

OCLC ONLINE COMPUTER LIBRARY CENTER, INC.  
Meeting of the Board of Trustees  
June 10, 2013

This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated May 29, 2013, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc., convened at 8:05 a.m., local time, on June 10, 2013, at OCLC, 6600 Kilgour Place, Dublin, OH 43017. Ms. Yee presided as Chair and Mr. Houfek kept the minutes of the meeting, except during the executive sessions, when Mr. Alford kept the minutes.

Trustees Present:

Larry Alford  
Edward W. Barry  
Maggie Farrell  
Tony Ferguson  
Cindy Hilsheimer  
Kathleen Imhoff  
Jay Jordan  
Barbara Lison  
Bernadette Gray-Little (via conference call)  
James Neal  
Loretta Parham  
John Patrick  
David Roselle  
Brian Schottlaender  
Sandra Yee  
Jennifer Younger

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  
Eric van Lubeek, Managing Director EMEA  
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, Global Systems and Information Technology  
David ("Skip") Prichard, President & CEO Elect  
Rick J. Schwieterman, Executive Vice President, Chief Financial Officer  
Tammi N. Spayde, Vice President, Corporate Human Resources  
Mike Teets, Vice President, Innovation  
Andrew Wang, Vice President, Asia Pacific

Ms. Yee called the meeting to order, and inquired whether there were any changes to the proposed agenda, and there being none, the Chair moved for approval of the consent agenda, which motion was moved, seconded and unanimously approved. The consent agenda contained the following resolutions:

#### **RESOLUTION**

WHEREAS, OCLC Online Computer Library Center, Inc. through actions initiated by its Board of Trustees, reviews its governance structure from time to time to ensure that the Corporation can continue to achieve its public purposes, as set forth in its charter, and

WHEREAS, in order to achieve those public purposes into the future in a manner consistent with the best interests of the Corporation and its Members, and to further insure the independence of its Board of Trustees, the Board passed a resolution in September, 2012 that provided at such time as the current President & CEO (Robert L. Jordan) terminates his employment with OCLC, the By-Laws of the Corporation be immediately amended to eliminate the President & CEO of the Corporation as automatically being a member of the Board of Trustees, and

WHEREAS, it has been brought to the attention of the Board that certain language in the By-Laws might be deemed to be inconsistent with that intent, and

WHEREAS, amendments to the By-Laws require an affirmative vote of two-thirds of the Trustees present at a duly constituted meeting,

NOW, THEREFORE, BE IT

RESOLVED, that the By-Laws of the Corporation be, and the same hereby are, restated in their entirety as detailed in attached "Appendix 1".

#### **RESOLUTION**

RESOLVED, that the proposed amendment to the Audit Committee Charter (Appendix 2) as presented to this Board be, and the same is, hereby approved.

#### **RESOLUTION**

RESOLVED, that the proposed Finance and Investment Committee Charter (Appendix 3) as presented to this Board be, and the same is, hereby approved.

### 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, 2013 and ending June 30, 2014:

1. Craig Anderson
2. Poul Erlandsen
3. Wilbur Stolt

Ms. Yee then indicated that the Executive Committee met with all members present, and continued appropriate planning for the June, 2014 Board meeting in Toronto. Ms. Yee then indicated that the Committee had reviewed and now recommends the following two resolutions for approval by the Board:

### RESOLUTION

RESOLVED, That David A. Prichard is hereby appointed to the position of President & CEO-Elect of the Company from June 3, 2013 through June 30, 2013, and to the position of President & CEO of the Company effective July 1, 2013, all pursuant to the terms of a certain Employment Agreement between the parties dated May 8, 2013; and

FURTHER RESOLVED, That as President & CEO of the Company, Mr. Prichard 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.

### 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, 2013 and can no longer act in the Shareholder Representative capacity;

NOW THEREFORE, be it hereby

RESOLVED, that effective July 1, 2013, Mr. Jordan shall be replaced as a Shareholder Representative of OCLC hereunder by the new President & Chief Executive Officer, Mr. David "Skip" Prichard. Mr. Schwieterman, Executive Vice President and Chief Financial Officer, shall continue his appointment as a Shareholder Representative along with Mr. Prichard, 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 B.V. 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 B.V. 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.

Needing no second, and with no further discussion, the above resolutions were individually voted on, and unanimously approved. That concluded Ms. Yee's Executive Committee report.

Ms. Yee then asked for the Finance & Investment Committee report. Mr. Patrick indicated that the Committee met with all members of the Board, with the Strategic Leadership Team, present and the Committee had reviewed and recommended the following resolutions for approval by the full Board:

#### **RESOLUTION**

RESOLVED, That OCLC Online Computer Library Center, Inc. (the "Corporation") be and it hereby is authorized, subject to market conditions acceptable in the judgment of one or more of the officers listed below, to enter into arrangements with the County of Franklin, Ohio, the Columbus-Franklin County Finance Authority, or another public financing entity, as a public body issuer (the "Issuer") and, as necessary, other appropriate parties, for the purpose of financing, with the proceeds of certain tax-exempt revenue obligations of the Issuer in an aggregate principal amount not to exceed Thirty Million Dollars (\$30,000,000) (the "Obligations"), all or any portion of (i) the costs of certain real and/or personal property, including without limitation, building renovations and improvements, computer, telecommunications and other equipment, furnishings, software programs, bibliographic and other information databases used in connection with or support of OCLC services, and other capital expenditures and appurtenances related thereto (collectively referred to hereinafter as the "Project") to be used by the Corporation, and (ii) the costs of issuance of the Obligations; and

FURTHER RESOLVED, That the financing contemplated by this Resolution be carried out pursuant to the terms and conditions to be set forth in certain appropriate documents including a Loan Agreement and/or a Lease Agreement as appropriate, between the Issuer as lender (or lessor) and the Corporation as borrower (or lessee) to be assigned by the Issuer to a suitable financing institution, and, if applicable, a Bond Purchase Agreement between and among the Issuer, the Corporation and such financing institution (the "Financing Agreement"), as well as certain other necessary supportive documents; and

FURTHER RESOLVED, That the President and CEO, the Executive Vice President, Chief Financial Officer and Treasurer of this Corporation be and each of them, acting singly, are hereby authorized, on behalf of the Corporation, to execute and deliver the Financing Agreement and the other supportive documents that may be necessary to effect the transaction contemplated herein, each in such form as shall be approved by the officer executing the same, and issuance, execution and delivery of any such documents or instruments by such officer shall be conclusive evidence of the approval thereof by the officer executing the same and of the Corporation; and

FURTHER RESOLVED, That subject to the final review and approval of the proposed structuring of the financing contemplated herein by the Finance Committee of the Board of Trustees of the Corporation (and without further action of said Board), the aforesaid officers, and the Secretary of this Corporation, be and each of them, acting singly, are hereby authorized, on behalf of the Corporation, (i) to approve the terms and conditions of the Financing Agreement and other necessary supportive documents, and to approve any other matters, and execute and deliver any other certificates or instruments, required in connection with the issuance of the Obligations, such approvals to be conclusively evidenced by the execution and delivery of the Financing Agreement, and any other certificates, documents and instruments so executed and delivered; and

FURTHER RESOLVED, That the President and CEO, the Executive Vice President, Chief Financial Officer and Treasurer and the Vice President, General Counsel and Secretary of this Corporation, and each of them, acting singly, are hereby authorized and directed to take any and all action, on behalf of the Corporation, necessary or proper for the Corporation to carry out, perform, give effect to, consummate and perform the terms of and the transactions contemplated by said documents, the rules and regulations associated therewith, all in accordance with the transaction contemplated herein, and to provide for the operation and management of the Project; and

FURTHER RESOLVED, That this Board action shall constitute a Declaration of Official Intent for purposes of Sections 103 and 141 to 150 of the Internal Revenue Code of 1986, as amended.

