

OCLC, INC.  
Meeting of the Board of Trustees  
September 25, 2017

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated September 14, 2017, 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 25, 2017, at the Conference Center at OCLC Lakeside Room, 6600 Kilgour Place, Dublin, Ohio. Ms. Yee 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  
Berndt Dugall  
Cindy Hilsheimer  
Kathleen Keane  
Madeleine Lefebvre  
Barbara Lison  
Jacques Malschaert  
James Neal  
Loretta Parham  
Barbara Preece  
John Szabo  
Ellen Tise  
Sandra Yee

Trustees present via teleconference:

John Patrick

Also, present for all or portions of the meeting:

David ("Skip") Prichard, President & Chief Executive Officer  
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  
Jeff Jacobs, Chief Information Officer  
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 Yee called the meeting to order, and welcomed the Trustees and members of the executive management team. Chair Yee asked if there were any changes to the meeting agenda, at which none were suggested. Chair Yee then inquired as to any changes, objections to, removals from or discussion of the meeting minutes. There being no changes, she requested a motion to approve the minutes of the June 12, 2017 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 FY17 results including the growth in each line of business, key sales achievements and the acquisition of Relais. Mr. Prichard also discussed the recent launch of Digby, as well as OCLC's investments in CONTENTdm and groundbreaking research reports. Mr. Prichard then asked Mr. Dempsey to provide an overview of FY18 initiatives. Mr. Dempsey described central objectives for the upcoming year including strategies for each line of business. Mr. Dempsey then introduced Ms. Sauer-Games to speak about key initiatives for the resource sharing line of business in FY18. Ms. Sauer-Games provided an overview of the priorities and timelines for each, review of the revenue from resource sharing services, and highlighted OCLC's points of differentiation. She then introduced Mr. van Lubeek to present on one of the key initiatives for the management line of business, as well as the growth strategy for EMEA. Mr. van Lubeek then introduced Mr. Bordas to discuss infrastructure investments for FY18. Mr. Bordas provided an update on improvements to the back-office systems and customer operations. After discussion, Mr. Prichard delivered final remarks and thanked the team for their work. 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 10:24 a.m. with Mr. Prichard present for the first part of the session. The Board continued in executive session until 10:50 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 11:07 a.m. and delivered the Chair's report. Chair Yee noted that she has been in regular contact with Mr. Prichard, reported on the ALA conference in Chicago including the successful reception at the Adler Planetarium, and reported her presentation of the Melville Dewey award to Carla Hayden, Librarian of Congress. Chair Yee also reported that she has retired from her position as Dean of Libraries at Wayne State University after 16 years of service. The Chair then reported that she has conferred with Mr. Szabo and Mr. Prichard about meeting in the Netherlands for the Board Meeting in June of 2018. After discussing this location, Chair Yee asked the Trustees whether there was consensus to hold the Board meeting in the Netherlands in June. All Trustees agreed to this meeting location. This concluded the Chair's report.

The Chair then reported that the Executive Committee met with all but one member present. The Executive Committee discussed the agenda for the board continuing education session in November. The Chair reported that Ms. Parham provided a detailed update about the Board Membership Committee activities. 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. Parham reported that the Committee had met 2 times since June, with all members present, and had: (i) finalized the committee

guidelines, (ii) created talking points for regional council chairs to ensure consistent and substantive communication to the membership, (iii) began work on a template to manage a list of potential candidates for Global Council elected trustee positions, and (iv) finalized updates to the committee charter. Ms. Parham introduced a resolution, which was recommended by the Committee, to approve the committee charter. Chair Yee brought forward the following resolution to the Board for their approval:

#### **RESOLUTION**

RESOLVED, that the proposed Board Membership Committee Charter as presented to this Board be, and the same is hereby approved.

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote. This concluded Ms. Parham's report.

The Chair then requested the Committee on Technology Planning report. Mr. Dugall reported that the Committee met with all members present, and had: (i) discussed Bedrock performance with Mr. Jacobs, (ii) received an update from Mr. Jacobs on cyber security measures, and (iii) received an update from Mr. Jacobs on disaster recovery measures. This concluded Mr. Dugall's report.

The Chair then called for the report of the Audit Committee. Mr. Szabo 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, and (vi) received an update from Mr. Bordas on the strategy for internal audit and enterprise risk management efforts. Mr. Szabo thanked Mr. Rozek and his team for the successful onboarding of the new auditors. Mr. Szabo introduced a resolution, which was recommended by the Committee, to approve the results of the audit. Chair Yee brought forward the following resolution to the Board for their approval:

#### **RESOLUTION**

RESOLVED, that the BDO audit report for the year ended June 30, 2017, 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. Szabo's report.

