

OCLC, INC.
Meeting of the Board of Trustees
September 24, 2018

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated September 13, 2018, 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 September 24, 2018, at the Conference Center at OCLC Lakeside Room, 6600 Kilgour Place, Dublin, Ohio. Mr. Szabo presided as Chair and Ms. Presas kept the minutes of the meeting, except during the executive sessions, when Mr. Patrick kept the minutes.

Trustees present:

Brady Deaton
Bernadette Gray-Little
Cindy Hilsheimer
Kathleen Keane
Madeleine Lefebvre
Barbara Lison
Jacques Malschaert
James Neal
John Patrick
Barbara Preece
David "Skip" Prichard
Ginny Steel
John Szabo
Ellen Tise
Sandra Yee

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
William ("Chip") Nilges, Vice President, Business Development
Julie Presas, General Counsel & Vice President of Legal Services
William Rozek, Chief Financial Officer
Tammi Spayde, Vice President, Corporate Human Resources, Marketing, Facilities
Mary Sauer-Games, Vice President, Global Product Management
Eric van Lubeek, Vice President, Managing Director EMEA & APAC

Chair Szabo called the meeting to order and welcomed the Trustees and members of the executive management team. Chair Szabo asked if there were any changes to the meeting agenda, at which none were suggested. Chair Szabo then inquired as to any changes to, objections to, removals from or discussion of the meeting minutes. There being no changes, he requested a motion to approve the minutes of the June 3, 2018 Board of Trustees Meeting. Upon a motion duly made and seconded, the Trustees approved the minutes by a unanimous vote.

The Chair then called for the President's report. Mr. Prichard asked that the Board look to his written report for details, which was previously provided to the Trustees. Mr. Prichard then

provided a review of FY18 results including the growth in the Management line of business, and key sales achievements. Mr. Prichard also discussed the successful launch of Wise, as well as OCLC's investments in Syndeo and the CONTENTdm IIIF framework, and the recently announced Mellon Foundation grant. After reviewing FY18 accomplishments throughout the organization, Mr. Prichard then asked Mr. Rozek, Ms. Sauer-Games and Mr. Dempsey to provide an overview of FY18 initiatives and OCLC's 3-5-year strategy. Mr. Rozek began by providing the FY19 financial outlook. Mr. Dempsey then provided an overview of the industry environment and market trends, including four which have the greatest impact on OCLC. He also described OCLC's distinctive position in the market, rooted in its purpose, financial model and values. Mr. Dempsey then provided an overview of the value of the OCLC global network and key initiatives underway. Mr. Dempsey then turned it over to Ms. Sauer-Games to present on strategy for OCLC's lines of business. Ms. Sauer-Games described the central objectives for FY19 including strategies for each line of business. Ms. Sauer-Games turned it back over to Mr. Prichard to provide final thoughts. Mr. Prichard thanked the team and noted that OCLC management will provide a deeper overview into individual strategies during the November meeting. The Chair commended the team for the excellent presentations and conveyed the Board's confidence in Mr. Prichard and the executive management team. This concluded the President's report.

The Chair then called the meeting into executive session at 10:11 a.m. The Board continued in executive session until 10:35 a.m. at which time the meeting was called back into open session and the Chair called for a break.

The Chair reconvened the meeting at 10:52 a.m. and delivered the Chair's report. Chair Szabo noted that he has been in regular contact with Mr. Prichard and congratulated him for being named in the Inc. Top 100 Leadership Speakers for 2018. He also thanked Mr. Neal for delivering remarks at the North America – China Library Conference hosted by OCLC and for a successful year as ALA President. Mr. Szabo reported on the ALA conference in New Orleans including the successful President's Luncheon. He then noted that he will be delivering remarks about the Board and the nominations process at the virtual meeting of the Global Council in November. This concluded the Chair's report.

The Chair then reported that the Executive Committee met with all members present. The Executive Committee discussed the agendas for the board committee meetings and debriefed on the June Board meeting in Amsterdam. The Committee Chairs also reviewed important topics, which will be discussed during the Committee meetings. This concluded the report of the Executive Committee.

The Chair then called for the report of the Membership Committee. Ms. Preece reported that the Committee had met September 18th with all but one member present, and had: (i) discussed the timing of the transition of members coming onto and going off of the committee, (ii) discussed the review of the Membership and Governance Protocols, with the Committee recommending that no changes are needed at this time, (iii) discussed the process to provide recommendations to the Global Council Nominating Committee for the Trustee election in March, 2019, and (iv) received a report on the upcoming virtual meeting of the Global Council. This concluded Ms. Preece's report.

The Chair then requested the Committee on Technology Planning report. Mr. Neal reported that the Committee met with all members present and had: (i) received a report from Mr. Rozek on key initiatives in Gtech, (ii) received an update from Mr. Rozek on cyber security measures, (iii) received an update from Ms. Presas on OCLC's data privacy protection program including compliance efforts to address European data privacy regulations, and (iv) discussed the current oversight function and the inventory of items within the purview of the Committee. This concluded Mr. Neal's report.

