

OCLC, INC.
Meeting of the Board of Trustees
June 8, 2020

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated May 28, 2020, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC, Inc., convened at 10:02 a.m., local time, on June 8, 2020, via WebEx Meetings. 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
Madeleine Lefebvre
Barbara Lison
Jacques Malschaert
James Neal
John Patrick
Skip Prichard
Ginny Steel
John Szabo
Sarah Thomas

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 and members of the executive management team. He also thanked Anna Ryan and the technology team at OCLC for organizing this virtual meeting. The Chair acknowledged this challenging time, which includes putting a spotlight on decades of pain for African Americans. He reiterated the importance of speaking up, saying something and acknowledging the injustice and noted that actions are even more important.

The Chair then inquired as to whether there were any changes to the meeting agenda, at which time none were suggested. The Chair inquired as to any changes, objections to, removals from or discussion of the minutes of the April 8, 2020 Special 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 delivered the Chair's report. He reported that he has regular, ongoing communication with Mr. Prichard, and the communication has increased in the past few weeks to discuss COVID-19 business continuity issues. He commended the wise decisions of OCLC management during this time of global crisis. The Chair also reported that he reached out to Anja Smit and Shirley Wong to congratulate them on their election to the Board. This concluded the Chair's report.

The Chair then reported that the Executive Committee met with all members present. The Chair reported that, during its meeting on Sunday, the Executive Committee had: (i) discussed the proposed schedule for 2021 Board meetings and (ii) discussed the agendas for the upcoming Committee meetings. The Chair then brought forward the following resolution to the Board for their approval:

RESOLUTION

RESOLVED, that regular meetings of the Board of Trustees shall be held, in calendar 2021, 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 22, 2021
June 7, 2021
September 20, 2021
November 15, 2021

FURTHER RESOLVED, that the annual meeting of the Board of Trustees shall be held immediately following the regular meeting on November 15, 2021.

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote. This concluded the report of the Executive Committee.

The Chair then called for the report of the Board Governance Committee. Ms. Lison reported that the Committee met with all members present, and had: (i) discussed the Board succession planning timeline for Global Council and Board-elected positions; (ii) discussed committee assignments for 2021, a draft of which will be distributed for review following today's meeting; and (iii) received an update on the implementation of Diligent Boards and Diligent Messenger. There are 2 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 the committee charter, with no changes needed, (ii) discussed the report and reasonableness letter from Meridian Compensation Partners resulting from their executive compensation market data analysis; and (iii) reviewed the current forecast for the MIP and LTIP for FY20. 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. Lefebvre reported that the Committee met two times since her last report (May 7 and June 2) and had: (i) discussed the process for recommending candidates for Global Council-elected Board positions; (ii) received updates on Board and Global Council activities; and (iii) reviewed and approved a resolution adopting changes to the Membership and Governance Protocols. Ms. Lefebvre then brought forward the following resolution to the Board for their approval:

RESOLUTION

WHEREAS, the Board of Trustees of OCLC, Inc. (the "Corporation") through the Board Membership Committee has considered certain changes to the Corporation's current Membership and Governance Protocols ("Restated Protocols") to simplify, update the Corporation's name, and provide flexibility for OCLC Member Delegates (as defined in the Restated Protocols) to conduct virtual meetings of the Global Council;

WHEREAS, in accordance with such considerations, the Board has received a revised version of the Restated Protocols, attached herein, for its review and approval; and

WHEREAS, the Board now deems it advisable and in the best interests of the Corporation to approve such revisions and thereafter recommend the ratification of the same by a majority vote of the Member Delegates as required by the Restated Protocols;

NOW, THEREFORE, BE IT RESOLVED, that the Restated Protocols are hereby adopted and approved, with such changes thereto as may be approved by the officers of the Corporation, the execution thereof by such officers being conclusive evidence of approval of any such changes; and

RESOLVED FURTHER, that the Board hereby authorizes the submission of the Restated Protocols to the Corporation's Member Delegates for ratification, with the Board's recommendation to grant such ratification; and

RESOLVED FURTHER, that following Member Delegate ratification, the Chair, President & CEO, Secretary of the Corporation, or any other such officer designated by any of the foregoing in writing (each an "Authorized Officer"), each with the full power to act alone, be, and each hereby is, authorized, directed and empowered, in the name and on behalf of the Corporation, to carry out and fully perform the terms and provisions of the Restated Protocols delivered pursuant to the foregoing resolutions, and to execute, deliver and to do and perform all such other acts and things as such officer may deem necessary, appropriate or convenient, as conclusively evidenced by such action by such officer in order to carry into effect the foregoing resolutions and all such action heretofore taken being hereby ratified, confirmed and approved.

