

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
June 14, 2010

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated June 2, 2010, 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 June 14, 2010 at the Lenox Hotel, 61 Exeter Street, Boston, Massachusetts. 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 Lauer
Bernadette Gray-Little
Bruce Newell
Elisabeth Niggemann
John Patrick
David Roselle
Robert Seal
Betsy Wilson
Sandra Yee

Trustees Absent:

James Neal

Also, present for all or portions of the meeting:

Karen Calhoun, Vice President, WorldCat & 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 the meeting by extending the Board's appreciation to Ms. Ryan for her assistance in setting up and coordinating the various Board activities, and then inquired as to any changes to or discussion of either the proposed agenda, or the minutes of the last meeting. There being none, he requested a motion to approve the minutes of the Meeting of the Board of Trustees which was held on April 19, 2010. Upon motion duly made and seconded, the Board of Trustees unanimously approved the minutes of said meeting.

Ms. Calhoun then presented an update on the Record Use Policy Council's recent work, which included a final draft of the "WorldCat Rights and Responsibilities for the OCLC Cooperative", which is intended to replace the "Guidelines for Use and Transfer of OCLC Derived

Records” document which was drafted in 1987. Following some discussion, Ms. Calhoun thanked Ms. Kate Gaylord and her team for their support work. Mr. Alford then noted that the following resolution to adopt the policy was in the board notebooks. Since the resolution was not being recommended by a board committee, it needed to be moved and seconded if the Board wished to proceed.

RECORD USE POLICY

WHEREAS, after lengthy and considerable consultation with the library community at large, and upon review and recommendation from the Global Council, the Record Use Policy Council has crafted the attached “WorldCat Rights and Responsibilities for the OCLC Cooperative”, and;

WHEREAS, this document is intended to replace the “Guidelines for Use and Transfer of OCLC Derived Records” as of August 1, 2010,

NOW THEREFORE, be it

RESOLVED, that the attached “WorldCat Rights and Responsibilities for the OCLC Cooperative” be, and they hereby are, adopted by this Board to become effective on August 1, 2010.

Upon motion duly made and seconded, and following further discussion, a vote was taken and the above resolution was unanimously approved by the Board. This concluded Ms. Calhoun’s report.

The Chair thanked Ms. Calhoun and the Council for their excellent work on behalf of the cooperative.

Mr. Jordan and Mr. Schwieterman then presented an update on the current OCLC global organizational structure.

The Chair then called for the President’s report. Mr. Jordan asked that the Board look to his written report for details, after which he related that: (i) OCLC has been actively working with its current and former distribution partners to establish methods of collaboration for the coming years, (ii) after ten years of work, the National Diet Library has agreed to load its five million records into WorldCat, (iii) significant progress is being made with OCLC’s relations with CALIS, BNF and ABES, (iv) for FY 2011, OCLC will have some of the toughest financial challenges seen during Mr. Jordan’s tenure as CEO, (v) business relations with Google remain excellent, (vi) the staff are refining their focus on execution and speed as we deliver the next generation of services to libraries, and (vii) WMS testing and tuning is proceeding as planned. That completed Mr. Jordan’s report.

Mr. Alford then called the Board into executive session at 9:30 a.m. At 10:15 a.m., the meeting was re-convened in open session.

Mr. Alford then delivered the Chair's report, indicating that: (i) the Board wished to congratulate Mr. Neal on his recent honors received from the University of Alberta, (ii) both the ALA and IFLA meetings are coming up, and Board members attending the ALA meeting are encouraged to meet with OCLC's land planners during their stay in Washington in order to review current design and development concepts for the OCLC campus, and (iii) he will be attending the Asia Regional Council meeting, as well as a scheduled China-U.S. libraries event. This concluded the Chair's report.

Mr. Alford then indicated that the Executive Committee of the Board met and discussed (i) some additional considerations surrounding record use issues, and (ii) the suggestion that the June 2011 Board meeting be held in Dublin, Ohio. Following some discussion, Mr. Alford indicated that this concluded his Executive Committee report.