## RESOLUTION

RESOLVED, that the fiscal year 2014 budget of the Corporate Operating Plan, as presented to this meeting, be and the same hereby is approved;

FURTHER RESOLVED, that the approved Strategic Development Fund be directed for accelerated development; and

FURTHER RESOLVED, that Management present a proposal for potential additions to the Strategic Development Fund during the Board meeting in September.

The first of the above resolutions was previously approved as a part of the consent agendas at the beginning of the meeting. Needing no second, and with no further discussion, the second and third resolutions were individually voted on, and unanimously approved. Mr. Patrick then asked Mr. Alford to deliver his report as chair of the Ad Hoc Committee on Cost Share and Pricing Models. Mr. Alford indicated that the Committee had developed a draft of a new funding and pricing proposal, but that due to the inherent difficulty in balancing all of the varied interests of member libraries, the recommendations for the changes to the pricing structure are still under consideration by the Committee. Mr. Patrick then asked for a report from Mr. van Lubeek, who informed the Board regarding ongoing expansion opportunities for the company within EMEA. That concluded Mr. Patrick's report.

Ms. Imhoff then delivered the Membership Committee Report at the request of the Chair. Ms. Imhoff indicated that the Committee had developed a set of Membership Protocols, as well as an Implementation Plan, and after some discussion regarding ongoing issues of membership and global/reference sharing definitions, the Committee has recommended the following resolution for approval by the full Board:

## RESOLUTION TO APPROVE PROTOCOLS

WHEREAS, the Membership Committee, has proposed a revision to the "Membership and Governance Protocols" that would expand the basis of membership; and

WHEREAS, the Committee has undergone two years of discussion with Global Council members and OCLC senior staff and revision of its proposals;

NOW, THEREFORE BE IT RESOLVED, that the attached (Appendix 4) revised “Membership and Governance Protocols, June 2013 Revision” be, and they hereby are, approved by the OCLC Board of Trustees; and

BE IT FUTHER RESOLVED, that the Executive Committee of the Global Council be notified of the approval of this Resolution, requesting that the Global Council ratify the revised Protocols.

Needing no second, and with no further discussion, the above resolution was voted on, and unanimously approved. That concluded Ms. Imhoff’s report.

Ms. Yee then requested the President’s report. Mr. Jordan referred the Trustees to his written report in the Board materials, and indicated that: (i) the cooperative had recently achieved the 300 millionth record, as well as the 2 billionth holding record cataloged, (ii) the implementation of Hadoop and other technical improvements will allow significantly increased efficiencies for OCLC’s members, (iii) Mr. Michalko has recently coordinated a very successful seminar at the University of Pennsylvania on the topic of MOOCs, (iv) he would be attending both ALA and IFLA conferences with Mr. Prichard, (v) congratulations are due to Ms. Lison on her recent re-election to IFLA, and (vi) he wished to thank the Board for 15 wonderful years as President & CEO of OCLC. This concluded Mr. Jordan’s report.

At 10:00 a.m., the Chair called for a break. The meeting reconvened at 10:15 a.m. Mr. Jordan added that he had just been informed that the first UK WMS installation was up and running.

Ms. Yee delivered the Chair’s report, and indicated that she: (i) continued her bi-weekly conferences with the President & CEO; (ii) attended the recent Global Council meeting in The Hague, Netherlands, and had delivered a report on recent Board activities, and (iii) has been reviewing plans for the upcoming ALA convention later this month, including a special event to honor Mr. Jordan and to welcome Mr. Prichard. A discussion followed regarding OCLC’s plans for involvement in the MOOC movement, and Mr. Neal suggested that OCLC needed to look not only to MOOC’s but to other newly emerging developments in the education field. This concluded Ms. Yee’s report.

Ms. Yee asked for the report of the Audit Committee. Ms. Hilsheimer said that the Committee had not met, and that the only business was consideration of the Committee Charter which was previously approved as a part of the consent agenda. That concluded Ms. Hilsheimer’s report.



Ms. Yee called for the Personnel and Compensation Committee report. Mr. Neal reported that the Committee met with all members present, and had: (i) reviewed both the MIP and the LTIP incentive plans for FY13, and (ii) begun consideration of the effects on those plans which will come about with the new Membership Protocols. Mr. Neal indicated that there were other matters from the Committee that would be discussed in executive session later in the meeting. This concluded Mr. Neal's report.

Ms. Yee requested the report of the Board Governance Committee. Mr. Alford indicated that the Committee met with all present and had: (i) discussed the various upcoming Trustee vacancies, as well as the Global Council's appointment of Mr. Dugall to the Board ; (ii) discussed the current four year term for Trustees and the potential for shortened experience levels as a result thereof, with consideration being given to the possibility of returning to some six (6) year terms, and (iii) recently amended the guidelines for the Committee which can be found on the Board website. That concluded the Mr. Alford's report.

Ms. Yee asked for the report of the Committee on Technology Planning. Mr. Schottlaender indicated that the Committee met and had: (i) received an update on the implementation of new technologies at OCLC which had the potential for very significant increases in efficiencies for OCLC's members, and (ii) considered the developing value curve of WorldShare relative to Collection Manager and Web Services, as well as the value of syndication opportunities for member libraries. Mr. Schottlaender suggested that at an appropriate time the full Board might benefit from a similar presentation on a summary basis. That concluded Mr. Schottlaender's report.

The Chair then called the meeting into executive session at 10:53 a.m.

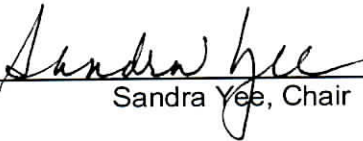
At 12:06 p.m., the Board concluded its executive session, indicating that the following resolution was unanimously approved by the Board during the executive session:

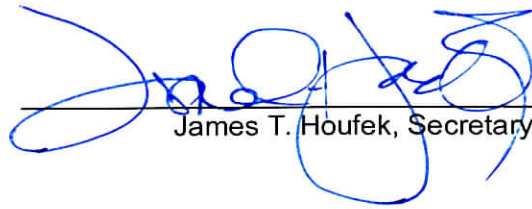
### **RESOLUTION**

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.