The Chair then called for the report of the Audit Committee. Mr. Deaton 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 a report from the independent auditor of the employee benefit and retirement plans, and (vii) received an update from Mr. Bordas on the strategy for internal audit and enterprise risk management efforts. Mr. Deaton thanked Mr. Rozek and his team for their outstanding work with the audit and other initiatives. Mr. Deaton 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, 2018, 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 Mr. Deaton'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 and had: (i) reviewed the final operating results for FY18, (ii) discussed the FY19 performance to date, (iii) received an update on projects and capital expenditures, and (iv) reviewed the investment portfolio performance. Ms. Hilsheimer noted that she will be bringing up an additional item during executive session. This concluded Ms. Hilsheimer's report.

The Chair then called for the report of the Personnel and Compensation Committee. Ms. Yee indicated that the Committee met with all members present, and had: (i) reviewed and discussed the FY18 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 for the upcoming fiscal year LTIP, and (iv) discussed the President & CEO performance appraisal. Ms. Yee noted that she will be reporting on additional items during executive session. This concluded Ms. Yee'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) approved a resolution for the appointment and reappointment of Trustees, which will be brought before the Board in November, (ii) reviewed results from the self-assessment survey, which will be discussed in more detail during executive session, (iii) reviewed board committee assignments for next year, a draft of which will be provided to the Board following the meeting, and (iv) reviewed and approved changes to the Committee's operating guidelines. Mr. Szabo thanked the Trustees for providing their committee preferences and reported that the Committee achieved a 79% success rate in satisfying requests. Ms. Lison also reported that resolutions appointing trustees and officers, as well as approving committee assignments, will be presented to the full Board for approval during the November meetings. Ms. Lison reported that she has two items to bring forward during executive session. This concluded Ms. Lison's report.

Chair Szabo then convened the meeting in executive session at 11:55 a.m. with Mr. Prichard, Ms. Presas, Mr. Rozek, Mr. Nilges and Ms. Spayde present for certain portions of the session. The Board continued in executive session until 12:11 p.m., at which time the Chair reconvened the Board in open session.

During the executive session, the Board separately moved and approved the following three resolutions by unanimous vote of Board Members voting, with Mr. Prichard abstaining from voting on the 3rd resolution:

RESOLUTION

WHEREAS, management has made a presentation to the Board of Trustees (the “Board”) of OCLC Inc. (the “Corporation”) regarding the potential sale to an interested purchaser of certain assets and the assumption of certain operating liabilities associated with a specific software and services solution of the Corporation, as further described by management (the “Project Sparrow Transaction”);

WHEREAS, based upon management’s presentation regarding the Project Sparrow Transaction, and after further review and consideration of the relevant terms associated with the proposed sale, including the anticipated purchase price; the Board deems it advisable and in the best interests of the Corporation to authorize management to proceed with the Project Sparrow Transaction in accordance with these Resolutions;

NOW THEREFORE, IT IS HEREBY RESOLVED, that the Corporation is hereby authorized to proceed with the Project Sparrow Transaction on such terms and conditions as presented to the Board, and to complete such transaction on such terms and conditions as presented to the Board as management may deem to be necessary and appropriate;

FURTHER RESOLVED, that David (“Skip”) Prichard, President and CEO, William Rozek, Chief Financial Officer, Julie Presas, General Counsel and Vice President, or any such officers appointed by any of them (each, an “Authorized Officer”) are each hereby individually authorized to take such actions on behalf of the Corporation as they deem necessary or appropriate in connection with the consummation of the sale, including without limitation any letters of intent, purchase agreements and similar transfer documents and instruments associated with the Project Sparrow Transaction;

FURTHER RESOLVED, that such Authorized Officers be, and they are, each hereby individually authorized to execute and deliver, in the name and on behalf of the Corporation, such additional documents, and to do such other acts and things as they or any of them individually shall deem necessary or appropriate to carry out the purposes of the foregoing Resolutions, as directed by such Authorized Officers; and

FURTHER RESOLVED, that the Board hereby delegates to the Executive Committee the ability to take all further necessary action as may be necessary to grant additional authority to management or otherwise modify the terms of the Project Sparrow Transaction as presented, with any such modification of terms being reported to and thereafter ratified and confirmed at the Board’s next regularly scheduled or special meeting as necessary.

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 2018 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 2019, (iii) MIP performance objectives and target awards for fiscal year 2018; and (iv) LTIP objectives and target awards for fiscal year 2019;

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 2018 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 2019 base salary for each Corporate Officer (to be effective as of September 1, 2018), MIP performance objectives and target awards for fiscal year 2019, and LTIP performance objectives and target awards for fiscal year 2020 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 2018 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 2019, and (iii) MIP performance objectives and target awards for fiscal year 2019 and (iv) LTIP objectives and target awards for fiscal year 2020;

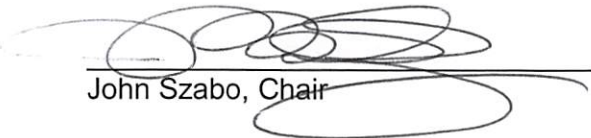
WHEREAS, the Committee has presented its recommendations regarding such compensation matters to the Board, and the Board deems it advisable and in the best interests of the Corporation to adopt such recommendations as presented;

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 2018 are hereby approved as presented;


FURTHER RESOLVED, that the recommendations of the Committee regarding the President and CEO's fiscal year 2019 base salary (to be effective as of September 1, 2018) and MIP and LTIP performance objectives and target awards for fiscal year 2019 and 2020 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 12:12 p.m.



John Szabo, Chair



Julie Presas, Secretary