

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.  
Meeting of the Board of Trustees  
April 19, 2010

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated April 8, 2010, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc. convened at 8:04 a.m., local time, on April 19, 2010 at 6565 Kilgour Place, Dublin, Ohio, 43017. Mr. Alford presided as Chair and Mr. Houfek kept the minutes of the meeting, except during the executive sessions, when Mr. Barry kept the minutes.

Trustees present:

Larry Alford  
Edward W. Barry  
Maggie Farrell  
Tony Ferguson  
Kathleen Imhoff  
Jay Jordan  
David P. Lauer  
James Neal  
Bruce Newell  
Elisabeth Niggemann (conference call)  
John Patrick  
David Roselle  
Robert Seal  
Betsy Wilson  
Sandra Yee

Trustees Absent:

Bernadette Gray-Little

Also, present for all or portions of the meeting:

Karen Calhoun, Vice President, WorldCat & Metadata Services  
Bruce Crocco, Vice President, Library Services for the Americas  
Cathy De Rosa, Vice President of the Americas & Global VP of Marketing  
Lorcan Dempsey, Vice President, Programs and Research & Chief Strategist  
James T. Houfek, Vice President, General Counsel and Secretary  
Jim Michalko, Vice President, RLG Programs  
Robin Murray, Vice President, Global Product Management (via conference telephone)  
George Needham, Vice President, Global & Regional Councils  
Chip Nilges, Vice President, Business Development  
Gene Oliver, Executive Director, Systems Management  
Rick J. Schwieterman, Executive Vice President, Chief Financial Officer  
Tammi N. Spayde, Vice President, Human Resources  
Mike Teets, Vice President, Innovation  
Rein van Charldorp, Managing Director, EMEA (via conference telephone)  
Andrew Wang, Vice President, OCLC Asia Pacific  
Jennifer Younger, President-Elect, OCLC Global Council  
Greg Zick, Vice President, Global Engineering

Mr. Alford began the meeting by welcoming Mr. Neal to the OCLC Board of Trustees, and then inquired as to any changes to or discussion of the minutes of the last meeting, or the proposed agenda for this meeting. There being none, he requested a motion to approve the minutes of the Meeting of the Board of Trustees which was held on February 8, 2010. Upon motion duly made and seconded, the Board of Trustees unanimously approved the minutes of said meeting.

Mr. Alford then extended the Board's appreciation to the Strategic Leadership Team, as well as all of the OCLC staff for their continued devotion to the purpose and charter of OCLC, indicating that there were many good things being said about OCLC's work, even during these difficult economic times.

Ms. Younger and Ms. Calhoun then presented an update on the Record Use Policy Council's recent work.

The Chair then called for the President's report. Mr. Jordan thanked the Record Use Policy Council for their excellent work and dedication. He then asked that the Board look to his written report for details, a copy of which could be found at Tab 3 of the Board materials, after which he related that: (i) the ARL Fellows had recently visited OCLC and the exchange with them was very beneficial, (ii) the EMEA Regional Council meeting had taken place and the participation was excellent, (iii) some consolidation was occurring within the regional Network space and OCLC was in contact with the principals to explore future alternatives, (iv) OCLC had recently completed the divestiture of its NetLibrary division with an excellent effort by many individuals including members of the Legal, Finance, Sales and Human Resources teams, (v) OCLC had recently signed consultancy agreements with former Trustees William Crowe, Special Assistant to the Dean of Libraries and former Dean of Libraries and Vice Chancellor for Information Services at the University of Kansas, and Nancy Eaton, Dean of University Libraries and Scholarly Communications at Penn State University, as well as with Rick and Ruth Lugg, to serve as advisors in continuing the corporate objective of communicating and connecting more fully with libraries, (vi) the IFLA Fellows were presently on campus and meeting with both senior management and staff, (vii) an agreement to load records had recently been signed with the National Diet Library in Tokyo after many years of negotiations, and (viii) he wished to assure the Board that everyone at OCLC was aware of the urgency associated with the development and rollout of WMS to the library community. That completed Mr. Jordan's report.

Mr. Alford then called the Board into executive session at 9:03 a.m. At 11:08 a.m., the meeting was re-convened in open session.

Mr. Alford apologized for not having prepared a formal written chair's report. He did report having attended the recent EMEA Regional Council meeting where over 40 countries were represented, indicating a significant engagement from the European library community towards the new Global Council. This concluded the Chair's report.

Mr. Alford then indicated that the Executive Committee of the Board met and discussed (i) OCLC's state of affairs with Mr. Jordan, and (ii) the following two resolutions which he was now presenting to the Board for vote and approval:

#### **2011 MEETING DATES**

RESOLVED, that regular meetings of the Board of Trustees shall be held, in calendar 2011, 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 7, 2011  
April 11, 2011  
June 13, 2011

September 19, 2011  
November 7, 2011

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 7, 2011.

#### **MIKE TEETS**

RESOLVED, That the President's appointment of Mike Teets as Vice President of Innovation and his base salary be approved effective February 5, 2010.

Having come from the Committee, and no second being necessary, each of the above resolutions was separately moved and unanimously approved by the Board. This concluded the report of the Executive Committee.