The Chair then called for other business, and there being none, a motion to adjourn was moved, seconded, and unanimously approved at 12:07 p.m.

  
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Sandra Yee, Chair

  
\_\_\_\_\_  
James T. Houfek, Secretary

**BY-LAWS FOR GOVERNANCE  
OF  
BOARD OF TRUSTEES OF OCLC Online Computer Library Center, Inc.**

**ARTICLE I  
PURPOSE**

These By-Laws are approved and adopted by the Board of Trustees for the governance of its internal affairs as the Board of Trustees of OCLC Online Computer Library Center, Inc. If these By-Laws or any portion thereof conflict with either the Articles of Incorporation or the Code of Regulations of OCLC Online Computer Library Center, Inc., the Articles of Incorporation or the Code of Regulations shall be controlling.

**ARTICLE II  
DEFINITIONS**

As used in these By-Laws, the word "Corporation" and "OCLC" mean OCLC Online Computer Library Center, Inc., and the terms "Trustees", "Board of Trustees" and "Board" mean the Trustees of OCLC Online Computer Library Center, Inc. as provided for by law and by the Articles of Incorporation of OCLC Online Computer Library Center, Inc.

**ARTICLE III  
MEETINGS**

Section A. Schedule of Meetings.

(1) Annual Meeting. The Board shall meet immediately following the annual meeting of the Trustee Members.

(2) Regular Meetings. The Board shall meet at least four (4) times each year (in addition to the Annual Meeting) at dates and times to be determined by the Board. The meetings shall be held at the business offices of the Corporation or at a place or places as the Board determines. The Secretary of the Corporation shall notify each Trustee of each such meeting at least ten (10) days prior to the day named for such meeting by any reasonable

means, including, but not limited to, personal delivery, telegram, telecopy, electronic mail transmission, or United States regular mail, express mail, or courier service with postage or fees prepaid.

(3) Special Meeting. The Chair, a Vice-Chair, or three (3) or more of the Trustees may call a special meeting of the Board. The Secretary shall give notice of said meeting to each Trustee at least three (3) days prior to the day named for such meeting. The Secretary shall give notice to the Trustees in the same manner as set forth in Section A (2), of this Article. The time, place and purpose for the special meetings shall be determined by the person or persons requesting such meeting and shall be given to the Secretary for inclusion in the notice required under this Section A(3).

Section B. Quorum. At all meetings of the Board, a majority of the Trustees shall constitute a quorum for the transaction of business. If, at any meeting of the Board there are fewer than a quorum present, the majority of those present may adjourn the meeting from time to time. In the event a quorum is subsequently achieved after such adjournment of the meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

#### **ARTICLE IV OFFICERS**

Section A. Selection. The officers of the Corporation shall consist of a Chair of the Board of Trustees, a Vice-Chair or Vice-Chairs of the Board of Trustees, a President, a Secretary, a Treasurer, and such other officers as the Board of Trustees shall from time to time determine.

The Chair and the Vice-Chair or Vice-Chairs of the Board shall be elected from and by the Board at a meeting called for that purpose, or at the annual meeting following the election of successor Trustees. They shall serve for those terms set by the Board as specified in the Code of Regulations and until their successors are elected and qualified and may succeed themselves.

The President, the Secretary, the Treasurer, and such other officers shall be appointed by the Board and shall serve at the pleasure of the Board. At no time may an employee of OCLC become a Trustee during his or her term of employment.

The officers of the Corporation shall have those duties and powers, responsibilities and authority to act for or on behalf of the Corporation as are normally incident to such office or which are designated by the Board.

Section B. Removal and Vacancies. Officers may be removed for cause by a majority vote of the Board present at a meeting at which a quorum is present, after notice to such officer provided by the Secretary and stating the cause(s). Such notice shall be given at least three (3) days prior to the meeting at which the Board will vote upon removal.

Vacancies occurring in an office of the Corporation shall be filled by appointment in accordance with this Article.

#### **ARTICLE V COMPENSATION AND RETIREMENT AGE**

Section A. Compensation. Compensation of officers designated by the Board, members of the Board and committee members shall be such as is determined by the Board from time to time.

Section B. Retirement Age. There shall be no mandatory retirement age for either the Trustees or the officers of the Corporation.

#### **ARTICLE VI TRUSTEES UNEXPIRED TERMS**

Section A. Vacancies. Vacancies occurring on the Board, by reason of removal, death, disability, resignation or other reason, shall be filled by a majority vote of the Trustee Members present at a meeting at which a quorum is present, and the successor Trustee shall serve for the unexpired term of his or her predecessor, except that a successor Trustee for one (1) of the six (6) Trustees elected by the Member Delegates shall serve until appropriate action by the Member Delegates regarding succession.

Section B. Removal. A Trustee may be removed by the two-thirds (2/3) vote of the Trustee Members present at any annual or special meeting duly called at which a quorum is present, and the vacancy thus created shall be filled in accordance with this Article.

## **ARTICLE VII FINANCIAL RESPONSIBILITY**

Section A. Budget. The Board shall approve the annual budget plan after receiving the recommendation of the Finance and Investment Committee and shall, when deemed appropriate, approve broad changes in the pricing philosophy of the Corporation.

Section B. Loans. The Board shall review and act upon all loans in excess of Five Hundred Thousand Dollars (\$500,000.00), after receiving the recommendations of the Finance and Investment Committee.

Section C. Capital Expenditures. The Board shall review and act upon unbudgeted capital expenditures in excess of Three Hundred Fifty Thousand Dollars (\$350,000.00) and expenditures in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) on unbudgeted contracts for acquisition or sale of real estate, for construction of a facility and for research investment, after receiving the recommendation of the Finance and Investment Committee.

Section D. Disposition of Corporate Assets. The Board shall review and act upon actions disposing of assets of the Corporation which have a book value, or would generate gross proceeds, in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00), after receiving the recommendations of the Finance and Investment Committee.

Section E. Donations and Contributions. The Board shall review and act upon donations and contributions by the Corporation which are individually in excess of Ten Thousand Dollars (\$10,000.00).

Section F. Financial Ratios. The Board shall establish financial ratios to assess the financial soundness of the Corporation.

Section G. Special Expenditures. The Board shall review and act upon expenditures for special projects which the Board feels are important to carry out the tax-exempt purposes of the Corporation as a tax exempt organization.

Section H. Outside Auditors. The Board shall review and act upon the recommendations of the Audit Committee for the appointment of outside auditors for the Corporation.

Section I. Employee Benefits. The Board shall review and act upon employee benefit and insurance plans recommended by the Personnel and Compensation Committee.

#### **ARTICLE VIII STANDING COMMITTEES**

Section A. Executive Committee. The Board of Trustees may designate three (3) or more Trustees, including the Chair of the Board, to constitute an Executive Committee, which Committee shall have and exercise the authority of the Board of Trustees in the management of the affairs of the Corporation when the Board of Trustees is not in session.

