

OCLC, INC.  
Meeting of the Board of Trustees  
September 19, 2022

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated September 9, 2022, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC, Inc., convened at 8:31 a.m., local time, on September 19, 2022, at the Conference Center at OCLC, Lakeside Room. Mr. Szabo presided as Chair and Ms. Presas kept the minutes of the meeting, except during the executive sessions, when Ms. Hilsheimer kept the minutes.

Trustees present:

Craig Anderson  
Theresa Byrd  
Brady Deaton  
Bernadette Gray-Little  
Cindy Hilsheimer  
Kathleen Keane  
Barbara Lison  
Skip Prichard  
Debbie Schachter  
Anja Smit  
Ginny Steel  
John Szabo  
Sarah Thomas  
Janet Walls  
Shirley Wong

Trustees absent:

None

Also, present for all or portions of the meeting:

Andrew Bordas, Vice President, Management and Customer Operations  
Bruce Crocco, Vice President, Library Services for the Americas  
Bart Murphy, Chief Technology and Information Officer  
William Nilges, Vice President, Business Development  
Julie Presas, Vice President & General Counsel, Secretary  
William Rozek, Chief Financial Officer, Treasurer  
Mary Sauer-Games, Vice President, Global Product Management  
Tammi Spayde, Vice President, Human Resources, Marketing, Facilities  
Eric van Lubeek, Vice President, Managing Director, EMEA & APAC  
Cathy King, Executive Director, Delivery, Global Product Management  
Gina Winkler, Executive Director, Metadata and Delivery Services

Chair Szabo called the meeting to order at 8:31 a.m. and welcomed the Board members, the executive management team and OCLC staff. The Chair thanked the Board and staff for participating in Sunday's committee meetings. He congratulated the team working on WorldCat.org for the outstanding relaunch of the service. He also mentioned the release of *Reflection Attitude*, the new book authored by Trustee Emeritus John Patrick and noted that Mr. Patrick sent copies for Trustees and OCLC staff in attendance. Chair Szabo then asked if there were any changes to the meeting agenda, at which time none were suggested. The Chair then inquired as to any changes, objections to, removals from or discussion of the meeting minutes from June 5 and 6, 2022, and there being none, he requested a motion to approve the minutes. Upon a motion duly made and seconded, the Trustees approved the minutes by a unanimous vote.

The Chair then called for the President's report. Mr. Prichard asked that the Trustees look to his written report for details, which was previously provided. Mr. Prichard then provided an overview of the key themes to discuss today which include a recap of FY22 accomplishments and an overview of FY23 initiatives. He provided details for the FY22 financial results. He then introduced Mr. Rozek who reviewed key items in the financial dashboard noting that contribution was higher than budget due to factors including continued growth in management services and expense management.

Mr. Prichard highlighted "Bring it On!" as the theme for FY23. He provided an overview of the six major components of the corporate strategy and provided highlights for each. He then asked Mr. Murphy to review key technology initiatives for FY23. Mr. Murphy described technological upgrades occurring behind the scenes. Mr. Murphy turned it over to Ms. Sauer-Games who provided an overview of ways OCLC is successfully competing in the marketplace. She described WMS growth and market expansion including significant wins in the market. She also reviewed new features developed for WMS. Ms. Sauer-Games also provided an overview of feature development for Wise and described future market expansion for the service. Ms. Sauer-Games then introduced Ms. King and Ms. Winkler to present on innovations to OCLC's core services: cataloging, resource sharing and discovery.

Ms. King provided an overview of the newly relaunched and reimagined WorldCat.org including the design principles and the market feedback received. She asked Ms. Spayde to comment on the marketing campaign for WorldCat.org. Ms. Spayde provided an overview on the various channels used in marketing the service. Ms. King then described OCLC's new visibility offering including the potential for more libraries to participate in the service. Ms. King also provided an overview of Choreo Insights, including the recently closed pilot program for the service.

Ms. Winkler began her presentation with an update on the WorldCat Entities program, which recently launched 150 million entities and also described the development of tools and strategies to support linked data initiatives. Ms. Winkler then provided an overview of the current state of the CONTENTdm service including IIIF enhancements. She described the competitive environment in the market and future plans for the service.

Mr. Prichard thanked Ms. Winkler and Ms. King for their presentations. He then described OCLC's DEI initiatives, noting that it is an important plank in OCLC's strategy. He noted the Reimagine Descriptive Workflows project, which allows WorldCat Discovery local control of subject headings. He also described increasing offerings to small libraries, which include traditionally underserved populations. He also provided an update on the efforts of OCLC's Advancing Racial Equity working group.

After discussion, Mr. Prichard delivered final remarks. The Chair commended Mr. Prichard and the executive management team for the excellent presentation. This concluded the President's report.

The Chair then called for a break at 9:43 a.m.

The Chair reconvened the meeting at 9:55 a.m. and called the Board into executive session with members of the EMT present. The Board continued in executive session until 10:53 a.m., at which time the Chair re-convened the Board in open session and called for a break. The Chair reconvened the meeting at 11:11 a.m. and called the Board into executive session with members of the EMT present. The Board continued in executive session until 11:26 a.m. at which time the Chair re-convened the Board into open session.

