

OCLC, INC.
Meeting of the Board of Trustees
November 11, 2019

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated November 1, 2019, 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 November 11, 2019, at the Conference Center at OCLC Lakeside Room, 6600 Kilgour Place, Dublin, Ohio. 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
Brady Deaton
Bernadette Gray-Little
Cindy Hilsheimer
Kathleen Keane
Madeleine Lefebvre
Barbara Lison
Jacques Malschaert
Jim Neal
John Patrick
Barbara Preece
David "Skip" Prichard
John Szabo
Ginny Steel
Sarah Thomas

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
Lorcan Dempsey, Chief Strategist, Vice President Membership & Research
Barton Murphy, Chief Technology & Information Officer
William ("Chip") Nilges, Vice President, Business Development
Julie Presas, Vice President & General Counsel, Secretary
William Rozek, Chief Financial Officer, Treasurer
Tammi Spayde, Vice President, Human Resources, Marketing, Facilities
Mary Sauer-Games, Vice President, Global Product Management
Eric van Lubeek, Vice President, Managing Director, EMEA & APAC
Theresa Byrd, Incoming Trustee

Chair Szabo called the meeting to order, and welcomed the Trustees, incoming Trustee and members of the executive management team. He thanked the Trustees for participating in Sunday's dinner for departing Trustee Barbara Preece and the Board's continuing education program. Chair Szabo noted a change to the order of the meeting agenda. The Chair inquired as to any changes, objections to, removals from or discussion of the proposed consent agenda, and there being none, he requested a motion to approve the consent agenda. Upon a motion duly

made and seconded, the Trustees approved the consent agenda by a unanimous vote. The consent agenda contained the following items:

- Minutes of the September 30, 2019 Meeting of the Board
- Board Ratification of Actions Resolution

The Chair delivered the Chair's report. Chair Szabo noted that he has been in regular contact with Mr. Prichard to stay informed between Board meetings, congratulated the team on the successful ARC meeting in Scottsdale, noted that next week is the APAC Regional Meeting in Singapore, indicated that today marked the go live date for the first U.S. Wise instance at Allen County Public Library, and relayed the positive remarks about OCLC Wise at the recent Library Journal Summit. He also thanked OCLC staff for developing a glossary and a quick guide to OCLC's services for the Board. Chair Szabo also noted that he will be addressing the Global Council during their virtual meeting November 14th, and invited Trustees to participate. This concluded the Chair's report.

The Chair then delivered the report of the Executive Committee. Chair Szabo reported that the Committee met on with all members present, as well as incoming committee members, and: (i) received a preview of the Board Development session, and (ii) received a preview of the President's report presentation. This concluded Chair Szabo's report.

The Chair then called for the report of the Membership Committee. Ms. Preece reported that the Committee met on October 29, 2019 with 6 of 10 members present, and: (i) discussed potential candidates to recommend for the consideration of the Global Council Nominating Committee, (ii) decided to reach out to 4 of the potential candidates, and (iii) received an update on Board and Global Council activities. This concluded Ms. Preece's report.

The Chair then called for the report of the Board Governance Committee. Ms. Lison reported that the Committee met with all members present, as well as incoming committee members, and: (i) voted to recommend the adoption of 4 resolutions, which will be introduced during the Annual Meeting of Trustee Members later in the morning, (ii) received an update from Ms. Presas about the orientation process for new Trustees, new Committee Chairs and new members of committees, (iii) received an update on succession planning activities and recommendations from Ms. Keane and Ms. Lefebvre for changes to the Code of Regulations, and (iv) received a preview of the Board's continuing education program which was held Sunday afternoon. Ms. Lison announced that the proposed changes to the Code of Regulations will be

posted to the Board Website after the meeting and will be brought forward for approval at the March meeting. This concluded Ms. Lison's report.

The Chair then called for the report of the Audit Committee. Mr. Deaton reported that the Committee met with all members present, as well as incoming committee members, and: (i) received an overview from BDO of next year's financial audit, and (ii) discussed changes to the accounting standards & regulations, and the impact to OCLC. Mr. Deaton also noted that annual conflict of interest disclosures will be sent to the Board after the meeting. This concluded Mr. Deaton's report.

The Chair then called for the report of the Finance & Investment Committee. Mr. Neal reported that the Committee met with all members present, as well as incoming committee members, and: (i) discussed FY20 first quarter results, and (ii) received a review of OCLC's investment portfolio from Mr. Williams of Highland Consulting, including balances and performance of investments. This concluded Mr. Neal's report.

The Chair then called for the President's report. Mr. Prichard asked that the Board look to his written report for details, which was previously provided to the Trustees. Mr. Prichard then introduced Mr. Rozek to provide an update on FY20 finances, including contribution before portfolio gains, and budgeted vs. actual revenue in the first quarter. Mr. Prichard then reported on recent sales achievements in the U.S. and Europe. Mr. Prichard asked Mr. van Lubeek, Ms. Sauer-Games and Mr. Crocco to discuss growth opportunities and recently added features to OCLC's services. Mr. Prichard also provided a progress update on strategic initiatives for FY20 including the launch of Wise in the U.S., WMS growth, and the shared print for serials project. He announced that OCLC's Annual Report will soon be posted as a digital-only version. Mr. Prichard also provided an overview of OCLC's theme - Focus 20/20 Vision. Mr. Prichard then facilitated a strategic discussion with the Board. At the conclusion of Mr. Prichard's remarks, The Chair called for a break at 9:51 a.m.

The Chair called the Board back into session at 10:11 a.m. and introduced Drew Bordas to discuss strategy. Mr. Bordas highlighted the roles of the OCLC Board, management and staff. He explained the process behind the development of a 10-year outlook & trends presentation. Mr. Bordas asked Mr. Dempsey to discuss the library story past, present and future. At the conclusion of Mr. Dempsey's remarks, Mr. Bordas reported on top technology trends, search & discovery changes, the shift from physical items to digital, and diversity & inclusion initiatives. After providing next steps in the continued development of this process, he concluded his

remarks. After receiving applause from the Board, Chair Szabo thanked Mr. Bordas for his presentation.

The Chair then called the meeting into executive session at 11:56 a.m. The Board continued in executive session until 12:19 p.m.

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 12:19 p.m.



John Szabo, Chair



Julie Presas, Secretary