

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.  
Meeting of the Board of Trustees  
June 8, 2009

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated May 28, 2009, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc., convened at 8:01 a.m., local time, on June 8, 2009 at the Ritz-Carlton Hotel, 160 East Pearson Street, at Water Tower Place, Chicago, Illinois. Mr. Alford presided as Chair and Mr. Houfek kept the minutes of the meeting, except during the executive session, when Mr. Alford performed both functions.

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:

Karen Calhoun, Vice President, WorldCat and Metadata Services  
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

Mr. Alford began by thanking Mr. Seal for the wonderful dinner the previous evening with the Trustees, staff and area librarians at Loyola University, followed by a discussion regarding the diversity of the invited guests in attendance at the dinner. Mr. Alford then inquired as to any 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 April 20, 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 Membership Committee. Mr. Newell reported that the Committee had the following resolution, which could be found at Tab 2 of the Board materials, to present to the full Board for approval:

**MEMBERSHIP & GOVERNANCE PROTOCOLS RESOLUTION**

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

WHEREAS the Membership Committee of the Board of Trustees has proposed modifications to this document, titled "Membership Definition 17 May 2009, draft 1a" amending Section II titled 'Membership', of these Protocols; and

WHEREAS the Members Council approved these modifications at its meeting on May 19, 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, the above resolution was moved, seconded and unanimously approved by the Trustees. Mr. Seal stated that he wished to thank Mr. Newell on behalf of the Board for his leadership efforts on the Committee. That concluded Mr. Newell's report.

Ms. Calhoun then presented an update on the current state of the OCLC Record Use Policy, after which a lengthy discussion followed.

Mr. Alford then led a discussion on the issue of OCLC's social contract with libraries.

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, adding that he wished to note that Nylink had recently signed a Partner Agreement with OCLC. In view of the length of the prior discussions, Mr. Jordan yielded the rest of his time to the Board.

The Chair then called the Board into executive session at 9:40 a.m., during which the Trustees discussed various matters with Mr. Jordan. At 10:08 a.m., the Board ended the executive session and returned to regular session, at which time the Chair called for a break.

The meeting was reconvened at 10:23 a.m. Mr. Alford requested that Mr. Barry chair the meeting until Mr. Alford could return, at which point Mr. Barry asked for the report of the Governance Transition Committee. Ms. Farrell referred the Trustees to their packets for the current materials from the Committee. Ms. Farrell indicated that the Committee anticipated conclusion of its work later this calendar year, and then referred the Board to the copies of the Regional Council governance documents which had been furnished to them. Ms. Farrell then indicated that the following items remained to be completed by the Committee: (i) clarification regarding the

financial/funding arrangements for the Regional Councils, (ii) considerations regarding appropriate key partners in each region (e.g. local networks, national libraries, etc), and (iii) structuring Board participation in the Regional Council meetings. That concluded Ms. Farrell's report.

Mr. Alford then returned and resumed as Chair of the meeting. He thanked Ms. Farrell and the Committee for all of their hard work on these governance issues.

Mr. Alford then indicated that he had nothing to add to his Chair's report which could be found at Tab 3 of the Board materials, except to extend his thanks to Ms. Wilson and Ms. Yee for their assistance at the recent ARL meeting.

Mr. Alford then reported that the Executive Committee had met and there would be further discussions regarding that Committee in the second executive session of the day.

The Chair then called for the report of the Audit Committee. Ms. Farrell indicated that the Committee met with all members present, and had spent the entire meeting discussing the Product Development Project Management review status as presented by Ms. Spayde. The Committee discussed the outside contractor's input, new internal alignments and the need to engage libraries as new products and services are developed. Ms. Farrell concluded her report by indicating that a final review of this Project would be presented to the Board in September.

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 MIP and LTIP projected results and payouts for FY 2009, (ii) reviewed officer targets and projections for FY 2010, and (iii) had two action items that would be discussed further in executive session. 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 with Ms. Ryland the new capabilities which she is having installed on the Board website, including the availability of Committee reports and the ability for the Trustees to leave comments regarding same, (ii) discussed several changes to the Board's self-evaluation forms, (iii) continued to refine the shortlist for future candidates for open Trustee positions, (iv) began to finalize discussions regarding FY2010 Committee assignments, and (v) discussed ratification of assignments of Global Council delegates to the Membership Committee. 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 present, and reviewed the projected year end financial information as presented by Mr. Schwieterman. 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:

### **TAX EXEMPT FINANCING RESOLUTION**

RESOLVED, That OCLC Online Computer Library Center, Inc. (the "Corporation") be and it hereby is authorized, subject to market conditions acceptable in the judgment of one or more of the officers listed below, to enter into arrangements with either the County of Franklin, Ohio or the Columbus-Franklin County Finance Authority as a public body issuer (the "Issuer") and, as necessary, other appropriate parties, for the purpose of financing, with the proceeds of certain tax-exempt revenue obligations of the Issuer in an aggregate principal amount not to exceed Thirty Million Dollars (\$30,000,000) (the "Obligations"), all or any portion of (i) the costs of certain real and/or personal property, including without limitation, building renovations and improvements, computer, telecommunications and other equipment, furnishings, software programs, bibliographic and other information databases used in connection with or support of OCLC services, and other capital expenditures and appurtenances related thereto (collectively referred to hereinafter as the "Project") to be used by the Corporation, and (ii) the costs of issuance of the Obligations; and

