

OCLC, INC.
Meeting of the Board of Trustees
June 5 & 6, 2022

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated May 26, 2022, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC, Inc., convened at 10:00 a.m., local time, on June 5, 2022, at the Hotel Place d'Armes – Bolero A, Montreal, Quebec. 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
Lorcan Dempsey, Chief Strategist, Vice President Membership & Research
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

The Chair called the meeting to order and welcomed the Trustees, OCLC staff and members of the executive management team.

The Chair then inquired as to whether there were any changes to the meeting agenda, at which none were suggested. The Chair inquired as to any changes, objections to, removals from or discussion of the minutes of the March 21, 2022 Meeting of the Board, and there being none, he requested a motion to approve the minutes. Upon a motion duly made and seconded, the Trustees unanimously approved the minutes.

The Chair then called the Board into executive session at 10:03 a.m. with executive management team members present. Mr. Szabo delivered the report of the Executive Committee and then called the meeting into open session at 10:06 a.m. While in executive session, the Board approved the following resolution by a unanimous vote:

RESOLUTION

RESOLVED, that regular meetings of the Board of Trustees shall be held, in calendar year 2023, at the offices of the Corporation, or at other locations designated by the Board, at 8:30 a.m., local time or at such time determined by the Board Chair, on the following dates:

March 20, 2023
June 12, 2023
September 18, 2023
November 6, 2023

FURTHER RESOLVED, that the annual meeting of the Board of Trustees shall be held immediately following the regular meeting on November 6, 2023.

This concluded the report of the Executive Committee.

The Chair then introduced Mr. Prichard to deliver 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 and acknowledged that uncertainty remains high but OCLC's innovation and determination is higher. Mr. Prichard announced the team will present an FY22 year-end review, provide an FY23 snapshot including the FY23 Corporate Operating Plan, and an overview of key initiatives.

Mr. Prichard provided an overview of the current financial performance and outlook. He reviewed the financial dashboard for FY22 year-to-date, including revenue, contribution, and cash flow. He noted the high level of subscription renewals resulting from a focused effort to demonstrate the value of OCLC services. Mr. Prichard then provided an overview of the FY23 Corporate Operating Plan. Subscription revenue for WMS is expected to grow as well as for Wise as more early adopters go live. FY23 operating expenses are expected to rise due to increased technology and maintenance costs. OCLC's balance sheet remains healthy.

Mr. Prichard also provided a status update on significant product and development initiatives. He covered key highlights demonstrating how OCLC is helping libraries overcome challenges, increasing the efficiency of libraries, increasing the impact of libraries, and advancing the value of libraries. Mr. Prichard reported these internal and external efforts have been well received by OCLC members and staff. Mr. Prichard then asked Ms. Sauer-Games to provide an overview of Bureau de Coopération Interuniversitaire (BCI). Ms. Sauer-Games provided an overview of the organization of 18 academic institutions in Quebec and the services OCLC is delivering. Mr. Prichard thanked Ms. Sauer-Games for the overview and then asked Mr. Rozek to review the details of the FY23 budget. Mr. Rozek noted the expected increases in operating expenses and the expected growth in sales of OCLC services. He then previewed the FY23 financial dashboard. Mr. Prichard and Mr. Rozek then provided an overview of OCLC's offering to the Library of Congress as it considers bids for a new library management system. Mr. Prichard also provided an update on the current state of affairs at OCLC including additional sales opportunities, and key development initiatives. After discussion, Mr. Prichard delivered final remarks and thanked the Trustees for their support. The Chair commended Mr. Prichard and team for the excellent presentation. This concluded the President's report.

Chair Szabo then called the Board into executive session at 10:52 a.m. with management present. During executive session, the Chair called for a break at 11:21 a.m. and then re-convened the Board in executive session with management present at 11:30 a.m. The Board continued in executive session until 12:30 p.m., at which time the Chair re-convened the Board in open session. The Chair then called for a recess until 10:00 a.m. local time on Monday, June 6, 2022.