Section B. Finance and Investment Committee. The Board of Trustees may designate one (1) or more Trustees to constitute a Finance and Investment Committee, which to the fullest extent permitted by law, the Articles of Incorporation and the Code of Regulations of the Corporation, during the intervals between meetings of the Board of Trustees, shall possess and may exercise every power, right, and privilege conferred by law, the Articles of Incorporation or the Code of Regulations upon the Board of Trustees in the purchase, sale, conveyance, transfer, delivery, hypothecation, investment, reinvestment, and deinvestment of all real, personal, mixed, tangible and intangible property of the Corporation, and in the making and negotiating of loans on behalf of the Corporation as its needs from time to time may require.

The Committee shall conduct a preliminary review of the annual budget plan, shall review proposed financial plans and programs, and shall recommend action to the full Board.

Section G. Special Expenditures. The Board shall review and act upon expenditures for special projects which the Board feels are important to carry out the tax-exempt purposes of the Corporation as a tax exempt organization.

Section H. Outside Auditors. The Board shall review and act upon the recommendations of the Audit Committee for the appointment of outside auditors for the Corporation.

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Section B. Finance and Investment Committee. The Board of Trustees may designate one (1) or more Trustees to constitute a Finance and Investment Committee, which to the fullest extent permitted by law, the Articles of Incorporation and the Code of Regulations of the Corporation, during the intervals between meetings of the Board of Trustees, shall possess and may exercise every power, right, and privilege conferred by law, the Articles of Incorporation or the Code of Regulations upon the Board of Trustees in the purchase, sale, conveyance, transfer, delivery, hypothecation, investment, reinvestment, and deinvestment of all real, personal, mixed, tangible and intangible property of the Corporation, and in the making and negotiating of loans on behalf of the Corporation as its needs from time to time may require.

The Committee shall conduct a preliminary review of the annual budget plan, shall review proposed financial plans and programs, and shall recommend action to the full Board.



The Committee shall keep a record of its action and transmit such record to the Board to become a part of its legally approved minutes at the next regular meeting.

Section C. Personnel and Compensation Committee. The Board of Trustees may designate three (3) or more Trustees to constitute a Personnel and Compensation Committee to be responsible for review of the Corporation's personnel, compensation, and benefits policies as well as working conditions to insure the highest possible quality of life for the Corporation's employees. No Trustee who is an employee of the Corporation, or former employee of the Corporation receiving retirement benefits, shall serve on the Personnel and Compensation Committee.

Section D. Audit Committee. The Board of Trustees may establish an Audit Committee composed of not fewer than five (5) nor more than seven (7) Trustees that shall select an independent, certified auditor and recommend to the Board the appointment of that auditor. The Audit Committee shall meet at least two (2) times annually for the following purposes: review the planned audit scope; review the results of the independent auditor's examination of financial statements, the auditor's opinion thereon, and the auditor's recommendations with respect to accounting, internal control and other matters; review the Corporation's internal auditing procedures; examine conflict of interest reports of Trustees and members of management; and review such other methods of financial and compliance controls as may be appropriate. The Audit Committee shall be subject to the Audit Committee Charter, as that document may be amended from time to time, in the performance of its duties and obligations.

Section E. Membership Committee. The Board of Trustees shall establish a Membership Committee. The Membership Committee shall be composed of three (3) or more Trustees, an equal number of Member Delegates, and such additional non-voting Trustee or non-Trustee participants as the Board and the Committee may determine from time to time. The Global Council shall nominate potential Member Delegates to fill the Member Delegate positions to the Committee, and the Board shall confirm the Delegate Committee members from those potential candidates. The Board shall elect the Chair of the Committee, and said

Committee shall be further governed by the Membership and Governance Protocols as created and amended by the Joint Membership Committee and as approved by a majority of the Member Delegates and a majority of the Board of Trustees from time to time.

Section F. Other Standing Committees. The Board of Trustees may establish other standing committees which the Board may determine at any time and from time to time to be necessary or desirable. The Board of Trustees may designate the number of members of such standing committees; and the members may be from among the Trustees or may be any other persons as determined by the Board. The Board shall name committee members, create the charge of the committee and grant authority to the committee which is permitted by law, the Articles of Incorporation and the Code of Regulations of the Corporation and which the Trustees shall deem appropriate.

Section G. Committee Chairs. The Chair of the Board shall be Chair of the Executive Committee. Except as otherwise provided in this Article VIII above, the Board shall appoint other Committee Chairs, who shall serve at the pleasure of the Board.

#### **ARTICLE IX AD HOC COMMITTEES**

Section A. Committee Composition. The Board of Trustees may designate three (3) or more persons, including at least one (1) Trustee, to serve upon ad hoc committees as the Board from time to time creates.

Section B. Committee Chairs. The Board of Trustees shall appoint Ad Hoc Committee Chairs, who are not required to be Trustees, and who shall serve at the pleasure of the Board.

#### **ARTICLE X AMENDMENTS**

Except as otherwise required by law, the Articles of Incorporation or the Code of Regulations, these By-Laws may be amended by the Board at any meeting, by an affirmative vote of two-thirds (2/3) of those Trustees present.

**Appendix 2**  
**Audit Committee of the Board of Trustees**  
**Audit Committee Charter**

In order to provide guidance to the Audit Committee in fulfilling its responsibilities, this Audit Committee Charter (Charter) has been adopted by the Board of Trustees (Board) of OCLC Online Computer Library Center, Inc. (OCLC). The Audit Committee of the Board shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

**Committee Role**

The Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, internal control and financial reporting practices of OCLC. The Committee also assists with other duties as may from time to time be assigned to it by the Board.

The Committee's job is one of oversight. Management is responsible for the preparation of OCLC's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee and the Board recognize that management (including the internal audit staff) and the independent auditors have more resources and time, and more detailed knowledge and information regarding OCLC's accounting, auditing, internal control and financial reporting practices than does the Committee. Accordingly, the Committee's oversight role shall not be expected to provide any expert or special assurance as to the financial statements and other financial information provided by OCLC.

**Committee Membership and Organization**

In accordance with the By-laws of the Board, the Committee membership shall consist solely of 5 to 7 outside trustees. These trustees shall be free of any relationship that, in the opinion of the Board, may interfere with such member's individual exercise of independent judgment. During the past three years Committee members: shall not have been employees of OCLC; shall not have received any compensation from OCLC other than for service on the Board or for any service authorized by the Board; and shall not have been a partner, board member or officer of a corporation transacting significant business with OCLC. Committee members whose institutions are OCLC members or participants purchasing goods and services from OCLC on terms generally available to all members of that category shall be deemed to meet this independence requirement. In addition, Committee members shall not have been employed as an executive of another entity where any of OCLC's executives serve on the entity's compensation committee or be an immediate family member of an individual who was an executive officer of OCLC within the past five years. The Committee shall have a majority of members who are financially literate with at least one Committee member having substantial related financial management experience or expertise.

