Global Council Executive Committee, as defined later herein, should the Global Council Executive Committee deem it appropriate.

Meetings

- Organization. The Chairperson, in cooperation with OCLC staff, shall plan and execute at least one Regional Council in-person meeting annually.
- Funding. Each Region will receive an annual appropriation from the OCLC budget for running this in-person meeting. The appropriation will be determined as part of the annual budget process.
- Organizing Committee. The Chairperson in consultation with OCLC staff may appoint an organizing committee to plan an agenda and carry out the Regional Council meetings. The members of the organizing committee may be reimbursed for actual expenses incurred by them in the performance of their duties.
- Agenda. Each Regional Council agenda shall include a mixture of regional and global issues, and should include discussion of OCLC's strategic direction.

OCLC Staff and Board of Trustees Participation

At each Regional Council meeting, the OCLC staff shall be represented by senior management of the cooperative, including the President and CEO or appropriate Vice President(s) who can respond meaningfully to questions and concerns of the Members. OCLC will make every effort to ensure that at least one Trustee attends each Regional Council meeting.

Voting

At the Regional Council meeting, each OCLC Member shall be entitled to cast one (1) vote in person, electronically, or by proxy on each matter properly submitted to the Regional Council for vote, consent, waiver, release or other action. Each OCLC Member shall designate a representative to cast its vote at Regional Council meetings.

Open meetings

The Regional Council meetings shall be open, although only OCLC Members are eligible to participate and to vote.

Costs

Except as noted above, costs and expenses of attendance shall be the responsibility of the OCLC Member or the individual attending.

Committees

The Regional Councils shall create such committees as they deem necessary or desirable to carry out their purposes, within the budget limitations of the Regional Council.

Officers

The Regional Council shall create such offices and select such officers to conduct their internal business as they shall deem appropriate, provided however, no such officers shall have or represent to any third party the authority to bind OCLC.

Other meetings

Additional meetings of the Regional Council may be held from time to time at the joint call of the Chairperson and the President and CEO of OCLC or his/her designee. Nothing in this document is intended to prohibit or discourage other types of meetings, such as meetings of national advisory committees or ad hoc groups addressing specific topics.

V. ANNUAL GLOBAL COUNCIL MEETING**Meetings**

The Global Council shall meet in person at least once each year. At this meeting, herein after referred to as the Annual Global Council Meeting ("AGCM"), the Global Council shall elect its officers, ratify or reject amendments to the Code and the Articles of OCLC as proposed by the Board of Trustees, and elect Trustees to the OCLC Board.

Member Delegates

Member Delegates to the Global Council shall be selected at the meetings of the Regional Councils to represent the OCLC Members who make up each of those Regional Councils. The process for selecting the Member Delegates shall be established according to local norms and codified in the procedures referenced in the section “Governance,” above.

Qualifications

Member Delegates must be employees or members of the governing boards of OCLC Members. Employees of OCLC are not eligible to serve as Member Delegates.

Responsibilities

- The Member Delegates have two governance responsibilities:
- Elect six (6) trustees to the OCLC Board for a four year term.
- Ratify or reject by majority vote changes to the OCLC foundation documents, the Code of Regulations and the Articles of Incorporation.

The Member Delegates will also:

- Be eligible to serve on the Board of Trustees’ Membership Committee
- Reflect and articulate the various interests and concerns of their Regions to the Board and OCLC management
- Advise the Board and OCLC management of emerging, critical issues that require OCLC tracking, planning, or other responses so that OCLC’s own strategic planning is informed by this input
- Provide comment to the Board and OCLC management on OCLC’s strategic directions
- Strengthen the collaborative throughout the world.
- Advance Notice. In order to permit local discussions and elections to proceed in a timely fashion, the OCLC Board of Trustees shall notify the President of the Global Council, the Program Director, Global Council, and the Chairpersons of each Regional Council of any proposed changes to the foundation documents as noted above as early as possible, and no less than ten (10) days before the AGCM.

Voting

At the AGCM, each Member Delegate shall be entitled to cast one (1) vote, in person or by proxy, in all votes, consents, waivers, releases, and Trustee elections.