The Chair called the Board into session with management present at 10:00 a.m. Monday, June 6. He then called the Board into executive session at 10:01 a.m. While still in executive session, the Chair called for a break at 11:05 a.m. and then re-convened the Board in executive session with management present at 11:18 a.m. The Chair then called the meeting into open session at 11:51 a.m.

The Chair then delivered the Chair's report. He highlighted his recent attendance at an IFLA sponsored library conference in Oslo, Norway and noted many positive conversations about OCLC. He thanked the management team for its focus on the challenges facing the organization. The Chair reported that he has regular, ongoing communication with Mr. Prichard. Lastly, he expressed gratitude for the OCLC staff who crafted the quilt which will be auctioned off at the upcoming ALA meeting and asked Mr. Prichard to thank the staff involved. This concluded the Chair's report.

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 year-to-date operating results for FY22 and future projections, (ii) reviewed strategic initiatives for FY23, (iii) reviewed and discussed the potential impact of the Library of Congress offering and made an adjustment to the budget resolution, and (iv) reviewed and approved a resolution for the FY23 Corporate Operating Plan. Mr. Deaton then brought forward the following resolution to the Board for their approval:

RESOLUTION

RESOLVED, that the fiscal year 2023 budget of the Corporate Operating Plan, as presented to the OCLC Board of Trustees at this meeting, be and the same hereby is approved.

Further Resolved, that the fiscal year 2023 budget of the Corporate Operating Plan with adjustments for work associated with the Library of Congress bid be and the same is hereby approved and replaces the former fiscal year 2023 budget if the RFP is awarded to OCLC.

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

The Chair then called for the report of the Audit Committee. Ms. Gray-Little reported that the Committee did not hold a meeting in June but will meet in September to review and approve the results of the FY22 financial audit. 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 on June 5th as well as May 4th, with all members present on June 5th. Ms. Steel reported that, during its meeting on Sunday, June 5th, the Board Governance Committee had: (i) discussed the process for determining committee assignments for 2023, a draft of which will be distributed for review in September, (ii) reviewed exit surveys and discussed the feedback regarding the board self-assessment process, and (iii) discussed the importance of reminding the full board that candidate recommendations may be offered by board members at any time during the year. There are additional items to be covered in executive session. This concluded the Board Governance Committee 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 report from the outside compensation consultants and the reasonableness opinion rendered, and (ii) reviewed the current forecast for the MIP and LTIP for FY22 & 23. There is an additional item to be brought before the Board 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 met on June 1st and had: (i) reviewed the definition of and criteria for membership in the Membership and Governance Protocols and discussed the need to review and possibly make non-substantive changes to tidy up the document, (ii) discussed the Board candidate profile and process for making recommendations for candidates to the Global Council Nominating Committee, and (iii) received updates on Board and Global Council activities. The Committee will meet again on September 14th. This concluded Ms. Byrd's report.

The Chair then requested the Technology Committee report. Ms. Thomas reported that the Committee did not hold a meeting in June but will meet in September to receive an update on key technology initiatives. This concluded the Technology Committee report.

The Chair then convened the meeting in executive session at 12:14 p.m. with Ms. Presas and Ms. Spayde present for part of the discussions. The Board continued in executive session until 1:10 p.m., at which time the Chair re-convened the Board in open session. While in executive session, the Board approved the following resolution:

RESOLUTION

WHEREAS, the Personnel & Compensation Committee (the "Committee") of OCLC, Inc. (the "Corporation") has completed its review and recommendations regarding the CEO's Operational Goals for fiscal year 2023;

NOW THEREFORE, BE IT RESOLVED, that the recommendations of the Committee regarding the fiscal year 2023 CEO operational goals are hereby approved as presented.

The Chair then asked 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 at 1:10 p.m.



John Szabo, Chair



Julie Presas, Secretary