

OCLC, INC.  
Meeting of the Board of Trustees  
September 20, 2021

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated September 9, 2021, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC, Inc., convened at 11:15 a.m., local time, on September 20, 2021, 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  
Bernadette Gray-Little  
Cindy Hilsheimer  
Kathleen Keane  
Barbara Lison  
James Neal  
John Patrick  
Skip Prichard  
Anja Smit  
Ginny Steel  
John Szabo  
Sarah Thomas  
Shirley Wong

Trustees absent:

Brady Deaton

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

Chair Szabo called the meeting to order at 11:15 a.m. and welcomed the Board members and the executive management team. The Chair thanked the Board and staff for participating in Sunday's committee meetings. He also sent sincere condolences on behalf of the Board to Brady Deaton and his family for the recent loss of a close family member. The Chair also congratulated Barbara Lison for recently beginning her term as the President of IFLA. 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 June 7, 2021 meeting minutes, 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 of Trustees present.

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 FY21 accomplishments and an overview of FY22 initiatives. He asked Mr. Rozek to discuss FY21 financial results. Mr. Rozek 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 the 5 company-wide themes (contribute, connect, create, compete, and choose) and reminded the Board that these have been OCLC's operating principles for the last 2 years. Mr. Prichard then asked members of the executive management team to discuss items from the 5 "C" themes. Mr. Dempsey discussed OCLC's research reports and the REALM project. Mr. Murphy provided an overview of OCLC's advancing racial equity initiative including various short-term and long-term items. Ms. Sauer-Games provided an overview of OCLC's smart fulfillment functionality as well as the Express Digital Delivery program. Mr. Nilges then delivered an update on Capira Tech since the acquisition, including the combination of business functions integration of Capira Mobile with OCLC management systems. Mr. Rozek described the progress happening with upgrading OCLC's back office systems and the resulting process improvements. Ms. Spayde provided an overview of the newly-designed web page and career page. Mr. Crocco described key WMS wins in the U.S. and EMEA. Ms. Sauer-Games followed up with an overview of new features in WMS and Wise. Mr. van Lubeek delivered an update on the Cultuurconnect customer relationship including the number of libraries which have gone live. Mr. Murphy described the new release of EZProxy including the robust security features. Ms. Spayde then provided an overview of the results of the employee opinion survey undertaken by OCLC in FY21.

Mr. Prichard thanked the team for their comments and then provided an overview of FY22 strategic initiatives. He announced the theme is changing to Breakthrough '22. He began by asking Board members to provide comments related to ongoing uncertainties and opportunities. After discussion, Mr. Prichard thanked Board members for their contributions. He then reviewed 4 areas where OCLC strategically helps libraries and then asked members of the executive membership team to discuss examples of key initiatives supporting these areas. Ms. Sauer-Games discussed the initiative to reimagine descriptive workflows in libraries and archives. Mr. Dempsey then discussed anti-racism and social justice initiatives supported by OCLC Research. Mr. Bordas provided an overview of investments in OCLC's knowledge base. Mr. Murphy discussed investments made to WMS.

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 12:30 p.m.

The Chair reconvened the meeting at 1:00 p.m. and delivered the Chair's report. Chair Szabo noted that he has been in regular communication with Mr. Prichard. He also remarked that OCLC has really excelled despite difficult circumstances. He noted that he has been working with Anna Ryan on planning for the meeting in June 2022 with more information to be provided soon. He reported that he has also been in touch with incoming Board members. This concluded the Chair's report.

The Chair then reported that the Executive Committee met with all members except 1 present. The Executive Committee discussed the possibility of holding an in-person meeting in November. The Committee Chairs also previewed the agendas for the upcoming meetings. 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 Board Governance Committee. Ms. Lison 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 2022, (iii) discussed mentor assignments for new Board members, and (iv) received a preview of the Board development session to be held in November. Ms. Lison also noted that the self-assessment survey will be distributed to Board members following today's meeting. Ms. Gray-Little and Ms. Steel excused themselves from the meeting and Ms. Lison continued the committee report including the discussion on a resolution, which was recommended by the Committee, to approve the Board member appointments. Ms. Lison brought forward the following resolution to the Board for their approval:

### **RESOLUTION**

RESOLVED, that Virginia Steel 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 15, 2021 (the "Effective Date") and will end immediately following the Board meeting to occur in November, 2025, or if no such Board meeting is then scheduled, on the four-year anniversary of the Effective Date;

FURTHER RESOLVED, that Janet Walls 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 15, 2021 (the "Effective Date") and will end immediately following the Board meeting to occur in November, 2025, or if no such Board meeting is then scheduled, on the four-year anniversary of the Effective Date;

FURTHER RESOLVED, that Bernadette Gray-Little 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 15, 2021 (the “Effective Date”) and will end immediately following the Board meeting to occur in November, 2025, 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 5, 2021, wherein Debbie Schachter 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 15, 2021 (the “Effective Date”) and will end immediately following the Board meeting to occur in November, 2025, 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. Ms. Gray-Little and Ms. Steel rejoined the meeting. This concluded Ms. Lison’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 FY21 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 FY2022 MIP and FY2023 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. Thomas reported that the Committee had met September 15<sup>th</sup> with all but 1 member present and had discussed the recommendations from the working group charged with reviewing the definition of membership to OCLC. Ms. Thomas then described the existing criteria for membership, the goals for the working group, the 3 scenarios considered by the working group, and the recommendation. She then provided an overview of the process and next steps. After discussion, Ms. Thomas thanked the members of the working group for their efforts. This concluded Ms. Thomas’ 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, (vii) reviewed the results from an internal audit conducted

by the firm Schneider Downs, (viii) received an overview of OCLC’s enterprise risk management program from Ms. Bordas including a timeline and next steps, and (ix) received an overview of OCLC’s security program from Anthony Fisic. 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, 2021, 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 requested the Technology Committee report. Ms. Steel 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, and (iii) received an update from Ms. Presas on OCLC’s privacy program. This concluded Ms. Steel’s report.

The Chair then called for the report of the Finance and Investment Committee. Ms. Hilsheimer reported that the Committee met with all members present except for Mr. Deaton and had: (i) reviewed the financial performance from FY21, (ii) received a review of performance for FY22 to date, and (iii) discussed corporate operating targets for FY23. This concluded Ms. Hilsheimer’s report.

Chair Szabo then convened the meeting in executive session at 2:09 p.m. with Mr. Prichard and Ms. Spayde present for certain portions of the session. The Board continued in executive session until 2:46 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 2021 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 2022, (iii) MIP performance objectives and target awards for fiscal year 2022, and (iv) LTIP objectives and target awards for fiscal year 2023;

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 2021 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 2022 base salary for each Corporate Officer (to be effective as of September 1, 2021), MIP performance objectives and target awards for fiscal year 2022, and LTIP performance objectives and target awards for fiscal year 2023 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 2021 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 2022, (iii) MIP performance objectives and target awards for fiscal year 2022, and (iv) LTIP objectives and target awards for fiscal year 2023;

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 2021 are hereby approved as presented;

FURTHER RESOLVED, that the recommendations of the Committee regarding the President and CEO's fiscal year 2022 base salary (to be effective as of September 1, 2021) and MIP and LTIP performance objectives and target awards for fiscal year 2022 and 2023 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 2:46 p.m.



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John Szabo, Chair



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Julie Presas, Secretary