

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
June 11, 2012

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated May 31, 2012, 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 June 11, 2012, 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
Cindy Hilsheimer
Kathleen Imhoff
Jay Jordan
Bernadette Gray-Little
James Neal
Bruce Newell
Elisabeth Niggemann
John Patrick
David Roselle
Brian Schottlaender
Betsy Wilson
Sandra Yee

Trustees Absent:

None

Also, present for all or portions of the meeting:

Jack B. Blount, President & CEO Elect
Bruce Crocco, Vice President, Library Services for the Americas
Cathy De Rosa, Vice President, for the Americas & Global Vice President of Marketing
Lorcan Dempsey, Vice President, Research & Chief Strategist
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, Vice President, Corporate Information Technology & Business Integration
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
Eric VanLubeck, Managing Director, EMEA
Andrew Wang, Vice President, OCLC Asia Pacific
Greg Zick, Vice President, Global Engineering

Mr. Alford began the meeting by reconvening the April 4, 2012 meeting, whereupon adjournment was moved, seconded and unanimously approved. Thereafter, the Chair indicated that the two executive sessions indicated on the agenda would be combined into one, to start at 8:55 a.m. Mr. Alford then inquired whether there were any other 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 approval of the minutes of the April 16, 2012 Board of Trustees meeting, and the following resolution:

PROPOSED RESOLUTION

RESOLVED, that upon the recommendation of the Global Council Executive Committee and review and recommendation of the Board Governance 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 beginning July 1, 2012 and ending June 30, 2013:

1. Poul Erlandsen
2. Anne Prestamo
3. Andrew Wells

The Chair then congratulated staff on OCLC recently being named one of the best places to work in Central Ohio, as well as one of the top 100 places to work by IT Magazine.

Mr. Alford then proposed the following two resolutions on recommendation of the Executive Committee:

PROPOSED RESOLUTION

RESOLVED, that Jack B. Blount is hereby appointed to the position of President & CEO-Elect of the Company from June 1, 2012 through June 30, 2012, and to the position of President & CEO of the Company effective July 1, 2012, all pursuant to the terms of a certain Employment Agreement between the parties dated May 7, 2012; and

FURTHER RESOLVED, that as President & CEO of the Company, Mr. Blount be, and he hereby is authorized to execute and deliver in the name and on behalf of this Corporation appropriate documentation, and to do such other acts and things as he shall deem necessary or appropriate to carry out the purposes and business of the Corporation.

PROPOSED RESOLUTION

WHEREAS, OCLC is the sole shareholder of OCLC EMEA B.V., and,

WHEREAS, currently the OCLC EMEA B.V. Articles of Association require the approval of the Supervisory Board, or in the absence thereof, the approval of the sole shareholder (OCLC Dublin), in order to act on any of the following matters:

- A. *the performance of all legal acts, whose value or interest exceeds such an amount as the Supervisory Board (or in the absence of a Supervisory Board, the sole shareholder) will have determined and informed the management board of;*
- B. *the acquisition, sale and encumbering of registered goods;*
- C. *entering into loan agreements and loans for and at the expense of the company, with the exception of withdrawals with respect to an existing credit, the current limits which are loans over € 45.000 and loans from others above € 200.000.*
- D. *binding the company as a surety or as joint and several debtor and warranting the performance by a third party or the company providing security for a debt of a third party;*
- E. *conducting lawsuits, taking measures for the enforcement of a judgment, effecting compromises and referring disputes to the judgment of arbitrators, but with the exception of measures that need to be taken to maintain the law;*
- F. *the participation or any other financial interest in and conducting the management of other businesses and companies, exercising the right to vote connected with or related to the possession of shares in such businesses and companies, as well as the sale or other termination of participations and interests in businesses and companies as referred to;*
- G. *the appointment of authorized signatories and determining their authority to represent;*
- H. *the amount of remuneration/compensation to be paid to the Managing Director.*

and,

WHEREAS, the OCLC Board of Trustees wish to appoint and empower certain individuals from time to time to serve as Shareholder Representatives of the Company in order to act as and on behalf of OCLC as the sole shareholder, both in regard to the aforementioned matters, as well as to also insure that appropriate management practices and procedures are implemented within OCLC EMEA B.V., with the intent of protecting and preserving the Company's

investment as the sole shareholder in OCLC EMEA B.V., and,

WHEREAS, Mr. Schwieterman and Mr. Jordan were previously appointed as Shareholder Representatives by Resolution dated June 13, 2011, and

WHEREAS, Mr. Jordan is retiring from OCLC effective June 30, 2012 and can no longer act in the Shareholder Representative capacity;