The Chair then called for the report of the RLG Committee. Ms. Wilson indicated that the Committee met and: (i) reviewed strategic project activities with Mr. Michalko, (ii) discussed a staff paper regarding the future of the RLG Partnership after June 30, 2011, including partner retention, financial modeling and communications strategy, (iii) reviewed the achievements of the RLG program, as well as the budget and staff contributions and found them to be compliant with OCLC's contractual obligations, and (iv) discussed the topic of OCLC senior management's role in illuminating both the past benefits and the future path of the RLG/OCLC collaboration. That completed Ms. Wilson's report.

The Chair then requested the report of the Membership Committee. Mr. Newell indicated that the Committee met in Chicago, after which he reported that as a result of that meeting there were some proposed changes to the Membership and Governance Protocols which would be distributed to the Board, and which would be on the agenda for approval at the June Board meeting. Mr. Alford then added his gratitude on behalf of the Board for the work that Mr. Newell has done on this matter. That concluded Mr. Newell's report.

The Chair then called for the report of the Audit Committee. Ms. Farrell reported that the Committee met with all members present, and: (i) reviewed the company's insurance coverage, which resulted in an 11% reduction in premium cost over last year, (ii) completed an enterprise risk assessment, (iii) reviewed financial information for the regional Networks, (iv) reviewed the current Committee Charter and determined that no changes were necessary, and (v) made a clarification to the Board's annual Conflict of Interest form. 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 and: (i) received an update on the OCLC inclusion activities from Mr. Offord, (ii) reviewed a report from Towers Watson on the OCLC Long Term Incentive Compensation Plan, with further input from Mr. Schwieterman and Ms. Spayde, (iii) listened to a presentation regarding the current Talent Management Program, and (iv) reviewed an additional report from Towers Watson evaluating the current Board compensation in comparison to other not-for-profit boards. Mr. Lauer then indicated that he would have further materials to discuss during the next executive session. That concluded Mr. Lauer's report.

The Chair then called for the report of the Nominating and Board Development Committee. Ms. Niggemann reported that the Committee met with all members present and had reviewed four resolutions which were now being brought to the full Board for approval and adoption:

#### **RLG COMMITTEE**

RESOLVED, that effective July 1, 2010, the following OCLC Trustees are appointed to the RLG Committee for fiscal year 2010/11:

1. Elisabeth Niggemann
2. Lizabeth Wilson
3. David Roselle

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

**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 2010/2011:

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.

**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 Nominating and Board Development Committee Charter is attached as Exhibit A.)

**JAMES G. NEAL COMMITTEE APPOINTMENTS**

RESOLVED, that effective April 19, 2010, James G. Neal is hereby appointed to the Nominating and Board Development Committee and to the Finance Committee.

Having come from the Committee, and no second being necessary, each of the above resolutions were separately moved and unanimously approved by the Board. Ms. Niggemann then indicated that there were matters to be discussed in the next executive session. This 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, where a review of the Management Incentive Plan and the financial forecast was undertaken. The Committee then met in joint session with the Strategic Leadership Team for a review of OCLC's strategic plan, with Mr. Schwieterman, Mr. Murray and Ms. De Rosa giving presentations. That concluded Mr. Roselle's report.

The Chair then called for other business. Discussions took place regarding the Board meeting in June, 2010 (which will be held in Boston), as well as schedules for future Board and Global Council meetings. There being no additional business, the Chair called the

meeting into executive session at 12:01 p.m. A motion to adjourn was moved, seconded and unanimously approved by all of the Trustees, and the meeting was adjourned at 12:40 p.m.

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Larry Alford, Chair

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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.	<b>The Nominating and Board Development Committee will meet its responsibilities for advising the Board on appropriate continuity of membership by taking the following actions:</b>	
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 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

<b>2.</b>	<b>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:</b>	
2.a.	Recommending when a variation from the normal Board composition of fifteen members is indicated.	As needed
2.b.	Recommending when a third consecutive term of a board member is in the best interest of the Corporation and the Members.	As needed
2.c.	Recommending when a variation from the normal three year term for the Board Chair is in the best interest of the Corporation and the Members.	As needed
2.d.	Recommending when a variation from the normal three year term for the Vice Chair or Vice Chairs is in the best interest of the Corporation and the Members.	As needed
2.e.	Developing, and reviewing as necessary, a set of principles to guide the development and continuity of leadership for the Board.	As needed
2.f.	Recommending a slate of Board officers and Board committee assignments for Board action at each November Board meeting.	November
2.g.	Recommending a slate of Board members for the Committee of Membership at each April Board meeting.	April
2.h.	Recommending a slate of Board members for the RLG Committee and committee chair as needed.	As needed
<b>3.</b>	<b>The Nominating and Board Development Committee will meet its responsibilities for review of Board performance and effectiveness by taking the following actions:</b>	
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
<b>4.</b>	<b>The Nominating and Board Development Committee will meet its responsibilities for Board development by taking the following actions:</b>	
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	As needed



	through a liaison relationship with designated OCLC staff members responsible for the website.	
<b>5.</b>	<b>The Nominating and Board Development Committee will meet its responsibilities for review of Committee responsibilities by taking the following actions:</b>	
5.a.	Reviewing the Committee charter on an annual basis and recommending any proposed changes to the Board for approval.	September