

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
September 12, 2011

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated September 1, 2011, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc. convened at 7:58 a.m., local time, on September 12, 2011, at 6565 Kilgour Place, Dublin, OH, 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 (via conference telephone)
David Roselle
Brian Schottlaender
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
Lorcan Dempsey, Vice President, Research & Chief Strategist
Cathy De Rosa, Vice President for the Americas & Global VP of Marketing
James T. Houfek, Vice President, General Counsel and Secretary
Jim Michalko, Vice President, OCLC Research Library Partnership
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
Julie Presas, Assistant General Counsel
Rick J. Schwieterman, Executive Vice President, Chief Financial Officer
Tammi N. Spayde, Vice President, Human Resources
Mike Teets, Vice President, Innovation
Andrew Wang, Vice President, OCLC Asia Pacific
Greg Zick, Vice President, Global Engineering

Mr. Alford began the meeting by inquiring whether there were any changes, objections to, removals from or discussion of the proposed consent agenda, and there being none, the consent agenda was then unanimously approved. The consent agenda included the minutes of the June 13, 2011 Board of Trustees meeting, and the following two resolutions:

RESOLUTION

RESOLVED, that the Deloitte & Touche audit report for the year ended June 30, 2011, be and the same is hereby accepted.

RESOLUTION

WHEREAS, OCLC wishes to enter into a business relationship with Wells Fargo under terms and conditions described and reviewed by the Board Finance Committee, and,

WHEREAS Wells Fargo requires OCLC to approve certain resolutions in order to commence and maintain said relationship,

NOW THEREFORE, be it hereby

Resolved:

Loans and Extensions of Credit. Resolved that any two (2) officers of the Corporation holding the titles set forth below, as verified by an incumbency certificate executed by a Secretary or Assistant Secretary of the Corporation:

Name Title	Actual Signature
Robert L. Jordan President & CEO	_____
Rick J. Schwieterman Executive Vice President & CFO	_____
James T. Houfek Secretary & General Counsel	_____

are hereby authorized, at any time and from time to time: (A) to obtain financial services and products of any kind from Wells Fargo (the "Bank") or from any other direct or indirect subsidiary of the Bank, including but not limited to loans and other products involving the extension of credit; equipment leases; letters of credit; investment sweep products (whether or not related to a credit product); other treasury management services and products; and capital markets services and products, including but not limited to (x) interest or currency swaps, futures, options, collars, caps,

floors, forward rate or other interest rate protection or similar arrangements or any foreign currency transaction or similar transaction providing for the purchase of one currency in exchange for the sale of another currency, (y) equity, credit, or other derivative products, and (z) asset securitizations and other receivables financing transactions; (B) to sell to or discount with Bank any personal property (tangible or intangible), at any time held by the Corporation and for such purpose to endorse, assign, transfer and deliver the same to Bank or its agent or designee; (C) to guarantee the payment and performance of the indebtedness and obligations of other persons or entities to Bank; (D) to create or cause the creation of any trusts or other special purpose entities required to be established in connection with any product or service obtained from Bank; (E) to pledge, assign, transfer, mortgage, grant a security interest in or lien on any real or personal property (tangible or intangible) of the Corporation to or in favor of Bank as collateral security for the payment and performance of all loans, advances, debts, liabilities, obligations, covenants and duties of the Corporation or of any other persons or entities to Bank (whether or not in connection with a guaranty of such other person's or entity's obligations to Bank); (F) to execute, accept, authorize agreement to and/or deliver to or in favor of Bank such agreements, documents and instruments, required or requested by Bank in connection with any of the foregoing products, services or actions, including but not limited to loan agreements, promissory notes or other evidence of indebtedness, guaranties, equipment leases, letter of credit reimbursement agreements, treasury management service agreements, interest rate or currency protection agreements, equity, credit and other derivative documents (on International Swap Dealers Association forms or otherwise), asset securitization and other receivables financing agreements, trust agreements or other indentures, collateral security documents (including but not limited to security agreements, financing statements, pledge agreements, assignments, mortgages or deeds of trust), and any supporting documents required by the terms of any of the foregoing agreements, documents or instruments; all in such form as may be requested by Bank and any of which may contain a warrant of attorney authorizing Bank to confess judgment against the Corporation for all sums due or to become due by the Corporation to Bank and/or a provision waiving the right to trial by jury; (G) to execute and deliver to or in favor of Bank any amendments, modifications, renewals or supplements of or to any of the foregoing agreements, documents or instruments; and (H) to take any other action requested, required or deemed advisable by Bank in order to effectuate the foregoing resolution, all such other actions being hereby approved, ratified and confirmed.

