

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.  
Special Meeting of the Board of Trustees  
November 15, 2010

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated November 4, 2010, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc. convened at 8:30 a.m., local time, on November 15, 2010 at the OCLC Conference Center, 6600 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  
James Neal  
Bruce Newell  
Elisabeth Niggemann (via conference telephone)  
John Patrick  
David Roselle  
Robert Seal  
Betsy Wilson  
Sandra Yee

Trustees Absent:

Bernadette Gray-Little

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  
Karen Calhoun, Metadata Services & Global Member Engagement  
Berndt Dugall, President-Elect of OCLC Global Council  
Nancy Eaton, Consultant  
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  
Julie Presas, Assistant General Counsel  
Gene Oliver, Executive Director, Systems Management  
Brian Schottlaender, Trustee-Elect  
Mike Teets, Vice President, Innovation  
Andrew Wang, Vice President, OCLC Asia Pacific  
Greg Zick, Vice President, Global Engineering  
Eric van Lubeek, Incoming Managing Director, EMEA

Rein van Charldorp, Managing Director, EMEA  
Jennifer Younger, President, OCLC Global Council

Mr. Alford began the meeting by extending the Board's welcome to Mr. Schottlaender, Mr. Dugall, Mr. van Lubeek, Ms. Younger and Ms. Eaton. In addition, Mr. Alford extended the Board's thanks to Mr. van Charldorp for his many years of service to the cooperative. The Chair then inquired as to any changes to or discussion of the proposed general agenda, and there being none, he requested a motion to approve the minutes of the Meeting of the Board of Trustees which was held on September 20, 2010. Upon motion duly made and seconded, the Board of Trustees unanimously approved the minutes of said meeting.

Ms. Younger then delivered an updated report on the activities of Global Council. Following some discussion, Mr. Dempsey and Ms. De Rosa then presented a review of the Board/SLT retreat which was held on, November 14<sup>th</sup>, 2010.

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 certain issues related to financial disclosure and transparency of trustee compensation, (ii) agreed to investigate creating a stronger statement in the Board Conflict of Interest statement regarding Trustee's individual compliance with his or her employing institution's disclosure of external professional engagement and conflict policies, (iii) recommended that a Code of Conduct for the Trustees be drafted, and (iv) discussed improvement in OCLC financial transparency with online FAQ's and regular financial analysis made available online, perhaps in a video format. That concluded Ms. Farrell'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 had: (i) reviewed the current financial position of the Company, including a review of the projected deficit for the fiscal year, (ii) reviewed the OCLC portfolio investment policy, (iii) discussed the correct terminology to describe the investment portfolio, (iv) acknowledged that many members are unaware that approximately 40% of the portfolio represents deposits made by members against future purchases, and that OCLC pays a 4% interest rate to those members while said amounts are on deposit, (v) also acknowledged that the 60% of the portfolio that belongs to the Cooperative, which represents less than 6 months of operating expenses, is considered towards the lower end for prudent corporate behavior, and (vi) discussed the fact that OCLC re-invests 5% of the Cooperative's portion of the investment portfolio into research and development of new products and services to benefit libraries in the future. This concluded Mr. Roselle's report.

Mr. Alford then called for a break at 10:18 a.m., and the Board reconvened at 10:38 a.m.

The Chair then called for the President's report. Mr. Jordan asked that the Board look to his written report for details, and then mentioned that: (i) all of OCLC is engaged and hard at work to continue delivery of the Cooperative's products and services to libraries, including WMS and its associated functionality, (ii) OCLC-EMEA had just completed a significant WMS contract with BIBSYS, (iii) management continues to strive for appropriate globalization/localization balances, (iv) the Human Resources Department has recently extended an offer of employment to a new Inclusion Manager, (v) the FY10 Annual Report has been completed and has been distributed to each Trustee, and (vi) OCLC recently hosted representatives from a group of community college libraries who were most appreciative of the opportunity to gather and discourse with each other and with OCLC staff. That concluded Mr. Jordan's report.

The Chair then called the Board into executive session at 10:55 a.m., and requested that the Strategic Leadership Team remain for the initial portion of the session. At 11:50, the Chair released the SLT and the Board continued in executive session.

At 12:02 p.m., Mr. Alford re-convened the Board in open session.

Mr. Alford then delivered the Chair's report, indicating that he had nothing additional to add to his written report contained in the Board's meeting materials.

The Chair then called for the report of the RLG Committee. Ms. Wilson indicated that the Committee met, and had: (i) discussed the global roster of research libraries, (ii) continued discussions regarding the value proposition for OCLC going forward with its research efforts, (iii) reviewed (and distributed to the Trustees) the 5 year overview of accomplishments resulting from the OCLC/RLG Partnership collaboration, as well as a draft document explaining the OCLC Research Library Partnership concept, and (iv) discussed OCLC's future relevance for research libraries in general, as well as the need to engage in consensus building and additional communication between OCLC and those libraries. That concluded Ms. Wilson's report.

The Ad-Hoc Committee on Technology Planning report was postponed until the February Board meeting.

The Chair then called for the report of the Nominating and Board Development Committee. Ms. Niggemann reported that the Committee had not met since its September

meeting, but at that meeting had reviewed and recommended the following four resolutions for approval by the full Board:

**PROPOSED RESOLUTION**

WHEREAS, the Nominating & Board Development Committee recommends changing the names of two of the Board's standing committees to better reflect their current functions,

NOW THEREFORE BE IT

RESOLVED, that the Board of Trustees authorizes the following Committee name changes:

The Finance Committee shall now be known as the Finance and Investment Committee, and

The Nominating and Board Development Committee shall now be known as the Board Governance Committee.

FURTHER RESOLVED, that the By-Laws of the Corporation be amended to reflect such committee changes.

**PROPOSED RESOLUTION**

RESOLVED, that effective November 15, 2010 James Neal is appointed to fulfill the unexpired term of Elisabeth Niggemann and as Chair of the RLG Committee for fiscal year 2010/2011.

**PROPOSED RESOLUTION**

RESOLVED, that effective November 15, 2010, Kathleen Imhoff is appointed to fulfill the unexpired term of Robert Seal on the Board Membership Committee for fiscal year 2010/2011.

**PROPOSED RESOLUTION**

WHEREAS, the Nominating & Board Development Committee wishes to establish a new ad hoc Committee pursuant to Article IX of By-Laws of the Corporation,

NOW THEREFORE BE IT

RESOLVED, that the Board of Trustees authorizes the creation of an ad hoc Committee which shall be known as the Committee on Technology & Planning, and which shall initially consist of the following individuals:

Mr. Schottlaender

Mr. Patrick

Mr. Newell

The Committee and its members shall serve at the pleasure of the Board, and shall continue such charge until modified or terminated by further resolution of the Board.

Discussion followed during which it was moved and seconded to change the name of the Committee to the “Ad Hoc Committee on Technology Planning”. With no further discussion to be had, a vote was held and the Trustees unanimously approved the five resolutions noted above. This concluded Ms. Niggemann’s report.

The Chair then inquired if there was any further business, and there being none, a motion to adjourn was moved, seconded and unanimously approved by the Trustees, and the meeting was adjourned at 12:19 p.m.

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Larry Alford, Chair

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James T. Houfek, Secretary