FURTHER RESOLVED, That the financing contemplated by this Resolution be carried out pursuant to the terms and conditions to be set forth in certain appropriate documents including a Loan Agreement and/or a Lease Agreement as appropriate, between the Issuer as lender (or lessor) and the Corporation as borrower (or lessee) to be assigned by the Issuer to a suitable financing institution, and, if applicable, a Bond Purchase Agreement between and among the Issuer, the Corporation and such financing institution (the "Financing Agreement"), as well as certain other necessary supportive documents; and

FURTHER RESOLVED, That the President and CEO, the Executive Vice President, Chief Financial Officer and Treasurer of this Corporation be and each of them, acting singly, are hereby authorized, on behalf of the Corporation, to execute and deliver the Financing Agreement and the other supportive documents that may be necessary to effect the transaction contemplated herein, each in such form as shall be approved by the officer executing the same, and issuance, execution and delivery of any such documents or instruments by such officer shall be conclusive evidence of the approval thereof by the officer executing the same and of the Corporation; and

FURTHER RESOLVED, That subject to the final review and approval of the proposed structuring of the financing contemplated herein by the Finance Committee of the Board of Trustees of the Corporation (and without further action of said Board), the aforesaid officers, and the Secretary of this Corporation, be and each of them, acting singly, are hereby authorized, on behalf of the Corporation, (i) to approve the terms and conditions of the Financing Agreement and other necessary supportive documents, and to approve any other matters, and execute and deliver any other certificates or instruments, required in connection with the issuance of the Obligations, such approvals to be conclusively evidenced by the execution and delivery of the Financing Agreement, and any other certificates, documents and instruments so executed and delivered; and

FURTHER RESOLVED, That the President and CEO, the Executive Vice President, Chief Financial Officer and Treasurer and the Vice President, General Counsel and Secretary of this Corporation, and each of them, acting singly, are hereby authorized and directed to take any and all action, on behalf of the Corporation, necessary or proper for the Corporation to carry out, perform, give effect to, consummate and perform the terms of and the transactions contemplated by said documents, the rules and regulations associated therewith, all in accordance with the transaction contemplated herein, and to provide for the operation and management of the Project.

**MANGER RESOLUTION**

RESOLVED, That this Corporation be and it hereby is authorized to sell the Corporation's microfilming service division known as the OCLC Preservation Service Center on substantially the same terms and conditions as presented to the Finance Committee of the Board on June 7, 2009 and 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.

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 for a break at 10:57 a.m. The meeting resumed at 11:10 a.m. in executive session, during which the following resolution was moved, (no second being necessary) and unanimously approved:

**FY2009 MIP NON-EXECUTIVE INCENTIVE COMPENSATION**

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.

Mr. Jordan was then excused from the meeting, and the remaining Trustees moved, seconded and unanimously approved the following resolution:

**CEO COMPENSATION**

RESOLVED, that following a review of the individual performance of the President & CEO for FY 2008/2009, the Board in executive session hereby approves the annual base salary for Robert L. Jordan to be effective July 1, 2009.

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 12:20 p.m.

## **EXHIBIT A**

### **MEMBERSHIP AND GOVERNANCE PROTOCOLS**

Approved by OCLC Members Council, 10 February 2009  
Ratified by OCLC Board of Trustees, 20 April 2009  
Replacement Article II approved by Members Council, 19 May 2009  
Ratified by Board of Trustees, 8 June 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.

Any library or other memory institution that embraces the OCLC values of collaboration and sharing is welcome. Institutions worldwide become members of OCLC by contractually agreeing to contribute intellectual content or share resources. Our cooperative is strengthened by our membership's diversity, such as geographical, institutional type, or size.

OCLC members are united by similar and complementary content and processes. They are connected through mutual purpose, shared enterprise, and the creation, sharing, and stewardship of metadata, content, and other resources. For example, WorldCat is maintained through the collaborative efforts of OCLC members. Members respect the intellectual property rights of other members and the cooperative.

OCLC members share in a variety of ways, such as (but not limited by):

- Contributing metadata;
- Sharing holdings information;
- Sharing staff resources and expertise, such as in a reference cooperative;
- Making digital content available to other members;
- Sharing materials using OCLC services; or by
- Contributing to OCLC in other ways (in the future appended to this list) indicating an agreed upon significant level of engagement with the cooperative.

OCLC services and products qualifying for membership status are identified annually. These services and products are proposed by OCLC staff, reviewed by the Membership Committee, and any changes are approved by the Global Council and the Board of Trustees.

Members financially support OCLC through purchase of services or products. Without the ongoing

contribution of intellectual content or sharing of resources, such purchases do not qualify an institution for Membership.

Voting rights for members are as set forth in the OCLC Code of Regulations. Global Council Member Delegates (as described below in Section V) come from member institutions. All elected delegates are full voting members of the Global Council itself.

### 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.