Revolving Credits. Resolved, that in connection with any extensions of credit obtained by any of the persons authorized above, that permit the Corporation to effect multiple advances or draws under such credit, any of the persons listed above (or any other person designated in writing by any of the persons listed above) shall be authorized to request such advances or draws.

Ratification. Resolved, that all past acts of officers of the Corporation in borrowing or obtaining credit from the Bank and in executing documents or otherwise entering into agreements and giving security on behalf of the Corporation are hereby ratified and confirmed.

Telephonic and Other Requests. Resolved, that the Bank is authorized to take any action authorized hereunder based upon: (i) the telephonic or electronic request of any person purporting to be a person authorized to act hereunder, (ii) the signature of any person authorized to act hereunder that is delivered to the Bank personally or by facsimile transmission, or (iii) the telex originated by any of such persons, tested in accordance with such testing procedures as may be established between the Corporation and the Bank from time to time.

General. Resolved, that a certified copy of these Resolutions be delivered to the Bank and that they and the authority vested in the persons specified herein will remain in full force and effect until a certified copy of a resolution of the Corporation revoking or modifying these resolutions and such authority has been delivered to the Bank.

Ms. De Rosa then delivered an updated report on the current status of the OCLC branding and WMS service rollout.

Following some discussion on the above report, the Chair then called for the President's report. Mr. Jordan asked that the Board look to his written report for details, and he additionally mentioned that (i) the agreement allowing for the incorporation of the WorldCat Search API into several ExLibris discovery and delivery services would be announced later that day, and (ii) efforts to work with alternate service providers on various fronts are continuing where appropriate. That concluded Mr. Jordan's report.

At 9:06 a.m., the Chair called the meeting into executive session, with the members of the Strategic Leadership Team (SLT) being asked to stay for the first portion of the session. At 9:12 a.m., the Board took a break for its annual photo, and then resumed in executive session without the SLT at 9:30 a.m. At 10:04 a.m., the Board ended the executive session and reconvened in regular session.

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

The Chair then reported that the Executive Committee met, and had: (i) reviewed plans for the November 5th-7th, 2011 Board/SLT retreat and Board meeting, including the need for both a Personnel and Compensation Committee and a Finance Committee meeting during that weekend, and (ii) reviewed general corporate activities with Mr. Jordan. The Chair asked Mr. Jordan to update the full Board at this time on recent discussions with Mr. John Helmer and Global Council regarding cost sharing and differential pricing issues. That concluded Mr. Alford's report.

A break was called for at 10:25 a.m., and the Board reconvened at 10:40 a.m.

The Chair then called for the Ad Hoc Committee on Technology Planning report. Mr. Schottlaender indicated that the Committee had met several times with all members present, and had discussions with Mr. Zick and Mr. Murray regarding certain aspects of applications to be associated with the launch of the WMS service in November, 2011, including the concept of developing a highly visible/desirable application to enhance that launch. In addition, the Committee discussed: (i) the Committee's Charter, with the possibility of future additions to include a research role, (ii) the WMS launch detail with Mr. Zick, (iii) the global IT service plans

with Mr. Oliver, (iv) issues of an open platform and the use of third party applications, and (v) specific user access to those applications. This concluded Mr. Schottlaender's report.

The Chair then called for the report of the Audit Committee. Ms. Farrell first requested that all Trustees turn in the Conflict of Interest and IRS Form 990 reports before the meeting concluded. Ms. Farrell then reported that the Committee met with all members present and had: (i) reviewed the audited corporate financial statements with the outside auditors (Deloitte) along with the annual audit letter from them, which revealed no material matters to be dealt with (note: the resolution approving the final audit was previously approved as a part of the consent agenda) , (ii) discussed with Ms. Kowaluk internal audit projects including an Enterprise Risk Assessment, the MIP and LTIP metrics, pricing policy issues, and the approval of the corporate Code of Conduct, "Whistleblower" protections and, Record Retention and Conflict of Interest Policies for OCLC employees, (iii) held discussions with the Deloitte representatives (after excusing OCLC staff from the room) in order to review any confidential issues, with Deloitte indicating that they had the full cooperation of staff and completed the audit a week ahead of schedule, and (iv) discussed and recommended the following resolution regarding a Board specific Code of Conduct and Ethics policy, which was now being brought to the full Board for its adoption and approval:

RESOLUTION

RESOLVED, membership on the OCLC Board of Trustees is a privilege that carries great responsibility. Ethical conduct is a fundamental expectation of every Trustee. Trustees must act with integrity, with the highest standards of responsible conduct, and in accordance with stringent ethical principles. In practicing and modeling ethical conduct, Trustees are expected to be personally accountable for their individual actions.

Trustees shall comply fully with the OCLC Board of Trustees' Code of Conduct and Ethics. In addition, they shall comply with the laws and regulations that apply to the business activities of OCLC around the globe, any codes of conduct or ethics policies that apply to their professions, and rules or regulations that arise from their place of citizenship, residence or employment. Trustees must sign an OCLC *Code of Ethics Compliance Acknowledgement Form* prior to being accepted as a Trustee Member.

Trustees are expected to be respectful, fair and civil, to speak candidly and truthfully, and to promote conflict resolution. When seeking OCLC employee assistance for outside business or institutional needs, they should expect that such help will be rendered only to the extent that it is provided in their membership benefits or given to members of the general public in similar circumstances. When Trustee member institutions are pilots or Beta sites for OCLC products, standard OCLC agreements(s) will be executed between parties.

Any gifts or entertainment provided to or from Trustees shall be reasonable, appropriate for a business purpose and in compliance with the recipient's corporate, institutional, or governmental policies.

Trustees have an obligation to be objective and impartial in making decisions on behalf of OCLC. OCLC's confidential and proprietary information is critical to its existence as a Corporation and an invaluable asset that all Trustees must take great care to protect. Trustee responsibility includes the proper safeguarding and disposal of confidential documents in accordance with OCLC corporate policies. No confidential third party information will be used to gain an unfair advantage either for a Trustee or their institution.

Trustees shall avoid placing themselves in any position that creates, leads to, or could present the appearance of a conflict of interest. Each Trustee is required to complete a Conflict of Interest Form prior to membership on the Board and to update it anytime a situation changes, but at least yearly. (See OCLC Conflict of Interest Policy http://www.oclc.org/us/en/about/code/code_of_conduct_en.pdf) It is understood that most Trustees have some prior relationship with other companies and associations. These relationships are to be included on the Trustee's Conflict of Interest form.

Trustees within their place of employment may purchase services or content from OCLC, but may also have professional relationships with other institutions, businesses, and associations. Trustees shall inform the appropriate individuals and/or organizations of their Trustee relationship to OCLC. When questions about potential conflicts of interest arise from these multiple relationships, Trustees will confer with other trustees, OCLC staff, or, if appropriate, legal counsel.

No code or policy can anticipate every situation that may arise. Trustees shall communicate possible conflicts of interest of this Code promptly to the chair of the Audit Committee, which is charged with regularly reviewing Trustees' potential conflicts of interest. Trustees are encouraged, therefore, to bring questions about particular circumstances that may implicate one or more provisions of this Code to the attention of the chair of the Audit Committee, who may consult with the chair of the Board, General Counsel, or outside legal counsel, as appropriate.

Following some general discussion including a special acknowledgement for the work of Ms. Imhoff and Ms. Yee on this project, and with no second being necessary, the Board unanimously approved the above resolution. This concluded Ms. Farrell's report.

The Chair then called for the report of the Personnel & Compensation Committee. Ms. Yee indicated that the Committee met, and with all members present had (i) received a report from Mr. George Walter on the status of OCLC's internal audit of non-financial metrics for FY11, which indicated that no discrepancies were found, and (ii) reviewed other matters that would be discussed in executive session later today. That concluded Ms. Yee's report.