Chair Szabo then delivered the Chair's report. He noted that he has been in regular communication with Mr. Prichard. He reported that he attended the IFLA conference in Dublin, Ireland, participated in a number of events and noticed a lot of enthusiasm from the community for OCLC. He also congratulated Ms. Lison for overseeing a great conference. This concluded the Chair's report.

The Chair then reported that the Executive Committee met with all members present. During the meeting, the Committee Chairs previewed the agendas for the upcoming meetings. The Committee also discussed plans for the meeting in June 2023, including the possibility of adjusting the current meeting schedule to provide for an additional strategic planning discussion. The Committee also received an update from Mr. Prichard on general matters, as well as a preview of the President's Report presentation. This concluded the report of the Executive Committee.

The Chair then called for the report of the Finance and Investment Committee. Mr. Deaton reported that the Committee met with all members present and had: (i) reviewed the financial performance from FY22, (ii) received a review of performance for FY23 to date, and (iii) discussed corporate operating targets for FY24. This concluded Mr. Deaton's report.

The Chair then called for the report of the Audit Committee. Ms. Gray-Little reported that the Committee met with all members present, and had: (i) reviewed OCLC's audited financial statements, (ii) discussed the findings of the auditors, (iii) reviewed the letter of required communications to the Audit Committee, (iv) spent time with the auditors in executive session without management present, (v) reviewed the language to be included in OCLC's Annual Report, (vi) received an update from BDO representatives on new accounting standards impacting OCLC, and (vii) reviewed the results from an internal audit of OCLC's retirement plans conducted by the firm Schneider Downs. Ms. Gray-Little thanked Mr. Rozek and

his team for their work on the financial audit. Ms. Gray-Little introduced a resolution, which was recommended by the Committee, to approve the results of the audit. Chair Szabo brought forward the following resolution to the Board for their approval:

### **RESOLUTION**

RESOLVED, that the BDO audit report for the year ended June 30, 2022, be and the same is hereby accepted.

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote. This concluded Ms. Gray-Little's report.

The Chair then called for the report of the Board Governance Committee. Ms. Steel reported that the Committee met with all members present, and had: (i) discussed the appointment and reappointment of Trustees in November, (ii) reviewed the draft committee assignments for 2023, (iii) discussed mentor assignments for new Board members, and (iv) received a preview of the Board development session to be held in November. Ms. Steel also noted that the self-assessment survey will be distributed to Board members following today's meeting. Ms. Steel brought forward the following resolution to the Board for their approval:

### **RESOLUTIONS**

RESOLVED, that John Szabo is hereby elected to a four-year term on the Board of Trustees (the "Board"), which term will commence at the Annual Meeting of the Board of Trustees November 14, 2022 (the "Effective Date") and will end immediately following the Board meeting to occur in November 2026, or if no such Board meeting is then scheduled, on the four-year anniversary of the Effective Date;

FURTHER RESOLVED, that Dwight Eric Smith is hereby elected to a four-year term on the Board of Trustees (the "Board"), which term will commence at the Annual Meeting of the Board of Trustees November 14, 2022 (the "Effective Date") and will end immediately following the Board meeting to occur in November 2026, or if no such Board meeting is then scheduled, on the four-year anniversary of the Effective Date;

FURTHER RESOLVED, that Brady Deaton is hereby elected to a four-year term on the Board of Trustees (the "Board"), which term will commence at the Annual Meeting of the Board of Trustees November 14, 2022 (the "Effective Date") and will end immediately following the Board meeting to occur in November 2026, or if no such Board meeting is then scheduled, on the four-year anniversary of the Effective Date;

FURTHER RESOLVED, that the Board acknowledges the actions of the Global Council on April 11, 2022, wherein Sarah Thomas was elected by the Global Council to the Board, for a

four-year term, which term will commence at the Annual Meeting of the Board of Trustees November 14, 2022 (the “Effective Date”) and will end immediately following the Board meeting to occur in November, 2026, or if no such Board meeting is then scheduled, on the four-year anniversary of the Effective Date; and

FURTHER RESOLVED, that the Board acknowledges the actions of the Global Council on April 11, 2022, wherein Pilar Martinez was elected by the Global Council to the Board, for a four-year term, which term will commence at the Annual Meeting of the Board of Trustees November 14, 2022 (the “Effective Date”) and will end immediately following the Board meeting to occur in November, 2026, or if no such Board meeting is then scheduled, on the four-year anniversary of the Effective Date.

Needing no second, and with no further discussion, the resolution was voted on and approved with Mr. Szabo, Ms. Thomas and Mr. Deaton abstaining from the vote on their individual appointments. This concluded Ms. Steel’s report.

The Chair then called for the report of the Personnel and Compensation Committee. Ms. Keane indicated that the Committee met with all members present and had: (i) reviewed and discussed the FY22 results for the Management Incentive Plan (the “MIP”), (ii) reviewed and discussed results for the Long-Term Incentive Plan (the “LTIP”), (iii) reviewed the goals and targets for the FY2023 MIP and FY2024 LTIP, and (iv) discussed the President & CEO performance appraisal. Each of these items will be reported on further during executive session. This concluded Ms. Keane’s report.