NOW THEREFORE, be it hereby

RESOLVED, that effective July 1, 2012, Mr. Jordan shall be replaced as a Shareholder Representative of OCLC hereunder by the new President & Chief Executive Officer, Mr. Jack Blount. Mr. Schwieterman, Executive Vice President and Chief Financial Officer, shall continue his appointment as a Shareholder Representative along with Mr. Blount, and each of them shall continue to serve in this role at the pleasure of the Board until their successors are elected; and be it

FURTHER RESOLVED, that as to items A-H above, upon the specific additional direction of the OCLC Board of Trustees, said Shareholder Representatives are each hereby empowered to take such action as is necessary to advise OCLC EMEA of the Board's approval or disapproval of proposed actions which fall under items A-H above, and if approved, to work with OCLC EMEA to insure completion of such actions accordingly; and be it

FURTHER RESOLVED, that other than matters covered under items A-H above, said Shareholder Representatives also be, and they hereby are, each individually authorized from time to time and at their own discretion, to direct the management of OCLC EMEA B.V. to take such actions as the Shareholder Representatives, or either of them, may deem appropriate on behalf of the sole shareholder, in order to insure the preservation and protection of the Company's investment in OCLC EMEA B.V., through the implementation of appropriate management practices and procedures; and be it

FURTHER RESOLVED, That said Shareholder Representatives are each individually authorized to execute and deliver in the name and on behalf of this Corporation such additional documents, and to do such other acts and things as they or either of them individually shall deem necessary or appropriate to carry out the purposes of and to implement the foregoing Resolutions.

There was no further discussion, and upon being separately moved and seconded, the Board unanimously approved the above resolutions.

Ms. De Rosa then delivered a report on “OCLC Communications, Community Relations and Member Engagement Plans”.

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 OCLC needs to do a better job of telling people about all of the good works that it does for libraries and their communities. That concluded Mr. Jordan’s report.

Mr. Alford then proposed the following resolutions on recommendation of the Executive Committee:

RESOLUTION

**Board of Trustees of OCLC Online Computer Library Center, Incorporated
June 11, 2012**

WHEREAS, Jay Jordan will have served with distinction as President and Chief Executive Officer of OCLC Online Computer Library Center, Incorporated, from May 11, 1998 to June 30, 2012; and

WHEREAS, during that time, WorldCat, the OCLC online union catalog, did grow from 38 million records and 668 million holding symbols to more than 271 million records and 1.8 billion holding symbols; and

WHEREAS, the number of libraries participating in the OCLC cooperative did increase from some 30,000 in 64 countries to more than 72,000 in 171 countries; and

WHEREAS, under Jay Jordan’s leadership, OCLC did build an entirely new technological platform, introduce many new and needed services, and create a highly regarded library advocacy program; and

WHEREAS, OCLC did expand its offerings through carefully targeted acquisitions and mergers, notably with the Research Libraries Group, and did better focus operations through selective divestitures; and

WHEREAS, OCLC did foster strategic alliances with nonprofit and commercial organizations to make libraries and their collections more visible on the Internet and World Wide Web; and
WHEREAS, OCLC did receive numerous awards and accolades for its workplace environment, including *ComputerWorld’s* “Best Places to Work in Information Technology” (2006-2011); the Ohio Society for Human Resources Management State Council’s “Best Employers in Ohio,” (2009-2012); and the Alfred P. Sloan Award for Business Excellence in Workplace Flexibility (2011); and
WHEREAS, pursuant to the above and through an updated governance structure that promotes more active participation by

members worldwide and through careful attention to the inclusion of people from diverse communities, OCLC has indeed become a global cooperative and strong force for research, scholarship and education;

NOW, THEREFORE BE IT, AND IT IS HEREBY RESOLVED that upon Jay Jordan's retirement, the Board confers upon him the designations "Trustee Emeritus of the OCLC Board of Trustees" and "President Emeritus of OCLC," together with all the rights, privileges and honors appertaining thereto; and BE IT ALSO RESOLVED that henceforth, the atrium and auditorium in the Frederick G. Kilgour Building on OCLC's Dublin, Ohio, USA campus shall be known as the "Jay Jordan Atrium" and the "Jay Jordan Auditorium" in recognition of the Board's deep gratitude and appreciation to Jay Jordan for his outstanding leadership and many contributions to this cooperative and for his steadfast devotion to OCLC's public purposes of furthering access to the world's information and reducing the rate of rise of per-unit library costs; and

BE IT FURTHER RESOLVED that this resolution be spread upon the minutes and shared with his family and the Membership.

There was no further discussion, and upon motion duly made and seconded, the Board unanimously approved the above resolutions.

