

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
September 20, 2010

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated September 9, 2010, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc. convened at 8:02 a.m., local time, on September 20, 2010 at the OCLC Conference Center, 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 Lauer
Bernadette Gray-Little
James Neal
Bruce Newell
Elisabeth Niggemann
John Patrick
David Roselle
Robert Seal
Betsy Wilson
Sandra Yee

Trustees Absent:

None

Also, present for all or portions of the meeting:

Bruce Crocco, Vice President, Library Services for the Americas
Cathy De Rosa, Vice President of the Americas & Global VP of Marketing
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
Lorcan Dempsey, Vice President, Programs and Research & Chief Strategist
Jim Michalko, Vice President, RLG Programs
Robin Murray, Vice President, Global Product Management
George Needham, Vice President, Global & Regional Councils
Chip Nilges, Vice President, Business Development
Gene Oliver, Executive Director, Systems Management
Mike Teets, Vice President, Innovation
Andrew Wang, Vice President, OCLC Asia Pacific
Greg Zick, Vice President, Global Engineering
Rein van Charldorp, Managing Director, EMEA
Julie Presas, Assistant General Counsel
Jim Wilson, Partner at Vorys, Sater Seymour & Pease

Mr. Alford began the meeting by extending the Board's welcome to Ms. Presas and Mr. Wilson, and then indicated that any matters discussed at the meeting regarding the SkyRiver litigation would be subject to the U.S. Federal Court's rules regarding privileged information, the particulars of which would be discussed by Mr. Wilson during an executive session later today. The Chair then inquired as to any changes to or discussion of the proposed general agenda, and there being none, he referred the Board to the consent agenda and asked whether anyone wished to have any of the resolutions contained therein removed for individual discussion. Hearing no such request, Mr. Alford then inquired whether there were any objections to the approval of the four resolutions contained within the consent agenda, and there being none, the following resolutions were unanimously approved by the Board:

PROPOSED RESOLUTION

WHEREAS, the Record Use Policy Council has concluded its work and made its final report to the Board of Trustees of OCLC Online Computer Library Center, Inc., and

WHEREAS the Committee members have carried out all of the duties and assignments with distinction and dedication, and

WHEREAS, this Board of Trustees is deeply grateful to the members of the Record Use Policy Council for their service,

NOW, THEREFORE, BE IT

RESOLVED, that this Board of Trustees hereby discharges the Record Use Policy Council and expresses its deep gratitude and appreciation to the following Committee members for their outstanding leadership and contributions to developing and implementing a current record use policy to serve the members of the cooperative into the future:

Co-Chair Barbara Gubbin, Director, Jacksonville Public Library, USA

Co-Chair Jennifer Younger, President-Elect, OCLC Global Council and Edward H. Arnold Director of Hesburgh Libraries, University of Notre Dame, USA

ChewLeng Beh, Global Council Delegate and Chair, OCLC Asia Pacific Regional Council; and Senior Director, Singapore National Library Board, Singapore

Raymond Bérard, Global Council Delegate and Director, ABES, France

Karen Calhoun, Vice President, WorldCat and Metadata Services, OCLC, USA

Klaus Ceynowa, Global Council Delegate and Deputy Director General, Bayerische Staatsbibliothek, Germany

Christopher Cole, Global Council Delegate and Associate Director for Technical Services, National Agricultural Library, USA

Lorcan Dempsey, Vice President, OCLC Research and Chief Strategist, OCLC, USA

Nancy Eaton, Dean of University Libraries and Scholarly Communications, Penn State University, USA

Clifford A. Lynch, Executive Director, Coalition for Networked Information (CNI), USA

Brian E. C. Schottlaender, Global Council Delegate and The Audrey Geisel University Librarian, University of California, San Diego, USA

Lamar Veatch, Global Council Delegate and State Librarian, Georgia Public Library Service--University System of Georgia, USA

PROPOSED RESOLUTION

RESOLVED, that the Deloitte & Touche audit report for the year ended June 30, 2010, be and the same is hereby accepted.

