

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.
Meeting of the Board of Trustees
September 17, 2012

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated September 6, 2012, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc. convened at 9:15 a.m., local time, on September 17, 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 (Conference Call)
Bruce Newell
Elisabeth Niggemann (Conference Call)
John Patrick
David Roselle
Brian Schottlaender
Betsy Wilson (Conference Call)
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, 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
Andrew Pace, Executive Director, Networked Library Services
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 van Lubeck, Managing Director, EMEA
Andrew Wang, Vice President, OCLC Asia Pacific
Greg Zick, Vice President, Global Engineering

Mr. Alford called the meeting to order at 9:15 a.m. and then inquired as to whether there were any changes or objections to the proposed agenda. Hearing none, he then expressed his and the Board's gratitude to Ms. Spayde and Ms. Presas for their tireless work in dealing with the administrative issues that arose during the past four months. He also congratulated Ms. Spayde on being recognized as the "Executive of the Year" during the HR Excellence Awards 2012, hosted by Columbus CEO Magazine. The Chair also acknowledged Mr. Jordan's recent receipt of the IFLA Medal awarded during IFLA's August meeting. Finally, the Chair expressed additional thanks to all of the senior management.

Mr. Alford then asked if there were any changes to, 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 June 11, 2012, the June 19, 2012, and the June 29, 2012 Board of Trustees meetings, as well as the June 18, 2012 Executive Committee meeting, and the following resolution:

RESOLUTION

RESOLVED, that the Deloitte & Touche audit report for the year ended June 30, 2012, be and the same is hereby accepted.

The Chair then asked for the President's report. Mr. Jordan asked that the Board look to his written report for details, and he additionally mentioned that: (i) he had discussed the possibility of removing the President & CEO as a sitting member of the Board six or seven years ago, and the subject has been re-visited from time to time as it became a best practice within corporate America, and (ii) management continues to formulate product positioning and pricing as it moves forward with the OCLC WorldShare rollout. That concluded Mr. Jordan's report.

Mr. Alford then called the Board into executive session at 9:20 a.m., and asked the Strategic Leadership Team ("SLT") to remain for part of the discussion.

The Chair reconvened the meeting in regular session at 10:15 a.m., and then indicated the meeting would break for ten minutes.

At 10:22 a.m., the meeting reconvened, and a strategic dialog regarding general corporate matters and direction was held with all of the SLT participating. Mr. Alford then called for a break at 11:55 a.m.

The meeting reconvened at 12:15 p.m., and again went into executive session. The meeting was reconvened in regular session at 1:15 p.m. During the executive session the following resolutions were presented by Ms. Yee from the Personnel & Compensation Committee, and no

motion being required, each of the following resolutions was individually seconded and unanimously approved:

RESOLUTION

WHEREAS, the Corporation has completed an internal audit of the Long-Term Incentive Plan non-financial metrics for FY2012; and

RESOLVED, that following review by both the Personnel & Compensation Committee and the Board, the recommendations of the Personnel and Compensation Committee regarding a FY2012 Long-Term Incentive Plan award to the Vice Presidents of the Corporation as presented be approved.

RESOLUTION

RESOLVED, that the Personnel and Compensation Committee of the Board of Trustees approves the performance measures for OCLC Vice Presidents in the Long-Term Incentive Plan ("LTIP") for FY2013, FY2014 and FY2015, and after appropriate discussion and review by the full Board in executive session, the same are hereby approved.

RESOLUTION

RESOLVED, that the recommendation of the Personnel and Compensation Committee regarding FY2013 Management Incentive Plan performance objectives for the Vice Presidents 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, 2012 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 FY2012 be and the same are hereby approved as presented, pursuant to the provisions of the Management Incentive Plan.

At this point, Mr. Jordan left the Board Meeting, and the following resolutions were approved by all remaining Board members:

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 FY2012 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 FY2012 Special Incentive award to the President and CEO be approved.

RESOLUTION

RESOLVED, that the Personnel and Compensation Committee of the Board of Trustees has completed their review and recommendations regarding the Long-Term 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 Long-Term Incentive Plan target percentage for the FY2013-FY2015 performance period for the President and CEO as presented in executive session be approved. The Long-Term Incentive performance measures to be achieved as of June 30, 2013, 2014, and 2015, as assigned to the President and CEO are also hereby approved.

Ms. Yee also indicated that there was an additional resolution under consideration that would have set Mr. Jordan's FY2013 Management Incentive Plan performance objectives, but the document was tabled until further consideration could be given to it at the November meeting.

Mr. Alford indicated that there was no formal Chair's report, and that the Executive Committee had met and: (i) considered and discussed proposed changes to the By-Laws and the Code of Regulations of the Corporation, (ii) decided to move the June 2013 Board meeting from Toronto, Canada to Dublin, Ohio due to the probable installation of a new President & CEO, (iii) discussed the upcoming Board strategic retreat in November, 2012, and (iv) reviewed current legal issues with Ms. Presas and Mr. Houfek. That concluded the report of the Executive Committee.

Mr. Alford then asked for the report of the Finance Committee, and Mr. Patrick indicated the Committee had met and: (i) reviewed the final FY2012 financial information with Mr. Schwieterman, (ii) reviewed the FY2013 financial projections, and (iii) discussed future pricing issues. That concluded Mr. Patrick's report.

Mr. Alford then asked for the report of the Ad Hoc Committee on Technology Planning, and Mr. Schottlaender indicated that the Committee had met and: (i) reviewed the Charter for the Committee including language to move it to a Standing Committee, which language would be reviewed

with the Board Governance Committee prior to being brought to the Board for approval and, (ii) received an excellent briefing from Mr. Zick and members of his staff on the status of the development of applications for the platform, as well as suggestions on how to more productively engage with outside developers' groups. That concluded Mr. Schottlaender's report.

Mr. Alford then requested the Audit Committee report. Ms. Farrell indicated the Committee had met and: (i) reviewed the annual FY2012 audit report with representatives from Deloitte, (ii) reviewed several internal audit issues, (iii) received updates from Mr. Escaro and Mr. Walter on internal risk management and ISO 27001 requirements, (iv) held additional discussions with Mr. Escaro (with no other OCLC officers or internal personnel present) regarding risk issues, and (v) asked that each member of the Board and senior management turn in their conflict of interest forms by the end of the Board meeting. That concluded Ms. Farrell's report.

Mr. Alford then asked for the Personnel and Compensation Committee report, and Ms. Yee indicated that she had nothing additional to add over and above discussions held during the executive session.

Mr. Alford then asked for the report of the Membership Committee. Ms. Imhoff indicated that the Committee met the week prior to the Board meeting via telephone conference, and discussed the distinctions between a "voting member" and a "participant" and how those terms might be defined in the future. That concluded Ms. Imhoff's report.

Mr. Alford then asked for the report of the Board Governance Committee. Ms. Wilson indicated that the Committee had met and: (i) discussed moving the Board website to a new, more secure platform by December 1, 2012, (ii) discussed mentors for the three new Trustees joining the Board in November, (iii) continued work on the Committee guidelines which would be posted to the Board website when completed, and (iv) continued consideration of the Board self-assessment study. That concluded Ms. Wilson's report.

The Chair then expressed his thanks to the Trustees who participated in the meeting via conference call, and acknowledged the difficulty in utilizing that modality for long periods of time. Finally, Mr. Alford noted that during the roughly five hours the Board met, approximately sixty-five thousand records had been added to WorldCat.

At 1:45 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