The Chair then called for the report of the Board Governance Committee. Ms. Wilson reported that the Committee met with all members present, and had (i) reviewed and approved several resolutions which would be taken up in executive session later in the meeting, (ii) discussed planning for the upcoming Board/SLT retreat in November, 2011 which will be

centered around OCLC's trans-national challenges as it expands its global community, (iii) reviewed the annual Board survey results which would be further discussed in executive session, and (iv) reviewed and recommended the following resolution which was now presented to the full Board for its consideration and approval:

RESOLUTION

WHEREAS, the Board of Trustees feels it would be appropriate to establish a program to both honor the past service of its Trustees, as well as continuing the engagement with them, and,

WHEREAS, the Board feels it would be an appropriate time to do so during the 40th year anniversary of WorldCat, in order to recognize past, present and future Trustees for their contributions to the cooperative,

NOW THEREFORE BE IT RESOLVED, that the Trustee Emeriti Program is hereby established, with the Board Governance Committee to be responsible for the administration thereof, and

BE IT FURTHER RESOLVED, that all prior Trustees in good standing are hereby immediately designated as Trustee Emeriti, and

BE IT FURTHER RESOLVED, that as each present and future Trustee in good standing reaches the termination of his or her service on the Board, each of them will immediately be designated as a Trustee Emeritus as of their termination date.

Following some general discussion, and with no second necessary, the Board unanimously approved the above resolution. That concluded Ms. Wilson's report.

The Chair then called for the report of the Finance Committee. Mr. Patrick reported that the Committee met with all members (and several guests) present and had spent the meeting reviewing the details of OCLC's general financial health with Mr. Schwieterman. While the company's balance sheet remains strong, corporate revenues for FY11 were basically flat after adjustments for non-U.S. revenues, the BOND transaction and the sale of certain non-strategic assets, all of which is to be expected as OCLC's core business undergoes a transformation. This concluded Mr. Patrick's report.

The Chair then inquired if there was any other business, and Mr. Neal reported that as of September 1, 2011 the Research Library Partnership (RLP) had 153 Partner institutions, which includes 43 Partner institutions that have never before been associated with RLG or RLG/OCLC efforts. In addition, the RLP has reached 108% of the revenue goals previously set by RLP. Finally, Mr. Neal indicated that it was of utmost importance to build on

these achievements by demonstrating real and significant value to the RLP Partners over the coming years. That concluded Mr. Neal's remarks. There was no further business.

The Chair then called for the Board to go into executive session at 12:05 p.m. During the executive session, the following resolutions were discussed. Since each resolution had been recommended by a Committee of the Board, no second was necessary, and each resolution was separately and unanimously approved by the full Board:

RESOLUTION

WHEREAS, the Corporation has completed an internal audit of the Long-Term Incentive Plan non-financial metrics for FY2011; and

RESOLVED, that following review by both the Personnel & Compensation Committee and the Board, the recommendations of the Personnel & Compensation Committee regarding a FY2011 Long-Term Incentive Plan award to each Vice President as presented be approved.

RESOLUTION

RESOLVED, that the recommendation of the Personnel and Compensation Committee regarding FY2012 Management Incentive Plan performance objectives for each Vice President of the Corporation as presented in executive session be and the same are hereby approved.

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, 2011 be and the same hereby are approved as presented.

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 FY2011 be and the same are hereby approved as presented, pursuant to the provisions of the Management Incentive Plan.

(Note: the following resolutions were considered and unanimously approved after Mr. Jordan had been excused from the meeting):

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 FY2011 be and the same are hereby approved.

RESOLUTION

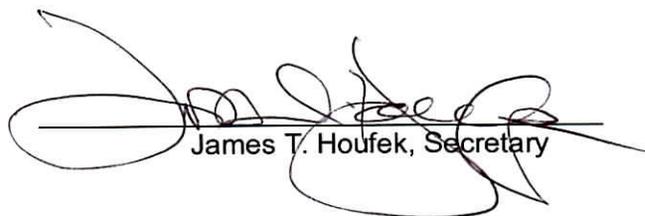
RESOLVED, that following review by both the Personnel & Compensation Committee and the Board in executive session, the recommendations of the Personnel and Compensation Committee regarding the FY2011 Special Incentive award to the President and CEO be approved.

RESOLUTION

RESOLVED, that the recommendation of the Personnel and Compensation Committee regarding the FY2012 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.

The Board concluded the executive session at 1:00 p.m., after which 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.


Larry Alford, Chair


James T. Houfek, Secretary