At 9:01 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 10:15 a.m., the Board ended the executive session and took a break. During the executive session, the Board moved, seconded and approved (with 2 abstentions) the following resolution:

PROPOSED RESOLUTION

RESOLVED, that based on new information received by the OCLC Board since it last met, and pursuant to the advice of trial counsel, Mr. Houfek is hereby directed to take such action as is deemed necessary to join Lyasis to the pending litigation between the Godfrey Library and OCLC.

At 10:30 a.m., the meeting was reconvened in regular session. Mr. Alford then called for the report of the Finance Committee. Mr. Patrick indicated that the committee had met in the whole, and had the following two resolutions to bring to the full Board for approval:

RESOLUTION

WHEREAS, OCLC desires to develop and implement a policy requiring the organization to evaluate its participation in joint

venture arrangements under applicable federal tax law, insuring that the company takes steps to avoid the loss of its tax exempt status due to participation in such joint ventures;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the provisions of the policy attached hereto as Exhibit A be, and those provisions hereby are, adopted by OCLC as presented therein.

PROPOSED RESOLUTION

RESOLVED, that the fiscal year 2013 budget of the Corporate Operating Plan, as presented to this meeting, be and the same hereby is approved.

There was no further discussion, and upon being separately moved and seconded, the Board unanimously approved the above resolutions.

At 10:37 a.m., the Chair called the meeting into executive session, and then reconvened in regular session at 12:00 p.m. During the executive session, the Board separately moved, seconded and unanimously approved the following three resolutions:

RESOLUTION

RESOLVED, that the Chair be authorized to execute a Retirement Agreement with Mr. Jordan, the outgoing President & CEO, according to the terms and conditions presented to the Personnel & Compensation Committee at its meeting on June 10, 2012, and to the full Board during its meeting on June 11, 2012.

RESOLUTION

WHEREAS, the Company wishes to include the new OCLC President and CEO in the existing corporate Management Incentive ("MIP") and Long Term Incentive ("LTIP") Plans, pursuant to the terms of a certain Employment Agreement between the parties dated May 7, 2012; and,

WHEREAS, such inclusion requires amending the MIP and LTIP plans to permit such inclusion;

NOW THEREFORE, BE IT HEREBY RESOLVED, that the MIP and LTIP be amended, as discussed and approved in the Personnel & Compensation Committee at its last 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 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 in office at the time OCLC's annual financial audit is completed, and further pursuant to the provisions of the Management Incentive Plan.

Mr. Alford then delivered the Chair's report, indicating that he had nothing further to add beyond actions and comments already made during the meeting.

The Chair then delivered the report of the Executive Committee, indicating that they had met and discussed: (i) the June 2013 Board Meeting, which is now tentatively scheduled for Toronto, Canada, (ii) methods to strengthen Global Council including the funding of a third meeting per year, and (iii) the following resolutions which was presented to the full Board for its approval:

RESOLUTION

WHEREAS, the Board has requested the Global Council to review and make a recommendation regarding the best method for its member libraries to release their catalog data on the open web for subsequent re-use in a manner that is consistent with the spirit and intent of the WorldCat Rights and Responsibilities (WCRR) statement; and

WHEREAS, the Global Council at its April 16-18, 2012 meeting has completed their review and recommendations; and

WHEREAS, as requested by the Global Council, OCLC staff and trustees have consulted with formal and informal opinion leaders and stakeholders for further input;

NOW THEREFORE, BE IT HEREBY RESOLVED, that OCLC endorses the Open Data Commons Attribution License (ODC-BY) as consistent with the WorldCat Rights and Responsibilities for the OCLC Cooperative, and staff is hereby directed to take the necessary communication and implementation steps to effect this endorsement; and

BE IT FURTHER RESOLVED, that the OCLC staff and Board work diligently with Council delegates and members to improve understanding of the possibilities and challenges of linked open data for the Cooperative.

There being no further discussion, and upon motion duly made and seconded, the Board unanimously approved the above resolutions.

The Chair then indicated that the Audit Committee and the P&C Committee had delivered their reports during executive session, and there were no action items resulting therefrom.

In view of the need for Ms. Wilson to leave the Board meeting prior to the Governance Committee report being delivered, Mr. Alford then gave the report of that Committee, which had met and had considered: (i) committee assignments, (ii) retreat planning for the November Board meeting, (iii) a new means to convey Board documents in a secure manner over the Internet, and (iv) a unanimous vote to make the Ad Hoc Committee on Technology Planning a permanent Committee of the Board.

Mr. Alford then asked for the report of the Ad Hoc Committee on Technology Planning. Mr. Schottlaender indicated that the Committee had met and had: (i) discussed OCLC Social Media plans with Mr. Nilges and Mr. Penka, (ii) discussed the development of apps for WMS, and (iii) reviewed the branding of the WMS related products and services. That concluded Mr. Schottlaender's report.