The Chair then requested the report of the Membership Committee. Mr. Newell indicated that the Committee had finalized their proposed changes to the Membership and Governance Protocols, and that the Committee had the following resolution to propose to the Board for their approval:

OCLC MEMBERSHIP AND GOVERNANCE PROTOCOLS

WHEREAS, after lengthy and considerable consultation with the library community at large, as well as the Global Council, the OCLC Membership Committee has crafted a revision to the OCLC "Membership and Governance Protocols" as presented to the Board,

NOW THEREFORE, be it

RESOLVED, that subject to the ratification of the Global Council, the revised OCLC "Membership and Governance Protocols" be, and they hereby are, adopted by this Board, to become effective on the date of said Global Council ratification.

Having come from the Committee, and no second being necessary, the above resolution was unanimously approved by the Trustees. Mr. Newell indicated that the Protocols would now be presented to the Global Council for ratification. 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 had not met but was continuing to review issues surrounding financial information for the regional Networks. That concluded Ms. Farrell's report.

The Chair then called for the report of the RLG Committee. Ms. Wilson indicated that the Committee had not met since the last Board meeting and consequently had nothing to report.

The Chair then called for the report of the Personnel and Compensation Committee. Mr. Lauer reported that the Committee met and voted to recommend two resolutions to the full Board for approval during the upcoming 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 discussed: (i) upcoming Committee appointments, (ii) the Board self-evaluation forms, (iii) some proposals for changing the names of some of the committees, and (iv) forming a new committee to be known as the "Planning & Technology Committee" as suggested by Mr. Patrick, said committee to be ad hoc at first, with the potential to become a permanent committee in the future. 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, and discussed: (i) the general budget of OCLC, (ii) financial results of the sale of the NetLibrary division, (iii) the difficulty being experienced by libraries due to general economic conditions, and (iv) the following three resolutions which are being recommended to the full Board for approval:

REPAYMENT OF INDEBTEDNESS

RESOLVED, that the Resolution of the Finance Committee of the Board at its meeting on June 13, 2010 concerning repayment of the indebtedness represented by the Corporation's outstanding 2004 capital lease obligations, be and the same hereby is ratified, adopted and confirmed; and

FURTHER RESOLVED, that management is hereby authorized to proceed with a repayment of the existing 2004 capital lease obligations issue from funds of the Corporation and 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 such repayment including, without limitation, the execution and delivery of any necessary documents (the "Documents") in connection therewith on such terms as one or more of those officers determine are in the best interests of the Corporation, and the transactions contemplated by said documents, all in accordance with the transaction contemplated herein. The execution and delivery of the Documents by one or more of those officers shall be conclusive evidence of the approval of the Documents by that officer or those officers and of his or their determination that the terms of the Documents are in the best interests of the Corporation.

DEFEASANCE

RESOLVED, that the Resolution of the Finance Committee of the Board at its meeting on June 13, 2010 concerning defeasance of the indebtedness represented by the Corporation's outstanding 2003 industrial revenue bonds, be and the same hereby is ratified, adopted and confirmed; and

FURTHER RESOLVED, that management is hereby authorized to proceed with a defeasance of the existing 2003 industrial revenue bond issue from funds of the Corporation and 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 such defeasance, including, without limitation, the execution and delivery of an escrow deposit agreement and any other necessary documents (the "Documents") in connection therewith on such terms as one or more of those officers determine are in the best interests of the Corporation, and the transactions contemplated by said Documents, all in accordance with the transaction contemplated herein. The execution and delivery of the Documents by one or more of those officers shall be conclusive evidence of the approval of the Documents by that officer or those officers and of his or their determination that the terms of the Documents are in the best interests of the Corporation.

CORPORATE OPERATING PLAN

RESOLVED, that the fiscal year 2010/2011 budget of the Corporate Operating Plan, as presented to this meeting, be and the same hereby is approved.

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 Finance Committee.

The Chair then called for other business. There being none, at 11:30 a.m. the Chair called for a five minute break. Following the break, the Chair called the meeting into executive session at 11:35 a.m. The executive session was concluded at 12:45 p.m., and Mr. Alford indicated that the following two resolutions had each been separately moved, seconded and unanimously approved by the Trustees present during the executive session (Mr. Jordan had excused himself from the room during the approval vote on these two resolutions):

FY2010 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.

CEO COMPENSATION

RESOLVED, that following a review of the individual performance of the President & CEO for FY 2009/2010, the Board in executive session hereby approves the annual base salary for Robert L. Jordan to be effective July 1, 2010.

A motion to adjourn was moved, seconded and unanimously approved by all of the Trustees, and the meeting was adjourned at 12:46 p.m.

Larry Alford, Chair

James T. Houfek, Secretary