The Committee shall maintain free and open communication with the independent auditors, staff performing internal audits and OCLC management. In performing its oversight role, the Committee is empowered to investigate any matter relating to OCLC's accounting, auditing, internal control or financial reporting practices brought to its attention, with full access to all Company books, records, facilities and personnel.

The Committee may retain outside counsel, auditors or other advisors as deemed necessary.

One member of the Committee shall be appointed as Chair. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas and making regular reports to the Board. The Chair will also maintain regular contact with the President and Chief Executive Officer, Chief Financial Officer and the lead independent audit partner.

The Committee shall meet a minimum of twice a year, with additional meetings scheduled as deemed necessary by the Committee. At least once each year the Committee shall have a separate executive session with the independent auditors.

### **Responsibilities**

Although the Committee may consider additional duties from time to time, the general responsibilities of the Committee in carrying out its oversight role are described below:

		Completion Dates
1.	Evaluating, together with the Board and executive management, the performance of the independent auditors and, where appropriate, replacing such auditors. While final decisions should always be made by the Committee based on factors and considerations present at the time, in general a normal rotation of both audit firms and audit partners within those firms should be accomplished so as to provide fresh perspectives and follow best practice per the SEC guidance for public reporting entities. A typical rotation would be to change audit partners approximately every 5 years and to change audit firms as costs, performance and internal needs may dictate from time to time.	February
2.	Recommending to the Board the engagement of independent auditors to audit the financial statements of OCLC and approving audit fees. Reviewing the auditors risk assessment and overall plans.	February
3.	Inquiring of Executive management and the independent public accountants about significant risks or exposures and assessing the steps management has taken to minimize such risk to the Company including a review of worldwide insurance coverage.	February/April
4.	Reviewing and updating the Audit Committee Charter	April
5.	Reviewing corporate compliance policies and procedures	February
6.	Reviewing the audited financial statements and discussing them with management and the independent auditors. These discussions shall include required discussions under Statement of Auditing Standards No. 61 and consideration of the quality of OCLC's accounting principles as applied in its financial reporting. Additional discussions shall include a review of material accounting estimates, reserves and accruals, judgmental areas, audit adjustments (whether or not recorded), and other such inquiries as the Committee or the independent auditors shall deem appropriate. Based on such review, the Committee shall make its recommendation to the Board as to the acceptance of OCLC's audited financial statements and their inclusion in OCLC's Annual Report.	September
7.	Issuing annually an audit committee report or "Management Letter" to be included in the annual report.	September

		Completion Dates
8.	Overseeing the relationship with the independent auditors, including discussing with the auditors the nature and rigor of the audit process, receiving and reviewing audit reports, and providing the auditors full access to the Committee (and the Board) to report on any and all appropriate matters.	September/ February
9.	Obtaining annually from the independent auditors a formal written statement describing all relationships between the auditors and OCLC. The Committee shall actively engage in a dialogue with the independent auditors with respect to relationships that may impact the objectivity and independence of the auditors and shall take, or recommend, appropriate actions to oversee and satisfy itself as to the auditors' independence, including a review of total fees.	September
10.	Discussing with management and the independent auditors the quality and adequacy of compliance with OCLC's internal controls	September
11.	Reviewing and evaluating conflict of interest statements from the Board and OCLC Executives. The Committee shall be responsible for ensuring that all identified conflicts are appropriately and timely remedied. The Committee shall also be responsible for evaluating any material related party transactions, other than those on a basis available to all OCLC membership.	February
12.	Recommending to the Nominating Committee to consider continuity, independence and financial literacy/expertise when selecting Audit Committee members	February/ September
13.	Reviewing with Finance management any significant changes To GAAP policies or standards	February/ September
14.	Overseeing internal audit activities including discussing with management the internal audit function's objectivity, organization, responsibilities, and results.	April/September
15.	Discussing with management and/or OCLC's general counsel any legal matters (including the status of pending litigation) that may have a material impact on OCLC's financial statements, and any material reports or inquiries from regulatory or governmental agencies	As Needed
16.	Reviewing any alleged fraudulent actions or violations of law. The Committee shall be responsible for ensuring that all identified violations are appropriately addressed.	As Needed

**Appendix 3 – Finance & Investment Committee Charter**

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OCLC Online Computer Library Center, Inc.  
Finance and Investment Committee of the Board of Trustees  
Finance and Investment Committee Charter

In order to provide guidance to the Finance and Investment Committee (Committee) in fulfilling its responsibilities, this Finance and Investment Committee Charter (Charter) has been adopted by the Board of Trustees (Board) of OCLC Online Computer Library Center, Inc. (OCLC). The Finance and Investment Committee of the Board shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

**Committee Role:**

The Committee is responsible for the oversight of the financial health of OCLC. The Committee reviews interim and annual financial results and the annual Corporate Operating Plan, approval of loans, capital expenditures, mergers, acquisitions, dispositions and special expenditures. This Committee also reviews long-term investment policy and banking resolutions and recommends action by the Board.

**Committee Membership and Organization**

In accordance with the By-Laws of the Board, the Committee membership may consist of one or more Trustees. To the fullest extent permitted by law, the Articles of Incorporation and the Code of Regulations of the Corporation, during intervals between meetings of the Board, the Committee possesses and may exercise every power, right, and privilege conferred by law, the Articles of Incorporation or the Code of Regulations upon the Board in the purchase, sales, conveyance, transfer, delivery, hypothecation, investment, reinvestment and de-investment of all real, personal, mixed, tangible and intangible property of the Corporation, and in the making and negotiating of loans on behalf of the Corporation as OCLC's needs from time to time may require.

The Committee shall conduct a preliminary review of the annual budget plan and Corporate Operating Plan, shall review proposed financial plans and programs, and shall recommend action to the full Board. The Committee shall review and act upon all loans in excess of \$500,000 and make recommendations to the full Board. The Committee shall review unbudgeted capital expenditures in excess of \$350,000 and expenditures in excess of \$250,000 on unbudgeted contracts for acquisition or sale of real estate, for unbudgeted construction of a facility and for unbudgeted research investments, and make recommendations to the full Board.

The Committee shall review and act upon actions disposing of assets of OCLC which have a book value or would generate gross proceeds in excess of \$250,000, and make recommendations to the full Board.

The Committee shall keep a record of its action and transmit such record to the Board to become a part of its legally approved minutes at the next regular meeting.

The Committee reviews the performance of OCLC's investment portfolio and approves changes to the Investment Policy Statement of OCLC's Long-term Portfolio.

One member of the Committee shall be appointed as Chair. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas and making regular reports to the Board. The Chair will also maintain contact with the President and Chief Executive Officer and Chief Financial Officer.

The Committee will meet a minimum of four times a year, with additional meetings scheduled as deemed necessary by the Committee.

