

**OCLC, INC.**  
**Meeting of the Board of Trustees**  
**September 30, 2019**

This meeting of the Board of Trustees of OCLC, Inc., pursuant to the notice of the Secretary dated September 19, 2019, 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 30, 2019, 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 Ms. Hilsheimer kept the minutes.

**Trustees present:**

**Craig Anderson**  
**Brady Deaton**  
**Bernadette Gray-Little**  
**Cindy Hilsheimer**  
**Kathleen Keane**  
**Madeleine Lefebvre**  
**Barbara Lison**  
**Jacques Malschaert**  
**James Neal**  
**John Patrick**  
**Barbara Preece**  
**Skip Prichard**  
**Ginny Steel**  
**John Szabo**  
**Sarah Thomas**

**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**  
**Barton Murphy, Chief Technology & Information Officer**  
**William ("Chip") Nilges, Vice President, Business Development**  
**Julie Presas, General Counsel & Vice President, Secretary**  
**William Rozek, Chief Financial Officer, Treasurer**  
**Tammi Spayde, Vice President, Human Resources, Marketing, Facilities**  
**Mary Sauer-Games, Vice President, Global Product Management**

Chair Szabo called the meeting to order and welcomed the Board members and the executive management team. Chair Szabo asked if there were any changes to the meeting agenda, at which none were suggested. The Chair then 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 approved the consent agenda by a unanimous vote. The consent agenda contained the following items:

- **Minutes of the June 10, 2019 Meeting of the Board of Trustees**
- **Minutes of the June 10, 2019 Trustee Members Meeting**
- **Membership Committee, Global Council Delegates Resolution**

## RESOLUTION

WHEREAS, Hubert Krekels and Adelaida Ferrer were appointed as representatives to the Committee on Membership from the Global Council beginning November 12, 2018 and ending November 11, 2019;

WHEREAS, the terms for both Hubert Krekels and Adelaida Ferrer as Global Council Delegates ended as of July 1, 2019; and

WHEREAS, Global Council Delegate Members Stuart Hunt and Jan Simane were recommended as the new representatives to the Committee on Membership;

NOW, THEREFORE, be it

RESOLVED, that, as of July 1, 2019, the appointments of Hubert Krekels and Adelaida Ferrer to the Committee on Membership shall no longer be in effect; and

FURTHER RESOLVED, Stuart Hunt from University of Reading Library and Jan Simane from Max-Planck-Institut, Kunsthistorisches Institut are hereby approved and appointed as the new representatives to the Committee on Membership from the Global Council beginning July 1, 2019 and ending November 11, 2019; and

FURTHER RESOLVED, that, with the exception of the aforementioned, all existing appointments to the Committee on Membership remain in effect.

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 provided a wider view of OCLC including general information about OCLC's business and operations, FY19 review, FY20 outlook and 10-year strategy. The highlights of the corporate overview included OCLC's corporate structure, operations, employees and offices around the world. The FY19 results included the financial results in each line of business, and key sales achievements. Mr. Prichard then described central objectives for the upcoming year, with the theme of 20/20 Vision, including strategies for each line of business. Mr. Prichard highlighted the 5 company-wide themes [Contribute, Connect, Create, Compete, and Choose], provided an overview of the priorities for each line of business, and highlighted OCLC's points of differentiation, as well as the growth strategies. After discussion, Mr. Prichard delivered final remarks and received rousing applause from the Board. The Chair commended Mr. Prichard for the excellent presentation 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 9:56 a.m. The Board continued in executive session until 10:27 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 10:50 a.m. and delivered the Chair's report. Chair Szabo noted that he has been in regular contact with Mr. Prichard, highlighted OCLC's successful presence at the IFLA congress in August and the upcoming Regional Council meetings, which are branded as the Library Futures Conferences of the Regional Councils' (ARC, APRC and EMEA) with the theme being "Community Catalysts". Chair Szabo also reported that preparations are underway for the June, 2020 Board meeting in Canada. The Chair also commended Mr. Prichard on his appointment to the Columbus Symphony Board of Directors, as well as for being named to the Speakers Roundtable, a group of twenty top keynote speakers in the United States. 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. The Committee Chairs also received a preview of the President's Report presentation. Chair Szabo introduced a resolution, which was recommended by the Committee, to adjust the meeting dates for calendar year 2020. Chair Szabo brought forward the following resolution to the Board for their approval:

### **RESOLUTION**

**WHEREAS, the Board of Trustees previously approved meeting dates for calendar 2020; and,**

**WHEREAS, the Board wishes to adopt a new resolution to change the date of the June 2020 regular meeting;  
NOW THEREFORE be it**

**RESOLVED, that regular meetings of the Board of Trustees shall be held, in calendar 2020, at the offices of the Corporation or at other locations designated by the Board at 8:30 a.m., local time or at such time determined by the Board Chair, on the following dates:**

**March 23, 2020  
June 8, 2020  
September 21, 2020  
November 9, 2020**

**FURTHER RESOLVED, that the annual meeting of the Board of Trustees shall be held immediately following the regular meeting of the Board of Trustees on November 9, 2020.**

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote. 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 11<sup>th</sup> with all but 2 members present, and had: (i) discussed the Committee process for Board nominations, (ii) received an update from Ms. Lefevbre on succession planning efforts on the Board Governance Committee, and (iii) continued work on identifying potential candidates for Global Council elected trustee positions. This concluded Ms. Preece's report.

The Chair then requested the Technology Committee report. Mr. Patrick reported that the Committee met with all members present and had: (i) discussed progress on upgrading certain back office systems, (ii) received an update from Mr. Murphy on cyber security measures, and (iii) received an update from Mr. Murphy and Ms. Presas on OCLC's privacy program and FedRAMP readiness efforts. Mr. Patrick then provided an overview of his new book entitled *Robot Attitude* including how computers replicate human brain processes and the concept of singularity. This concluded Mr. Patrick'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 an update from Mr. Rozek and BDO representatives on new accounting standards effecting OCLC, and (vii) reviewed the results from an internal audit conducted by the firm Schneider Downs. Mr. Deaton thanked Mr. Rozek and his team for their work on the financial audit. 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, 2019, 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. Mr. Neal reported that the Committee met with all members present and had: (i) reviewed financial performance for FY20 to date, (ii) discussed financial plans for FY21, and (iii) reviewed the details of the tax-exempt financing transaction. After discussion by the Board, Mr. Neal brought forward the following resolutions to the Board for their approval:

### **RESOLUTION**

WHEREAS, based upon a review by the Finance and Investment Committee of the Board of OCLC, Inc.'s (the "Corporation") current financial position and financing needs, and based further upon its recommendation, the Board deems it advisable and in the best interests of the Corporation to authorize the borrowing set forth below and issuance of the Obligations (as defined herein);

NOW, THEREFORE, be it

RESOLVED, that OCLC, Inc. (the "Corporation") be and it hereby is authorized, subject to market conditions acceptable in the judgment of one or more of the officers listed below, to enter into arrangements with the County of Franklin, Ohio, the Columbus-Franklin County Finance Authority, or another public financing entity, as a public body issuer (the "Issuer") and, as necessary, other appropriate parties, for the purpose of financing, with the proceeds of certain tax-exempt revenue obligations of the Issuer in an aggregate principal amount not to exceed Thirty Million Dollars (\$30,000,000) (the "Obligations"), all or any portion of (i) the costs of certain real and/or personal property, including without limitation, building renovations and improvements, computer, telecommunications and other equipment, furnishings, software programs, bibliographic and other information databases used in connection with or support of the Corporation's services, and other capital expenditures and appurtenances related thereto (collectively referred to hereinafter as the "Project") to be used by the Corporation, and (ii) the costs of issuance of the Obligations; and