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote. Ms. Lefebvre noted that the updated Protocols will be presented to the Global Council for ratification. This concluded Ms. Lefebvre'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 FY20 financial audit. This concluded Ms. Gray-Little's report.

The Chair then requested the Technology Committee report. Ms. Steel 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 Ms. Steel's report.

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 today and acknowledged that we are leading through a crisis on many levels. He then reported on some of the ways OCLC is leading through the crisis including the 7 steps we have deployed to deal with unexpected challenges. Mr. Prichard delivered an overview of OCLC's COVID-19 response efforts including a people first approach and preparation to stay ahead of the escalating situation. As part of this presentation, Mr. Prichard also reported on the situation and challenges faced by academic and public libraries globally including re-opening plans. He reminded the Trustees about the strategies which the organization has deployed over the past few years, and how it has put OCLC in a better place to sustain the current global crisis. Mr. Prichard noted that we are in frequent communication with customers and employees providing updates to listen and let them know where things stand. He asked Mr. Dempsey to provide an update on the REALM project to help libraries re-open safely. Mr. Dempsey provided an overview of the IMLS funding to do a range of work to allow libraries to plan their re-opening with confidence. He noted that we have engaged with Battelle Memorial Institute to conduct the scientific research. OCLC is developing policy information and generating toolkits. Mr. Prichard then invited Ms. Sauer-Games to report on what the teams from Product and Research are doing to help academic libraries re-establish services. Ms. Sauer Games described some project work, including the creation of a tool to help libraries update information about items on loan and an interactive map to help libraries identify which libraries are open for resource sharing. Mr. Prichard then described how OCLC is leading through the crisis of systemic racism including initiating a day of reflection and action for employees. He described the range of things staff has done to bring attention to these issues. Mr. Prichard asked Mr. Dempsey to describe WebJunction initiatives including courses on accessing resources for civil legal justice through libraries. Mr. Prichard then asked Ms. Spayde to report on OCLC's internal response. Ms. Spayde described existing initiatives and the move into a new phase in the organization's approach to

focus on action and change. Mr. Prichard reported these internal and external efforts have been well received by OCLC members and staff and thanked the team for their efforts.

Mr. Prichard then turned to a discussion on the library industry, including the current competitive landscape and impact to OCLC. He asked Mr. Rozek to provide an overview on the FY21 Corporate Operating Plan. Mr. Rozek discussed revenue projections, operating expenses and portfolio performance. He also provided a budget financial dashboard for FY21.

The Chair called for a break at 11:36 a.m. The Chair called the Board back into session at 11:56 a.m. and invited Mr. Prichard to continue his presentation.

Mr. Prichard provided an overview of the FY20 forecast including current revenues, contributions and cash flow. He then discussed investments in WMS and the resulting growth in sales. The BCI group of institutions in Canada are about to go live in WMS marking the largest group to date for WMS. He then asked Mr. Crocco to comment on significant WMS wins in FY20 in North America, as well as Mr. van Lubeek to comment on WMS wins in EMEA. Mr. Prichard then provided an overview on the growth of Wise in the U.S. market including the Chesapeake Public Library which is going live today. Mr. Prichard described other key initiatives including the recent launch of Shared Print for Serials. He then asked Mr. Murphy to provide an overview of significant technology initiatives including receiving FedRAMP authorization for WMS, search evolution and technology modernization efforts.

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.

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 FY20 and future projections; (ii) reviewed strategic initiatives for FY21; and (iii) reviewed and approved a resolution for the FY21 Corporate Operating Plan. Mr. Deaton then brought forward the following resolution to the Board for their approval:

RESOLUTION

RESOLVED, that the fiscal year 2021 budget of the Corporate Operating Plan, as presented to the OCLC Board of Trustees at this meeting, be and the same hereby is approved.

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 convened the meeting in executive session at 12:35 p.m. The Board continued in executive session until 12:44 p.m., at which time the Chair re-convened the Board in open session. While in executive session, the Board approved the following resolution by unanimous vote:

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 2021;

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 fiscal year 2021 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 12:45 p.m.



John Szabo, Chair

Julie Presas, Secretary