Committees

At each AGCM, a Nominating Committee will be selected. The charge to this committee is to accept nominations and recommendations for the following year’s Trustee openings. The Nominating Committee will submit a slate of two nominees for each Trustee seat open. The Nominating Committee will consist of two Member Delegates from each OCLC Region selected by that Region’s Chairperson, and a Committee Chairperson selected by the President of the Global Council with the advice of the Executive Committee. The Nominating Committee shall notify the President of the Global Council, the Program Director, Global Council, and the Chairpersons of each Regional Council of its nominees for the Board of Trustees no less than sixty (60) days before the AGCM.

Member Delegates shall create other such committees as they deem necessary or desirable to carry out their purposes.

Officers

The Member Delegates shall create such offices and elect such officers to conduct their internal business as they shall deem appropriate, provided however, no such officers shall have or represent to any third party the authority to bind OCLC.

Costs

Costs and expenses of the AGCM and the Member Delegates' attendance shall be paid by OCLC upon such total budgeted amounts as are determined by the Board of Trustees.

Transition

The transition from the previous Members Council to the new Global Council, including the establishment of the executive committee and the constitution of the initial Regional Councils, will be addressed by the Members Council Executive Committee and the Board Transition Committee, and will be documented in the Transition Procedures document.

Agenda

The agendas of the Global Council meetings will reflect the issues and concerns brought forth from the Regional Councils, as well as issues of global concern to the cooperative.

VI. DELEGATE ALLOCATION FORMULA

OCLC is and will continue to be a membership organization. While revenue is used as the basis for this formula, revenue does not constitute or equate to membership in the cooperative, and is being used only as the metric to approximate intellectual contribution for the computation of representation.

There will be forty-eight (48) Member Delegates to the Global Council.

Each December, the Global Council staff will determine the number of delegates to represent each Region in the Global Council by applying the following formula:

25% of the total number of delegates will be set aside as a core number of Member Delegates equally distributed across the Regions. A desired outcome of this set aside is to encourage a broad representation from of all types memory institutions within each Region.

Each Region will be allocated a percentage of the remaining 75% of the Member Delegates in proportion to that Region's percentage of the total revenue generated by OCLC in the three (3) complete fiscal years prior to the allocation. This revenue basis will be the total revenue to OCLC from all its services and products, measured in US dollars, as specified in the annual audited financial statements. To reiterate, intellectual contribution and engagement in the collaborative are the foundation of the OCLC collaborative. Revenue is solely being used as a simple and fair means of proportioning allocated delegates between Regions, a proxy that results in a Global Council delegation that mirrors member institutions' needs and helps realize OCLC's global promise.

The number of allocated Member Delegates will be reviewed periodically to ascertain that the number of such Delegates is both effective and representative of the cooperative.

VII. PROCEDURES FOR CHANGING THIS DOCUMENT

Proposed changes to this document will be initiated by the Board of Trustees' Membership Committee. Such changes must be approved by the Board of Trustees by an affirmative vote of two-third (2/3) of those Trustees voting. The proposed amendment(s) must be then be ratified by a majority vote of Member Delegates present (i) at a Global Council meeting called for that purpose at which a quorum is present, or (ii) by virtue of an electronic vote.

VIII. EFFECTIVE DATE

These Protocols will take effect on July 1, 2009.

EXHIBIT B

AUDIT COMMITTEE CHARTER

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

Committee Role

The Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, internal control and financial reporting practices of OCLC. The Committee also assists with other duties as may from time to time be assigned to it by the Board.

The Committee's job is one of oversight. Management is responsible for the preparation of OCLC's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee and the Board recognize that management (including the internal audit staff) and the independent auditors have more resources and time, and more detailed knowledge and information regarding OCLC's accounting, auditing, internal control and financial reporting practices than does the Committee. Accordingly, the Committee's oversight role shall not be expected to provide any expert or special assurance as to the financial statements and other financial information provided by OCLC.

Committee Membership and Organization

In accordance with the By-laws of the Board, the Committee membership shall consist solely of 5 to 7 outside trustees. These trustees shall be free of any relationship that, in the opinion of the Board, may interfere with such member's individual exercise of independent judgment. During the past three years Committee members: shall not have been employees of OCLC; shall not have received any compensation from OCLC other than for service on the Board or for any service authorized by the Board; and shall not have been a partner, board member or officer of a corporation transacting significant business with OCLC. Committee members whose institutions are OCLC members or participants purchasing goods and services from OCLC on terms generally available to all members of that category shall be deemed to meet this independence requirement. In addition, Committee members shall not have been employed as an executive of another entity where any of OCLC's executives serve on the entity's compensation committee or be an immediate family member of an individual who was an executive officer of OCLC within the past five years. The Committee shall have a majority of members who are financially literate with at least one Committee member having substantial related financial management experience or expertise.