PROPOSED RESOLUTION

RESOLVED, that upon the recommendation of the Global Council Executive Committee and review and recommendation of the Nominating and Board Development Committee, the following three Global Council Delegate Members are hereby approved and appointed as the new representatives to the Committee on Membership from the Global Council for fiscal year 2010/2011:

1. Poul Erlandsen
2. Samson Soong
3. Wilbur Stolt

Ms. De Rosa and Mr. Murray then gave a presentation on the future of OCLC services including cost sharing strategies. Following some discussion, the Chair thanked Ms. De Rosa and Mr. Murray for their work.

Mr. Jordan and Ms. De Rosa then presented an update on future OCLC communication strategies.

The Chair then called for the President's report. Mr. Jordan asked that the Board look to his written report for details, and ceded the rest of his time to the remaining agenda.

Mr. Alford then called for a break at 9:45 a.m., and the Board reconvened in executive session at 9:55 a.m. At 11:17 a.m., the meeting was re-convened in open session, after which Mr. Alford called for a break. The meeting was reconvened at 11:25 a.m.

Mr. Alford then delivered the Chair's report, indicating that he had attended the Asia Pacific Regional Council meeting in Tokyo, as well as the China- North America Library Cooperation Conference in Beijing. He attended the latter in his role as Dean of University Libraries at Temple University. Mr. Alford extended his appreciation and thanks to Mr. Wang for his advanced preparation and involvement which contributed greatly to the success of these events. The Chair then referred the Board to his report for additional matters of interest. This concluded the Chair's report.

Mr. Alford then indicated that the Executive Committee of the Board met and discussed (i) the structure and content of the joint Board/SLT retreat to be held in November, 2010, (ii) issues of appropriate communication with the various levels of membership on behalf of the cooperative, and (iii) the suggestion that the June, 2011 Board meeting be held in a location other than Dublin, Ohio. Following some discussion, Mr. Alford indicated that this concluded his Executive Committee report.

The Chair then called for the report of the RLG Committee. Ms. Wilson indicated that the Committee met with all members present, and had: (i) completed the annual review of the Committee Charter, and determined that no changes were appropriate, (ii) continued discussions as to the future of the 5 years of productivity that have resulted from the RLG/OCLC collaboration when the existing contractual obligations of OCLC end on June 30, 2011, (iii) discussed an upcoming RLG forum to be held at the Smithsonian Institution regarding the collaboration of libraries and museums, (iv) discussed ongoing work with name extraction authorities in conjunction with the Hathi Trust materials, (v) discussed issues of the cooperative management of print collections, archiving and print repositories, (vi) determined that OCLC continued to be in compliance with its obligations under the Purchase Agreement between OCLC and RLG as to both funding and staff requirements, (vii) heard a presentation from Mr. Dempsey regarding ongoing activities of the Innovation Lab, (viii) continued discussions regarding recommendations for funding the OCLC research efforts following the June 30, 2011 contractual termination date, for both OCLC and the research library community, and (ix) discussed what, if any, reporting was appropriate from the RLG Board Committee, whose charter expires on June 30, 2011. That concluded Ms. Wilson'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 had: (i) reviewed the annual audit letter with representatives of Deloitte, (ii) recommended the letter be accepted (the resolution doing so was a part of the earlier consent agenda), (iii) heard a report from Ms. Sondra Kowaluk on the financial health of the network partners, (iv) held an executive session with the Deloitte representatives and found no exceptions to the representations contained in the audit letter, and (v) began a preliminary discussion regarding establishment of some guidelines for librarian Trustees to avoid the appearance of any conflict of interest within their institutions because of their participation on the Board. 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 had voted to recommend several 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 (including Mr. Neal) and had discussed: (i) recent updates to the Board website that had been accomplished by Ms. Anna Ryan and Mr. Patrick, (ii) approval of several resolutions that would be brought forward at the November, 2010 Board meeting, (iii) the creation of a new ad hoc committee on technology, with a resolution regarding same to be presented at the November 2010 Board meeting, (iv) the Board/SLT planning retreat to be held in November, 2010, and (v) the self-assessment forms submitted by the Trustees, with the observation that the results continue to be very similar to previous years' results. 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 (including Mr. Neal), and had discussed: (i) proposed distributions under the Long Term Incentive Plan and the Management Incentive Plan, and (ii) the current corporate budget performance. This concluded Mr. Roselle's report.