### Responsibilities

Although the Committee may consider additional duties, the general responsibilities of the Committee in carrying out its oversight role are described below:

	<b>General Responsibilities</b>	<b>Completion Dates</b>
1.	Review corporate operating results including the investment portfolio dashboard.	February, April, June
2.	Review the full-year forecast.	February, April, June
3.	Review Product Pricing Proposal.	February
4.	Review the three-year enterprise resource plan and Enterprise Product Plan for the next fiscal year Corporate Operating Plan.	April
5.	Review the Corporate Operating Plan and budget for the next three fiscal years and recommend action to Board.	June
6.	Review the previous fiscal year's results and audited financial statements including investment performance.	September
7.	Review MIP and LTIP financial measurements and make recommendations to the Personnel and Compensation Committee.	September
8.	Approve long-term investment policy.	As Needed
9.	Review all loans in excess of \$500,000, unbudgeted special capital expenditures in excess of \$350,000, and other unbudgeted expenditures in excess of \$250,000 and make recommendations to Board.	As Needed
10.	Review dispositions of assets with a book value or that would generate gross proceeds in excess of \$250,000 and make recommendations to Board.	As Needed

## Appendix 4

### MEMBERSHIP AND GOVERNANCE PROTOCOLS, JUNE 2013 REVISION

As proposed by the Membership Committee

#### HISTORY

Approved by OCLC Members Council, 10 February 2009. Ratified by OCLC Board of Trustees, 20 April 2009. Replacement Article II approved by Members Council, 19 May 2009, and ratified by Board of Trustees, 8 June 2009. Revised by OCLC Board of Trustees 14 June 2010, ratified by Global Council electronic vote 21 June 2010. (*Information about the approval of this revision will be added once the process is complete.*)

#### I. PREAMBLE AND DEFINITIONS

This document sets forth the following protocols for membership in and for the governance of the OCLC cooperative. It is authorized by Article IV and succeeding passages of the OCLC Code of Regulations.

The foundation of OCLC is sharing, including records, materials in many formats, people, and research. From 1977 to date, use of WorldCat for holdings and resource sharing has been the basis for OCLC membership and the prerequisite for participation in governance. Expanding membership in the cooperative has been an ongoing goal. For member institutions, the broader diversity means a greater wealth of resources available in WorldCat and a broader base to share the costs of operations, research, and advocacy. The new WorldShare network will facilitate easier and more efficient sharing among institutions.

OCLC's governance structure has significantly evolved over the past decade. The organization has become more global and the information technology environment has migrated and transformed, making the resources of libraries around the globe more accessible. Beginning with the "transitional delegates" which were added to the then-Members Council from six unrepresented countries in 2001, OCLC has sought to increase and diversify representation in order to understand the global library market and to connect libraries worldwide.

Over the past decade, OCLC has purchased several companies that produce integrated library systems. Many of these libraries are unrepresented in the governance process because their systems do not integrate easily with WorldCat, so setting holdings and using global resource sharing, a prerequisite for membership, is not possible. OCLC has embarked on an ambitious program to bring these current services (and others under development) together in a new WorldShare network. OCLC now seeks to add the voices of future and potential WorldShare network users to governance by providing membership to libraries using OCLC services that have not previously qualified for that status. The goal is to nurture an environment that values the sharing of intellectual content and mutual institutional support across the new network from its earliest stages.

The network will provide all participating institutions with the opportunity to share intellectual content, making sharing the default rather than an option. This transformation offers opportunities for inclusion while staying true to the ongoing mission of "furthering access to the world's information and reducing the rate of rise of library costs."

To live up to its vision, "The World's Libraries. Connected," OCLC must serve its member institutions with a clear process that honors tradition while accommodating new models. Both the transitional delegates to Members Council in the mid-2000s and the lively and productive discussions in the various product user groups prove that great ideas come from many places. Input from individuals who work in institutions that have not previously participated in governance under current rules could benefit the entire cooperative.

For purposes of this document, the following definitions shall apply:

- **Administratively independent entity:** An OCLC member is "administratively Independent" if it directs its own policies or expenditures; is recognized as being independent for tax or legal reasons; or, if it is the highest reporting operational unit, with, for example, sub-units reporting to it



and it reporting to a board of trustees, college president, dean, provost, vice-president, or some other lead operating officer or office. Similarly, a member is “administratively independent” if it is at the highest level of its administrative hierarchy, that is, if sub-units report to it (if there are subunits).

- Corporation, or Nonprofit Corporation: See OCLC
- OCLC: OCLC Online Computer Library Center is a library service and research membership organization dedicated to the public purposes of furthering access to the world's information and reducing the rate of rise of library costs. Under US tax laws, OCLC is recognized as a not-for-profit, tax-exempt organization. In other countries, OCLC operations may be structured under local tax law as a wholly-owned, for profit subsidiary of the US organization.
- OCLC Cooperative. The phrase “OCLC Cooperative” references collectively: OCLC members (typically libraries, archives, or museums), the OCLC governance structure (Board of Trustees and Global and Regional Councils), and the OCLC corporation.
- “Global resource sharing:” This refers to the opportunity offered by OCLC systems to share a member institution's intellectual assets beyond the institution's immediate circle with the broader OCLC cooperative.

## **II.MEMBERS**

### **Qualifying institutions**

Article IV of the OCLC Code of Regulations states, “Members shall be those entities that meet the minimum but continuing threshold of engagement with OCLC, as set forth in OCLC's Membership and Governance Protocols.” Article IV, Section A of the Code empowers the Membership Committee to develop the definition of Membership for the review and approval of the Global Council and the Board of Trustees. Libraries, archives, or museums embracing the OCLC values of cooperation and sharing are welcome to join.

An institution qualifies for OCLC membership by doing one or more of the following on an ongoing basis:

- Sharing intellectual content and/or participating in global resource or reference sharing via a subscription or contract for an OCLC system ; or
- Contributing intellectual content or participating in global resource or reference sharing through an OCLC system provided by another organization, such as a local or regional cooperative or consortia, a state or provincial library, or a national library; or
- Subscribing or contracting for an OCLC library management system that will facilitate global sharing when transitioned to WorldShare.

As a matter of policy, whenever possible, agreements with such local or regional cooperatives or consortia, state or provincial libraries, or national libraries should include language giving OCLC reasonable access to all the participants in the group represented by those organizations.

An institution may decide to opt out of exercising its membership rights at any time. Institutions may request to be removed from mailing lists by clicking on the appropriate links included with each email. To opt out of voting rolls, institution directors may contact the Global and Regional Councils Division.

Library vendors and commercial providers of metadata are not eligible for membership; they can participate through OCLC's Partner Program.

The cooperative is strengthened by its membership's diversity, such as geographical, institutional type, or size. Members are united by similar and complementary content and processes and connected through mutual purpose, shared enterprise, and the creation, sharing, and stewardship of metadata, content, and other resources. For example, WorldCat is maintained through the cooperative efforts of OCLC members.

### **Commitment to innovative cooperation and mutual success.**

Members are guided by pertinent OCLC policies, specifying good practices for members in the cooperative based on shared values, trust and reciprocity in understanding rights and responsibilities. These policies focus on members' rights and responsibilities with the aim of fostering innovation and sharing, as well as maintaining the integrity and fiscal viability of the cooperative's shared resources.

