

OCLC, INC.
Meeting of the Board of Trustees
March 22, 2021

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated March 11, 2020, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC, Inc., convened at 11:16 a.m., local time, on March 22, 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
Brady Deaton
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:

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 Trustees and staff liaisons for their participation in Committee meetings on Sunday. 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 November 9, 2020 Meeting of the Board of Trustees and the minutes of the November 9, 2020 Annual Meeting of the Board of Trustees, and there being none, he requested a motion to approve the minutes. Upon a motion duly made and seconded, the Trustees present approved the minutes by a unanimous vote.

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. He provided information on management's review of the ICOLC report. He then reported on OCLC's finances for FY21 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 FY21. Mr. Prichard also reminded the Trustees about the FY21 theme Rise Beyond and covered key highlights including increased participation in OCLC virtual conferences and events and the refreshing of membership pages on the OCLC website. He also provided an update on the REALM project. Mr. Prichard then delivered an overview of OCLC's advancing racial equity initiative including internal and external activities. 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 strategy for core services. He introduced Ms. Sauer-Games to provide an overview of the overall strategic framework. Ms. Sauer-Games covered key initiatives related to metadata management, linked data and discovery. Ms. Sauer-Games then asked Mr. van Lubeek to discuss a key business deal in the APAC region. She then provided an overview of OCLC's Library on-demand strategy including examples of existing and future functionality, as well as a development timeline for the various initiatives. Ms. Sauer-Games then asked Mr. Murphy to provide more detail on OCLC's data strategy including storing, identifying, visualizing and activating data and the value it brings to OCLC's existing services. 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 a break at 12:45 p.m. The meeting reconvened at 1:15 p.m.

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 the ICOLC report. The Chair also mentioned the upcoming Global Council Annual Meeting and noted that he will be providing an update on Board activities to the membership. Chair Szabo also noted that it has been one year since the Board began using the Diligent Board Portal. The feedback he's received has been positive and Trustees should contact Ms. Ryan with challenges which may arise. 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 planning for the 2022 Board meetings and noted that coordination with Trustees to determine the dates will begin following the meeting, (ii) discussed the agendas for the Committee meetings in March, and (iii) received a preview of the President's report presentation from Mr. Prichard. 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 members present, and had: (i) received an update from OCLC's outside audit firm BDO on FY22 financial audit planning and updated accounting standards impacting OCLC, (ii) discussed the appointment of BDO to conduct the annual financial audit, (iii) reviewed the committee charter with no changes recommended, (iv) received a report from Ms. Presas about the Trustees and EMT conflict of interest disclosures, and (v) received an update about corporate insurance coverage including details about OCLC's Directors and Officers liability insurance. 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, 2021.

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 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 with no changes recommended, (ii) discussed the upcoming Global Council election for the Board positions opening in November, and (iii) received an overview of former Trustee exit survey results, which were overall positive and did not produce any issues to be addressed. Ms. Lison noted there is an additional item which will be covered during 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 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 including the Management Incentive Plan (MIP) and Long-Term Incentive Plan (LTIP), (iii) reviewed current forecasts for MIP and LTIP payments, and (iv) received an update on activities for OCLC's Advancing Racial Equity initiative. This concluded Ms. Keane's report.

The Chair then called for the report of the Membership Committee. Ms. Thomas reported that the Committee met on March 9, 2021 with all but one member present and had: (i) reviewed the timetable and process for proposing candidates to the Nominating Committee of the Global Council, (ii) reviewed the Membership Committee charter and operating guidelines, with no changes recommended, and (iii) discussed ways to strengthen communication between the Board of Trustees and the Global Council. Ms. Thomas also reported that the Committee spent time during the meeting on introductions and speaking a bit about the impact of the pandemic on their libraries and the ways libraries might change in the post-COVID crisis era. The Committee will meet in June to begin the process of identifying candidates to recommend to the Global Council Nomination Committee. This concluded Ms. Thomas' 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 with no changes recommended, (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 Finance and Investment Committee. Mr. Deaton reported that the Committee met with all but one member present and had: (i) reviewed year-to-date operating results for FY21 and future projections, (ii) received an overview of OCLC's processes surrounding the filing of 990 and 990T tax returns, (iii) received an update on OCLC's investment portfolio from Highland Consulting, and (iv) reviewed the committee charter and determined no changes are necessary. This concluded Mr. Deaton's report.

The Chair then convened the meeting in executive session at 1:51 p.m. The Board continued in executive session until 2:05 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 2:22 p.m.



John Szabo, Chair



Julie Presas, Secretary