The Committee shall maintain free and open communication with the independent auditors, staff performing internal audits and OCLC management. In performing its oversight role, the Committee is empowered to investigate any matter relating to OCLC's accounting, auditing, internal control or financial reporting practices brought to its attention, with full access to all Company books, records, facilities and personnel. The Committee may retain outside counsel, auditors or other advisors as deemed necessary.

One member of the Committee shall be appointed as Chair. The 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 Chair will also maintain regular contact with the President and Chief Executive Officer, Chief Financial Officer and the lead independent audit partner.

The Committee shall meet a minimum of twice a year, with additional meetings scheduled as deemed necessary by the Committee. At least once each year the Committee shall have a separate executive session with the independent auditors.

Responsibilities

Although the Committee may consider additional duties from time to time, the general responsibilities of the Committee in carrying out its oversight role are described below:

1.	Evaluating, together with the Board and executive management, the performance of the independent auditors and, where appropriate, replacing such auditors. While final decisions should always be made by the Committee based on factors and considerations present at the time, in general a normal rotation of both audit firms and audit partners within those firms should be accomplished so as to provide fresh perspectives and follow best practice per the SEC guidance for public reporting entities. A typical rotation would be to change audit partners approximately every 5 years and to change audit firms as costs, performance and internal needs may dictate from time to time.	February
2.	Recommending to the Board the engagement of independent auditors to audit the financial statements of OCLC and approving audit fees. Reviewing the auditors risk assessment and overall plans.	February
3.	Inquiring of Executive management and the independent public accountants about significant risks or exposures and assessing the steps management has taken to minimize such risk to the Company.	February
4.	Reviewing and updating the Audit Committee Charter	April/June
5.	Reviewing corporate compliance policies and procedures	February
6.	Reviewing the audited financial statements and discussing them with management and the independent auditors. These discussions shall include required discussions under Statement of Auditing Standards No. 61 and consideration of the quality of OCLC's accounting principles as applied in its financial reporting. Additional discussions shall include a review of material accounting estimates, reserves and accruals, judgmental areas, audit adjustments (whether or not recorded), and other such inquires as the Committee or the independent auditors shall deem appropriate. Based on such review, the Committee shall make its recommendation to the Board as to the acceptance of OCLC's audited financial statements and their inclusion in OCLC's Annual Report.	September
7.	Issuing annually an audit committee report or "Management Letter" to be included in the annual report.	September
8.	Overseeing the relationship with the independent auditors, including discussing with the auditors the nature and rigor of the audit process, receiving and reviewing audit reports, and providing the auditors full access to the Committee (and the Board) to report on any and all appropriate matters.	September/February

9.	Obtaining annually from the independent auditors a formal written statement describing all relationships between the auditors and OCLC. The Committee shall actively engage in a dialogue with the independent auditors with respect to relationships that may impact the objectivity and independence of the auditors and shall take, or recommend, appropriate actions to oversee and satisfy itself as to the auditors' independence, including a review of total fees.	September
10.	Discussing with management and the independent auditors the quality and adequacy of compliance with OCLC's internal controls	September
11.	Reviewing and evaluating conflict of interest statements from the Board and OCLC Executives. The Committee shall be responsible for ensuring that all identified conflicts are appropriately and timely remedied. The Committee shall also be responsible for evaluating any material related party transactions, other than those on a basis available to all OCLC membership.	September
12.	Recommending to the Nominating Committee to consider continuity, independence and financial literacy/expertise when selecting Audit Committee members	February/ September
13.	Reviewing with Finance management any significant changes To GAAP policies or standards	February/ September
14.	Overseeing internal audit activities including discussing with management the internal audit function's objectivity, organization, responsibilities, and results.	February/ September
15.	Discussing with management and/or OCLC's general counsel any legal matters (including the status of pending litigation) that may have a material impact on OCLC's financial statements, and any material reports or inquiries from regulatory or governmental agencies	As Needed
16.	Reviewing any alleged fraudulent actions or violations of law. The Committee shall be responsible for ensuring that all identified violations are appropriately addressed.	As Needed