The Chair then called for the Membership Committee report, Ms. Imhoff indicated that the Committee had met, and had: (i) discussed the issue of an appropriate definition of membership, (ii) reviewed the current membership protocols, and (iii) considered the potential for virtual meetings in the future. That concluded Ms. Imhoff's report.

At 12:28 p.m., the Chair 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

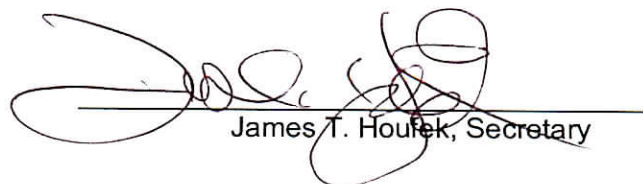

James T. Houfek, Secretary

Exhibit A to the June 11, 2012 Board Minutes
OCLC
JOINT VENTURE POLICY

I. Application

This Policy applies to all joint ventures or similar arrangements ("joint venture") in which OCLC is a party. For purposes of this Policy, the term "joint venture" means any joint ownership or contractual arrangement, either express or implied, through which there is an agreement to jointly undertake a specific business enterprise, investment, or tax-exempt purpose activity without regard to: (1) whether OCLC controls the joint venture, (2) the legal structure of the joint venture, (3) whether the joint venture is taxed or tax-exempt as a partnership or as an association or corporation for federal income tax purposes, or (4) whether the activity produces a profit or loss.

II. Investment Joint Ventures

The following investment joint ventures are specifically excluded from the Requirements of Section III.A and III.B. of this Policy, but are subject to the Requirements of Section III.C. These investments may be covered by other policies (such as investment policies).

- A. The joint venture has as its primary purpose making investments for the production of income or appreciation of property; and
- B. More than 95% of the annual income will be generated by one or more of the following:
 - 1. Dividends;
 - 2. Interest;
 - 3. Payments with respect to securities loans and amounts received as consideration for entering into agreements to make loans;¹
 - 4. Annuities;
 - 5. Royalties;
 - 6. Rents from real property (provided rent does not depend on income or profits of leased property) and rents from personal property leased with such real property (if the rents attributable to such personal property are an incidental amount of the total rents under the lease); and
 - 7. Gains from the sale, exchange, or other disposition of property other than inventory or property held primarily for sale to customers in the ordinary course of the trade or business.

III. Requirements

All joint ventures other than those excluded under Section II of this Policy must meet all the following requirements:

- A. The purpose for OCLC's involvement in the joint venture must be described in detail, including:
 - 1. The anticipated use of all OCLC funds and resources, whether directly part of the joint venture or not.

2. The I.R.C. section 501(c)(3) purposes that will be furthered, if any, and the financial risks and benefits to OCLC, including an analysis of any expected taxable unrelated business income.
 3. The relationship of the joint venture activities to existing OCLC activities and OCLC's mission.
- B. The written agreement with other parties associated in the joint venture, shall include the following elements:
1. The written agreement must permit OCLC to exercise control over the joint venture to the extent necessary to ensure OCLC's tax-exempt status is not jeopardized.
 2. The written agreement must give priority to the tax-exempt purposes of the arrangement over maximizing profits for the other non-501(c)(3) participant(s) to the extent necessary to protect OCLC's tax-exempt status.
 3. The joint venture shall not engage in activities that would jeopardize OCLC's exemption from taxation under I.R.C. section 501(c)(3) (including political intervention).
 4. Any arrangements with or payments to directors, officers or employees of OCLC must be reported to and specially approved for each person by the Finance and Investment Committee of the Board of Trustees.
- C. The following requirements will apply to all joint ventures:
1. The legal structure used must protect OCLC from any liabilities which may be associated with the business operations of the joint venture.
 2. There must be no required additional investments or carrying costs that are not specifically identified and agreed to.
 3. The joint venture must provide to OCLC an adequate prospectus or business plan.
 4. All accounting practices, budget requirements, and fiscal responsibilities must be in accordance with appropriate accounting and financial standards.
 5. All terms and agreements relating to the joint venture must be in a written agreement signed by all parties to the joint venture.
 6. All contracts entered into between the joint venture and OCLC shall be on terms that are at arm's length or more favorable to OCLC.

IV. Approval

Joint ventures in which OCLC's investment is \$350,000 or less shall be approved by an affirmative vote of both the Chief Financial Officer and the Chief Executive Officer of the Corporation. All other joint ventures shall be reviewed and recommended by the Finance & Investment Committee of the Board of Trustees, and then approved by a majority vote of the Board of Trustees.