

OCLC, INC.  
Meeting of the Board of Trustees  
March 23, 2020

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated March 12, 2020, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC, Inc., convened at 8:30 a.m., local time, on March 23, 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  
James Neal  
John Patrick  
Skip Prichard  
Ginny Steel  
John Szabo  
Sarah Thomas

Trustees absent:

Jacques Malschaert

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 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 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 present approved the consent agenda by a unanimous vote. The consent agenda contained the following items:

- Minutes of the November 11, 2019 Annual Board of Trustees Meeting

- Minutes of the November 11, 2019 Meeting of the Board

The Chair then delivered the Chair's report. He reported that he has regular, ongoing communication with Mr. Prichard; more so in the past few weeks to discuss upcoming conferences and COVID-19 business continuity issues. He commended the wise decisions of OCLC management during this time of global crisis including making the difficult decision to cancel the EMEARC meeting. The Chair also lauded the staff for successful OCLC events at the PLA conference, which was held before the escalation of the global crisis. He noted the OCLC sessions were received well by the community. 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 how events are creating uncertainty for an in-person meeting in June and are recommending Trustees pause on making travel arrangements until further notice, (ii) discussed planning for the 2021 Board meetings and noted that coordination with Trustees to determine the dates will begin following the meeting, (iii) discussed the implementation of a new Board portal and messaging system, and (iv) discussed the agendas for the Committee meetings in March. The Chair described the Diligent Boards portal and messaging system to the Trustees and noted that each Trustee will receive additional information and system training in the weeks following the meeting. This concluded the report of the Executive Committee.

The Chair then called for the report of the Audit Committee. Ms. Gray-Little reported that the Committee met with all but one member present, and had: (i) reviewed the committee charter, (ii) received an update from OCLC's outside audit firm BDO on FY21 financial audit planning and updated accounting standards impacting OCLC, (iii) discussed the appointment of BDO to conduct the annual financial audit, (iv) received an update about insurance including details about OCLC's Directors and Officers liability insurance, and (v) received a report from Ms. Presas about the Trustees and EMT conflict of interest disclosures. Ms. Gray-Little then brought forward the following resolution to the Board for their approval:

#### **RESOLUTION**

**RESOLVED**, that BDO USA LLP be engaged to perform the annual audit of the Corporation for the year ending June 30, 2020.

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote of Trustees present. This concluded Ms. Gray-Little'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, and had: (i) reviewed the committee charter, (ii) discussed the

upcoming Global Council election for the Board positions opening in November, (iii) received an overview of exit survey results; and (iv) reviewed and approved a resolution adopting changes to the Code of Regulations. Ms. Lison then brought forward the following resolution to the Board for their approval:

### **RESOLUTION**

WHEREAS, the Board of Trustees of OCLC, Inc. (the “Corporation”) has considered certain changes to the Corporation’s current Code of Regulations (“Regulations”) to simplify and make consistent sections of the Regulations and Board Guidelines that relate to board succession planning;

WHEREAS, in accordance with such considerations, the Board has received revised versions of the Regulations, 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.

NOW, THEREFORE, BE IT RESOLVED, that the Restated Regulations are hereby adopted and approved, with such changes thereto as may be approved by the officers of the Corporation;

RESOLVED FURTHER, that, the Board Chair, President and the 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 each document delivered pursuant to the foregoing resolutions, and to execute, deliver and, where called for by the particular document, affix the seal of the Corporation to all such consents, agreements, certificates, instruments and other documents, 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 each document as delivered pursuant thereto, 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 of Trustees present. Chair Szabo then reported on board succession planning efforts including the development of a new Board skills matrix. 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 but one member present, and had: (i) reviewed the committee charter, with no changes needed, (ii) received an overview of OCLC’s executive compensation program, and (iii) discussed the report and reasonableness letter from Meridian Compensation Partners resulting from their executive compensation market data analysis. This concluded Ms. Keane’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 the committee charter, (ii) reviewed year to date operating results for FY20 and future projections, (iii) received an update on OCLC's investment portfolio from Highland Consulting, and (iv) reviewed and approved a resolution providing additional authority to the CFO to access investment portfolio funds. Mr. Deaton then brought forward the following resolution to the Board for their approval:

### **RESOLUTION**

WHEREAS, management of OCLC, Inc. (the "Corporation") have made a presentation to the OCLC Board of Trustees regarding the Corporation's cash monitoring plans and modeling on cash requirements that may be needed on a short term basis in order for the Corporation to appropriately respond to short term business and operating cash expenditures that may be needed by the Corporation in light of the current COVID-19 virus pandemic; and

WHEREAS, based upon such analysis, and after further consideration, management has recommended that the OCLC Board of Trustees (the "Board") authorize and empower William Rozek, Chief Financial Officer and Treasurer (the "CFO") of the Corporation to access and use up to an aggregate amount of up to \$30 million (the "Authorized Amount") of principal, dividends, interest and other income from the Corporation's Investment Portfolio (the "Sustainability Fund") to support the Corporation's near-term operating and capital cash requirements as deemed necessary and appropriate by the CFO, with such authorization terminating on the earlier of June 30, 2020 or when otherwise revoked by the Board.

WHEREAS, the Board deems it advisable and in the best interests of the Corporation to so delegate such authority to the CFO;

NOW, THEREFORE, be it

RESOLVED, that the CFO is hereby authorized and empowered to access the Sustainability Fund in an amount equal to the Authorized Amount, in accordance with the terms of these resolutions; and

FURTHER RESOLVED, that the CFO is hereby authorized and empowered to take any and all actions necessary to carry out authority so conferred by these resolutions, including but not limited to executing any and all instruments, contracts, agreements, certificates or other such documents necessary to access, liquidate, transfer or otherwise cause such investments in the Sustainability Fund to be liquidated as necessary in satisfaction of any amounts drawn up to the Authorized Amount, all as determined in the CFO's discretion or pursuant to any such subordinate officers who shall act at the CFO's direction in carrying out such actions; and

FURTHER RESOLVED, that the authorization conferred by these resolutions is subject to the limitations on financial responsibilities as set forth in the By-Laws for Governance of the Corporation, provided however such limitations do not include the limits set forth in Article VII Section D; and

FURTHER RESOLVED, that the Corporation's CFO shall provide an annual accounting to the Corporation's Finance and Investment Committee of the Board, which accounting shall include a report on the actual amount of principal, dividends and interest used to

fund such short-term needs, along with any such other information as the Finance and Investment Committee may so request in connection with carrying out its oversight obligations with respect to the use of the Sustainability Fund; and be it

FURTHER RESOLVED, that this authorization shall be in addition to, and not in limitation of, the existing authority previously granted by the Board for the Corporation's CFO to access excess proceeds from the Sustainability Fund.

FURTHER RESOLVED, that this authorization shall remain in full force and effect until the earlier of June 30, 2020 or as otherwise revoked by the Board.

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

The Chair then requested the Technology Committee report. Ms. Steel reported that the Committee met with all members present, and had: (i) reviewed the committee charter, (ii) received an update from Mr. Rozek on the implementation efforts for OCLC's back office systems, (iii) received a report from Ms. Presas and Mr. Murphy on OCLC's investments and efforts related to data privacy and security, and (iv) received an update from Mr. Murphy on key product related technology initiatives. This concluded Ms. Steel's report.

The Chair then called for the report of the Membership Committee. Ms. Lefebvre reported that the Committee had planned to meet March 24, but has postponed its meeting until early May. This concluded Ms. Lefebvre's report.

The Chair then called for a break at 10:49 a.m. The Chair called the Board back into session at 11:00 a.m. and 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 three key themes to discuss today. He then reported on OCLC's finances for FY20 year to date. As part of this presentation, Mr. Prichard also reported on significant sales wins in North America and EMEA. He also provided a status update on significant product and development initiatives for FY20. Mr. Prichard reminded the Trustees about the eight 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 then delivered an overview of OCLC's COVID-19 response efforts including a people first approach and preparation to stay ahead of the escalating situation. Mr. Prichard also discussed OCLC's response to help libraries during the COVID-19 crisis including coordination of available electronic content to libraries, supporting online forums within OCLC's Community Center and offering various resources through WebJunction. Mr. Prichard reported these internal and external efforts have been well received by OCLC members and staff. Mr. Prichard then turned

to a discussion on the library industry, including the current competitive landscape and impact to OCLC. 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 convened the meeting in executive session at 12:43 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.

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.



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John Szabo, Chair



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Julie Presas, Secretary