The Chair then called for the report of the Personnel and Compensation Committee. Mr. Neal indicated that the Committee met with all members present, and had: (i) reviewed and discussed the FY17

results for the Management Incentive Plan (the “MIP”), (ii) reviewed and discussed results for the Long Term Incentive Plan (the “LTIP”), (iii) reviewed changes to the MIP document, (iv) reviewed the goals for the upcoming fiscal year LTIP, which will be discussed in more detail during executive session, and (v) discussed the President & CEO performance appraisal, which will be reported on further during executive session. This concluded Mr. Neal’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) discussed the process for appointment and reappointment of Trustees in November, (ii) discussed the scope of work for the board compensation assessment, (iii) reviewed results from the self-assessment survey, which will be discussed in more detail during executive session, (iv) reviewed board committee assignments for next year, which will be discussed in more detail during executive session, and (v) received an update on orientation for incoming Trustees, new chairs and new members of committees. 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. This concluded Ms. Lison’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 FY17, (ii) discussed the details of the corporate operating plan (the “COP”) including a proposal to adjust the revenue projections, and (iii) received an update on projects and capital expenditures. Ms. Hilsheimer introduced a resolution, which was recommended by the Committee, to approve adjustments to the COP. Chair Yee brought forward the following resolution to the Board for their approval:

### **RESOLUTION**

WHEREAS, the Board of Trustees (the “Board”) of OCLC, Inc. (the “Corporation”) has reviewed and discussed with management amending the Corporation’s fiscal year 2018 Corporate Operating Plan, which was previously approved by the Board on June 12, 2017, to raise the revenue projections set forth therein as presented by management to the Board (as amended, the “Amended COP”);

WHEREAS, after further consideration, the Board has determined that it is desirable and in the best interests of the Corporation to ratify and approve the Amended COP, in such form as presented to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Amended COP, in such form as presented to the Board, is hereby ratified and approved;

FURTHER RESOLVED, that the appropriate officers of the Corporation from Finance, Legal, and/or any other appropriate officer of the Corporation (“Authorized Officers”) are authorized

and empowered to take any and all actions to carry out the administration of the Amended COP; and

FURTHER RESOLVED, that all prior acts and deeds undertaken and performed by the Authorized Officers on behalf of the Corporation in connection with the Amended COP are hereby ratified, approved and confirmed.

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote. This concluded Ms. Hilsheimer's report.

Chair Yee then convened the meeting in executive session at 11:55 a.m. with Ms. Spayde, Mr. Prichard and Ms. Presas present for certain portions of the session. The Board continued in executive session until 12:36 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 3 resolutions by unanimous vote:

#### **RESOLUTION**

WHEREAS, the Board of Trustees (the "Board") of OCLC, Inc. (the "Corporation") has reviewed and discussed modifications to the Corporation's Management Incentive Plan, Amended and Restated Effective July 1, 2016 and executed on June 26, 2017 (the "Amended MIP") subject to ratification and approval by the Board, which modifications include plan design changes to measures, weights and performance goals, as well as changes to certain eligibility criteria, targets and calculations;

WHEREAS, after further consideration, the Board has determined that it is desirable and in the best interests of OCLC to ratify and approve the Amended MIP, in such form as presented to the Board, with such Amended MIP being effective for purposes of all payout awards made for service during the fiscal year ended June 30, 2017.

NOW, THEREFORE, BE IT RESOLVED, that the Amended MIP, in such form as presented to the Board, is hereby ratified and approved;

FURTHER RESOLVED, that the Amended MIP shall be effective for, and applicable to, all payout awards made for performance during the fiscal year ended June 30, 2017 and thereafter;

FURTHER RESOLVED, that the appropriate officers of the Corporation from Human Resources, Finance, Legal, and/or any other appropriate officer of the Corporation ("Authorized Officers") are authorized and empowered to take any and all actions to carry out the administration of the Amended MIP; and

FURTHER RESOLVED, that all prior acts and deeds undertaken and performed by the Authorized Officers on behalf

of the Corporation in connection with the Amended MIP are hereby ratified, approved and confirmed.

### **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 2017 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 2018, (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 2017 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 2018 base salary for each Corporate Officer (to be effective as of September 1, 2017), MIP performance objectives and target awards for fiscal year 2018, LTIP re-established performance objectives for 2018 and LTIP performance objectives and target awards for fiscal year 2019 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 2017 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 2018, (iii) MIP performance objectives and target awards for fiscal year 2018, and (iv) LTIP objectives and target awards for fiscal year 2019;

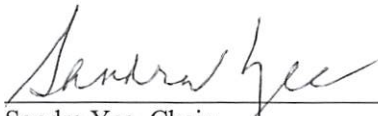
WHEREAS, the Committee has presented its recommendations regarding such compensation matters to the Board, and the Board deems it advisable and in the best interests of the Corporation to adopt such recommendations as presented;


NOW THEREFORE, BE IT RESOLVED, that the recommendations of the Committee regarding the President and CEO's LTIP and MIP payout awards for fiscal year 2017 are hereby approved as presented;

FURTHER RESOLVED, that the recommendations of the Committee regarding the President and CEO's fiscal year 2018 base salary (to be effective as of September 1, 2017) and MIP and LTIP performance objectives and target awards for fiscal year 2018 and 2019 respectively, including re-established 2018 LTIP targets, 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 12:37 p.m.

  
Sandra Yee, Chair

  
Julie Presas, Secretary