OCLC members share in a variety of ways, such as (but not limited by):

- Contributing metadata, including authority records, to WorldCat;
- Sharing holdings information;
- Sharing staff resources and expertise, such as in a reference cooperative;
- Making digital content available to other members;
- Sharing materials using OCLC services; or
- Subscribing or contracting for an OCLC library management system that will facilitate global sharing when transitioned to WorldShare.

Reciprocally, in their budgeting and development decisions, the Board of Trustees and the management of OCLC should support services that attract and retain members and that encourage collaboration.

### **Voting rights**

Voting rights for members are as set forth in the OCLC Code of Regulations. Membership shall continue for one year beyond the last date of activity under the subscription or contractual agreement. Notification should be provided to institutions within a reasonable time frame of such a status change. Institutions also may voluntarily cancel their memberships by notifying the Global and Regional Councils Division, and thus no longer participate in OCLC governance. The Membership Committee will facilitate resolution of any unresolved disputes about membership status.

Global Council Member Delegates (as described below in Section V) come from member institutions. All elected delegates are full voting members of the Global Council itself.

### **Review of transition qualifications**

Since these changes in membership qualifications are intended to connect libraries in transition with the cooperative, these Protocols shall be reviewed annually by the Membership Committee within the context of the implementation of the WorldShare Network. No later than the third anniversary of the effective date of these Protocols, the Membership Committee will undertake a complete reconsideration of the qualifications for membership to adhere to the mission, vision, and public purpose of the cooperative: "Furthering access to the world's information, and reducing the rate of rise of library costs."

## **III. REGIONS**

There are currently three OCLC Regions: OCLC Europe, the Middle East and Africa; OCLC Asia Pacific; and OCLC the Americas. These Regions may be increased, merged, subdivided, or otherwise changed as needed to reflect changes in the working environment.

As OCLC grows and evolves, the Regional Councils may be similarly increased, merged, subdivided or changed. Changes in the number or definition of Regional Councils require a change in these Protocols, as outlined in Section VII, below. Nothing in this document is intended to eliminate, reduce or discourage other advisory groups composed of OCLC Members.

## **IV. REGIONAL COUNCILS**

Within each Region, a Regional Council will advise OCLC. The Regional Council is defined as an assembly of the constituency of the OCLC Members in that Region.

### **Charge**

Regional Councils will serve as:

- A unit of OCLC governance which elects Member Delegates to the Global Council, as described in Article IV of the OCLC Code of Regulations;
- A two-way conduit to allow the broadest, most inclusive conversation among OCLC staff, Members, participants, and interested parties;
- Incubators for new ideas and initiatives within the cooperative;
- An inclusive forum and a vehicle to allow interested library, archive, or museum to learn more about OCLC and opportunities for participation in the cooperative.

**Purpose**

The Regional Councils participate in OCLC governance by electing delegates to the Global Council (see below, and Article IV, Sections C-G of the OCLC Code of Regulations). The Regional Councils facilitate discussion of issues with the OCLC cooperative.

**Governance**

Each Regional Council will have a Chairperson, who shall be an employee or a member of the governing board of an OCLC Member within that Region. The Chairperson may not be an employee of OCLC. Each Regional Council will create and amend its own internal procedures. Where the internal procedures are silent, the current edition of *The Standard Code of Parliamentary Procedure*, by Alice Sturgis, shall be the procedural authority. For the sake of procedural consistency between the Regions, these procedures may be finally amended by majority vote of the Global Council Executive Committee, as defined later herein, should the Global Council Executive Committee deem it appropriate.

**Meetings**

Organization. The Chairperson, in cooperation with OCLC staff, shall plan and execute at least one Regional Council in-person meeting annually.

Funding. Each Region will receive an annual appropriation from the OCLC budget for running this in-person meeting. The appropriation will be determined as part of the annual budget process.

Organizing Committee. The Chairperson in consultation with OCLC staff may appoint an organizing committee to plan an agenda and carry out the Regional Council meetings. The members of the organizing committee may be reimbursed for actual expenses incurred by them in the performance of their duties.

Agenda. Each Regional Council agenda shall include a mixture of regional and global issues, and should include discussion of OCLC's strategic direction.

**OCLC Staff and Board of Trustees Participation**

At each Regional Council meeting, the OCLC staff shall be represented by senior management of the cooperative, including the President and CEO or appropriate Vice President(s) who can respond meaningfully to questions and concerns of the Members. OCLC will make every effort to ensure that at least one Trustee attends each Regional Council meeting.

**Voting**

At the Regional Council meeting, each OCLC Member shall be entitled to cast one (1) vote in person, electronically, or by proxy on each matter properly submitted to the Regional Council for vote, consent, waiver, release or other action. Each OCLC Member shall designate a representative to cast its vote at Regional Council meetings.

**Open meetings**

The Regional Council meetings shall be open, although only OCLC Members are eligible to participate and to vote.

**Costs**

Except as noted above, costs and expenses of attendance shall be the responsibility of the OCLC Member or the individual attending.

**Committees**

The Regional Councils shall create such committees as they deem necessary or desirable to carry out their purposes, within the budget limitations of the Regional Council.

**Officers**

The Regional Council shall create such offices and select such officers to conduct their internal business as they shall deem appropriate, provided however, no such officers shall have or represent to any third party the authority to bind OCLC.

**Other meetings**

Additional meetings of the Regional Council may be held from time to time at the joint call of the Chairperson and the President and CEO of OCLC or his/her designee.

Nothing in this document is intended to prohibit or discourage other types of meetings, such as meetings of national advisory committees or ad hoc groups addressing specific topics.

**V. ANNUAL GLOBAL COUNCIL MEETING****Meetings**

The Global Council shall meet in person at least once each year. At this meeting, hereinafter referred to as the Annual Global Council Meeting ("AGCM"), the Global Council shall elect its officers, ratify or reject amendments to the Code and the Articles of OCLC as proposed by the Board of Trustees, and elect Trustees to the OCLC Board.

**Member Delegates**

Member Delegates to the Global Council shall be selected at the meetings of the Regional Councils to represent the OCLC Members who make up each of those Regional Councils. The process for selecting the Member Delegates shall be established according to local norms and codified in the procedures referenced in the section "Governance," above.

**Qualifications**

Member Delegates must be employees or members of the governing boards of OCLC Members. Employees of OCLC are not eligible to serve as Member Delegates.

**Responsibilities**

The Member Delegates have two governance responsibilities:

- Elect six (6) trustees to the OCLC Board for a four year term.
- Ratify or reject by majority vote changes to the OCLC foundation documents, the Code of Regulations and the Articles of Incorporation.