The Chair then called for the report of the Membership Committee. Ms. Byrd reported that the Committee had met September 14<sup>th</sup> and had discussed the upcoming review of the Membership and Governance Protocols to consider changes including removing outdated language and redundancies with the Global Council bylaws. The Committee will meet in October to consider a resolution adopting the proposed changes. Ms. Byrd noted that the Committee discussed the process to make candidate recommendations to the Global Council Nominating Committee. Ms. Byrd also reported that the Committee received an update on the activities of the Board and of the Global Council. This concluded Ms. Byrd’s report.

The Chair then requested the Technology Committee report. Ms. Thomas reported that the Committee met with all members present and had: (i) discussed progress on Project Symphony involving upgrading certain back-office systems, (ii) received an update from Mr. Murphy on cyber security measures and key initiatives, (iii) received an update from Ms. Presas on OCLC’s privacy program, and (iv) discussed the process of incorporating user feedback in development efforts. This concluded Ms. Thomas’ report.

Chair Szabo then convened the meeting in executive session at 12:04 p.m. with Mr. Prichard and Ms. Spayde present for certain portions of the session. The Board continued in executive session until 12:48 p.m., at which time the Chair re-convened the Board in open session.

During the executive session, the Board separately moved and approved the following 2 resolutions by unanimous vote of Board Members voting, with Mr. Prichard abstaining from voting on the 2<sup>nd</sup> resolution:

### **RESOLUTION**

WHEREAS, the Personnel & Compensation Committee (the “Committee”) of OCLC, Inc. (the “Corporation”) has completed its review and recommendations regarding certain compensation matters related to the Corporation’s officers as identified by the Committee and presented to the Board (each, a “Corporate Officer”), including (i) fiscal year 2022 incentive compensation payout awards under the Corporation’s Long-Term Incentive Plan (“LTIP”) and Management Incentive Plan (“MIP”), (ii) base salary determinations for fiscal year 2023, (iii) MIP performance objectives and target awards for fiscal year 2023, and (iv) LTIP objectives and target awards for fiscal year 2024;

WHEREAS, the Committee has presented its recommendations regarding such compensation matters to the Board, and the Board deems it advisable and in the best interests of the Corporation to adopt such recommendations as presented;

NOW THEREFORE, BE IT RESOLVED, that the recommendations of the Committee regarding fiscal year 2022 LTIP and MIP payout awards for specified Corporate Officers who are eligible to receive LTIP and MIP payout awards (as identified by the Committee and presented to the Board) be and the same hereby are approved as presented;

FURTHER RESOLVED, that the recommendations of the Committee regarding the fiscal year 2023 base salary for each Corporate Officer (to be effective as of September 1, 2022), MIP performance objectives and target awards for fiscal year 2023, and LTIP performance objectives and target awards for fiscal year 2024 for those who are eligible to participate in the LTIP and MIP (as identified by the Committee and presented to the Board) are hereby approved as presented; and

FURTHER RESOLVED, that the Corporation’s President and CEO, CFO and Vice President Human Resources be, and they hereby are, each authorized to do such acts and things as they or any of them individually shall deem necessary or appropriate to carry out the purposes of the foregoing Resolution.

### **RESOLUTION**

WHEREAS, the Personnel & Compensation Committee (the “Committee”) of OCLC, Inc. (the “Corporation”) has completed

its review and recommendations regarding certain compensation matters related to the Corporation’s President and CEO, including (i) fiscal year 2022 incentive compensation payout awards under the Corporation’s Long-Term Incentive Plan (“LTIP”) and Management Incentive Plan (“MIP”), (ii) base salary determinations for fiscal year 2023, (iii) MIP performance objectives and target awards for fiscal year 2023, and (iv) LTIP objectives and target awards for fiscal year 2024;

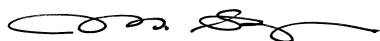
WHEREAS, the Committee has presented its recommendations regarding such compensation matters to the Board, and the Board deems it advisable and in the best interests of the Corporation to adopt such recommendations as presented;

NOW THEREFORE, BE IT RESOLVED, that the recommendations of the Committee regarding the President and CEO’s LTIP and MIP payout awards for fiscal year 2022 are hereby approved as presented;

FURTHER RESOLVED, that the recommendations of the Committee regarding the President and CEO’s fiscal year 2023 base salary (to be effective as of September 1, 2022) and MIP and LTIP performance objectives and target awards for fiscal year 2023 and 2024 respectively are hereby approved as presented; and

FURTHER RESOLVED, that the appropriate officers of the Corporation from Human Resources and Finance be, and they hereby are, each authorized to do such acts and things as they or any of them individually shall deem necessary or appropriate to carry out the purposes of the foregoing Resolution.

The Chair then inquired if there was any further business. There being no further business to come before the Board at this time, a motion to adjourn was moved, seconded and unanimously approved by all Trustees present at 12:49 p.m.



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John Szabo, Chair



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Julie Presas, Secretary