The Chair then called for other business. A short discussion was held regarding the location of the November, 2010 Board meeting, after which the Chair called the meeting into executive session at 12:02 p.m. The executive session concluded at 12:45 p.m., and Mr. Alford indicated that the following resolutions had each been unanimously approved by the Trustees present during the executive session. (Mr. Jordan had excused himself from the room during the discussion and vote on the last four of the resolutions):

PROPOSED RESOLUTION

WHEREAS, the Corporation has completed an internal audit of the Long-Term Incentive Plan non-financial metrics for FY2010; and

RESOLVED, that following review by both the Personnel & Compensation Committee and the Board, the recommendations of the Personnel and Compensation Committee regarding a FY2010 Long-Term Incentive Plan award to each Vice President as presented be approved.

PROPOSED RESOLUTION

Whereas, the Board of Trustees previously approved the LTIP performance measures for FY11 on September 22, 2008;

WHEREAS, the Board of Trustees requested an independent review of the LTIP model and has decided to implement a revised model;

NOW, THEREFORE, BE IT RESOLVED, that the Personnel and Compensation Committee of the Board of Trustees approves the revised performance measures in the Long-Term Incentive Plan ("LTIP") for FY11, FY12, and FY13, and after appropriate discussion and review by the full Board in executive session, the same are hereby approved.

PROPOSED RESOLUTION

RESOLVED, that the recommendation of the Personnel and Compensation Committee regarding the FY2010/2011 Management Incentive Plan performance objectives for each Vice President of the Corporation as presented in executive session be and the same is hereby approved.

PROPOSED RESOLUTION

RESOLVED, that following the review by both the Personnel & Compensation Committee and the Board in executive session, the recommendations of the Personnel and Compensation Committee regarding base salary for each Vice President of the Corporation, effective July 1, 2010 be and the same hereby are approved as presented.

PROPOSED RESOLUTION

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 each Vice President of this Corporation for the fiscal year 2009/2010 be and the same are hereby

approved as presented, pursuant to the provisions of the Management Incentive Plan.

PROPOSED RESOLUTION

RESOLVED, that following review by both the Personnel & Compensation Committee and the Board in executive session, the recommendations of the Personnel and Compensation Committee be approved as follows:

The Annual Incentive Plan award to the President and Chief Executive Officer of this Corporation for FY2010 be and the same are hereby approved.

PROPOSED RESOLUTION

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 the FY2010 Special Incentive award to the President and CEO be approved.

PROPOSED RESOLUTION

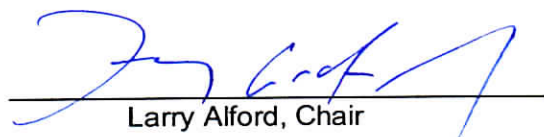
RESOLVED, that the Personnel and Compensation Committee of the Board of Trustees has completed their review and recommendations regarding the Special Incentive Plan and the associated target percentage provided in the employment contract with the President and CEO, and after appropriate discussion and review by the full Board, the Special Incentive Plan target percentage for the FY2011-FY2013 performance period for the President and CEO as presented in executive session be approved.

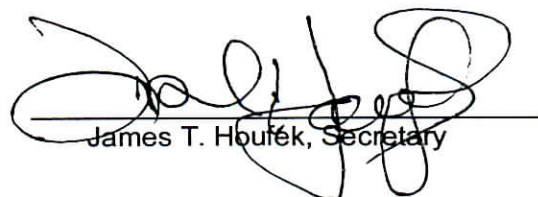
The Special Incentive performance measures to be achieved as of June 30, 2011, 2012, and 2013, as assigned to the President and CEO are also hereby approved.

PROPOSED RESOLUTION

RESOLVED, that the recommendation of the Personnel and Compensation Committee regarding the FY2011 Annual Incentive Plan performance objectives for the President and Chief Executive Officer of the Corporation, as presented in executive session be and the same is hereby approved.

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. Houbek, Secretary