The Member Delegates will also:

- Be eligible to serve on the Board of Trustees' Membership Committee
- Reflect and articulate the various interests and concerns of their Regions to the Board and OCLC management
- Advise the Board and OCLC management of emerging, critical issues that require OCLC tracking, planning, or other responses so that OCLC's own strategic planning is informed by this input
- Provide comment to the Board and OCLC management on OCLC's strategic directions
- Strengthen the cooperative throughout the world.

**Advance Notice**

In order to permit local discussions and elections to proceed in a timely fashion, the OCLC Board of Trustees shall notify the President of the Global Council, the Vice President, Global and Regional Councils, and the Chairpersons of each Regional Council of any proposed changes to the foundation documents as noted above as early as possible, and no less than ten (10) days before the AGCM.

**Voting**

At the AGCM, each Member Delegate shall be entitled to cast one (1) vote, in person or by proxy, in all votes, consents, waivers, releases, and Trustee elections.

**Committees**

At each AGCM, a Nominating Committee will be selected. The charge to this committee is to accept nominations and recommendations for the following year's Trustee openings. The Nominating Committee will submit a slate of two nominees for each Trustee seat open. The Nominating Committee will consist of two Member Delegates from each OCLC Region selected by that Region's Chairperson, and a Committee Chairperson selected by the President of the Global Council with the advice of the Executive

Committee. The Nominating Committee shall notify the President of the Global Council, the Vice President, Global and Regional Councils, and the Chairpersons of each Regional Council of its nominees for the Board of Trustees no less than sixty (60) days before the AGCM.

Member Delegates shall create other such committees as they deem necessary or desirable to carry out their purposes.

#### **Officers**

The Member Delegates shall create such offices and elect such officers to conduct their internal business as they shall deem appropriate, provided however, no such officers shall have or represent to any third party the authority to bind OCLC.

#### **Costs**

Costs and expenses of the AGCM and the Member Delegates' attendance shall be paid by OCLC upon such total budgeted amounts as are determined by the Board of Trustees.

#### **Agenda**

The agendas of the Global Council meetings will reflect the issues and concerns brought forth from the Regional Councils, as well as issues of global concern to the cooperative.

### **VI. DELEGATE ALLOCATION FORMULA**

OCLC is and will continue to be a membership organization. Member institutions are administratively independent entities, not, for example, branches, service points, or departmental sub-units of lead organizations. While revenue is used as the basis for this formula, revenue alone does not constitute or equate to membership in the cooperative, and is being used only as the metric to approximate intellectual contribution for the computation of representation.

There will be forty-eight (48) Member Delegates to the Global Council. Each December, the Global Council staff will determine the number of delegates to represent each Region in the Global Council by applying the following formula:

25% of the total number of delegates will be set aside as a core number of Member Delegates equally distributed across the Regions.

Each Region will be allocated a percentage of the remaining 75% of the Member Delegates in proportion to that Region's percentage of the total revenue generated by OCLC in the three (3) complete fiscal years prior to the allocation. This revenue basis will be the total revenue to OCLC from all its services and products, measured in US dollars, as specified in the annual audited financial statements.

The number of allocated Member Delegates will be reviewed periodically to ascertain that the number of such Delegates is both effective and representative of the cooperative.

### **VII. PROCEDURES FOR CHANGING THIS DOCUMENT**

Proposed changes to this document will be initiated by the Board of Trustees' Membership Committee. Such changes must be approved by the Board of Trustees by an affirmative vote of two-third (2/3) of those Trustees voting. The proposed amendment(s) must be then be ratified by a majority vote of Member Delegates present (i) at a Global Council meeting called for that purpose at which a quorum is present, or (ii) by virtue of an electronic vote.

### **VIII. EFFECTIVE DATE**

These Protocols originally took effect July 1, 2009. This revision is effective July 1, 2013.

**PROPOSED MEMBERSHIP AND GOVERNANCE PROTOCOLS IMPLEMENTATION PLAN****FY 2013-2014**

<b>Step #</b>	<b>Task</b>	<b>Lead Person or Unit(s)</b>
<b>Quarter 1, July to September 2013</b>		
1	Announce Protocols changes at OCLC events at the ALA Conference, such as the ARC Meeting and Update Breakfast. Make clear at these events and in other communications throughout the year that new memberships under the revised Protocols will take effect 1 July 2014, and that the new members will be able to vote in elections held between in the second and third quarters of FY2015.	Office of the President and CEO
2	Translate Protocols into appropriate languages	Branding and Creative Services
3	Prepare, translate Frequently Asked Questions list, post to Web	Branding and Creative Services and Global Council
4	Prepare and translate article on changes (same languages as above) for publication widely	Branding and Creative Services
5	Prepare list of qualifying services for review by Membership Committee	Sales and Marketing and Market Analysis
6	Complete lists of institutions that would be added and those whose subscriptions would lapse under the new one year activity requirement	Market Analysis
7	Present changes during President's program at IFLA Conference	Office of the President and CEO
8	Prepare information for Board's Personnel and Compensation Committee concerning changes in membership and the need to develop new metrics, and submit changes to the Board	HR staff and Board Personnel and Compensation Committee
<b>Quarter 2, October to December 2013</b>		
1	Review of internal membership databases and systems to ensure "fit for purpose" for supporting new Protocols	Market Analysis and Global Council
2	Update Frequently Asked Questions list	Branding and Creative Services and Global Council
3	Present update reports at ILS User Group meetings	EMEA Sales and Marketing staff, Product managers and Global Council
4	Prepare and communicate message to new ILS-based members	EMEA Sales and Marketing staff, Branding and Creative Services and Global Council
5	Prepare and communicate message to CONTENTdm and QuestionPoint new members	Branding and Creative Services and Global Council

6	Prepare and communicate message to consortia that have member libraries that will qualify for OCLC membership under new Protocols	Market Analysis and Branding and Creative Services
7	Prepare standard membership PowerPoint slides for OCLC presentations	Branding and Creative Services
8	Present update report for Asia Pacific Regional Council meeting	Membership Committee
9	Present update report for November Board of Trustees meeting	Membership Committee Chair
10	Present update report for November Global Council meeting	Membership Committee Chair
<b>Quarter 3, January to March 2014</b>		
1	Present update report for Americas Regional Council meeting	Membership Committee
2	Present update at CONTENTdm and QuestionPoint meetings at ALA Midwinter	Product managers and Global Council
3	Present update report for EMEA Regional Council meeting	Membership Committee
4	Prepare and distribute message to libraries whose membership expires, suggesting ways they can remain members	Branding and Creative Services and Global Council
5	Prepare standard paragraph for OCLC publications on membership	Branding and Creative Services
<b>Quarter 4, April to June, 2014</b>		
1	Present update report for April Board of Trustees meeting	Membership Committee Chair
2	Present update report for April Global Council meeting	Membership Committee Chair
3	Present update report for June Board of Trustees meeting	Membership Committee Chair
4	Prepare updated list of institutions whose memberships have lapsed due to the new one year activity requirement	Market Analysis and Global Council
5	Compile and review membership lists in anticipation of initial election mailings in first quarter of fiscal year 2015	Market Analysis and Global Council