FURTHER RESOLVED, that the financing contemplated by this Resolution be carried out pursuant to the terms and conditions to be set forth in certain appropriate documents including a Loan Agreement or Purchase Agreement and/or a Master Lease Purchase Agreement as appropriate, between the Issuer as lender (or lessor) and the Corporation as borrower (or lessee or sublessee) to be assigned by the Issuer to a suitable financing institution, including any equipment or financing schedules, and/or a Supplemental Master Trust Indenture and Master Note (collectively, the "Financing Agreement"), as well as certain other necessary supportive documents; and

**FURTHER RESOLVED**, that David A. (“Skip”) Prichard, President and CEO, William J. Rozek, Chief Financial Officer and Treasurer, Julie Presas, General Counsel, Vice President and Secretary of the Corporation, and any such officers appointed by any of them in writing be, and each of them, acting singly, is hereby authorized, on behalf of the Corporation, to execute and deliver the Financing Agreement and the other supportive documents that may be necessary to effect the transaction contemplated herein, each in such form as shall be approved by the officer executing the same, and issuance, execution and delivery of any such documents or instruments by such officer shall be conclusive evidence of the approval thereof by the officer executing the same and of the Corporation; and

**FURTHER RESOLVED**, that the aforesaid officers, be and each of them, acting singly, is hereby authorized, on behalf of the Corporation, to (i) approve the terms and conditions of the Financing Agreement and other necessary supportive documents, (ii) approve any other matters related to the Obligations consistent with these Resolutions, and (iii) execute and deliver any other agreements, certificates or instruments required in connection with the issuance of the Obligations, such approvals to be conclusively evidenced by the execution and delivery of the Financing Agreement, and any other certificates, documents and instruments so executed and delivered; and

**FURTHER RESOLVED**, that the aforesaid officers be and each of them, acting singly, is hereby authorized and directed to take any and all actions, on behalf of the Corporation, necessary or proper for the Corporation to carry out, perform, give effect to, consummate and perform the terms of and the transactions contemplated by said documents and the rules and regulations associated therewith and to provide for the operation and management of the Project.

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote.

Mr. Neal then brought forward the following resolution to the Board for their approval:

### **RESOLUTION**

**WHEREAS**, United States Treasury Regulations §1.150-2 (the “Reimbursement Regulations”) prescribe conditions under which proceeds of bonds, notes or other obligations (“Obligations”) used to reimburse advances made for capital and certain other expenditures (“Original Expenditures”) paid before the issuance of such Obligations, will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103

and 141-150 of the Internal Revenue Code of 1986 (the "Code"), upon such reimbursement so that the proceeds so used will no longer be subject to requirements or restrictions under those sections of the Code; and

WHEREAS, certain provisions of those Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the Original Expenditures expected to be reimbursed from proceeds of Obligations, and that the reimbursement occur within certain prescribed time periods after the Original Expenditure is paid or after the property resulting from that Original Expenditure is placed in service; and

WHEREAS, the Board of OCLC, Inc. (the "Corporation") wishes to take steps for compliance with those Reimbursement Regulations;

NOW, THEREFORE, be it

RESOLVED, that this Board declares that the Corporation reasonably expects that the costs of certain real and/or personal property, including without limitation, building renovations and improvements, computer, telecommunications and other equipment, furnishings, software programs, bibliographic and other information databases used in connection with or in support of the Corporation's services, and other capital expenditures and appurtenances related thereto will be reimbursed with the proceeds of Obligations and the maximum principal amount of Obligations expected to be issued for the project is \$30,000,000; and

FURTHER RESOLVED, that this Board expects such Original Expenditures to which the Reimbursement Regulations apply, to be made from money temporarily advanced and that is reasonably expected to be reimbursed (in accordance with applicable authorizations, policies and practices) from the proceeds of Bonds, to make appropriate reimbursement and timely allocations from the proceeds of the Bonds to reimburse such Original Expenditures, and to take any other actions as may be appropriate, all at the times and in the manner required under the Reimbursement Regulations in order for the reimbursement to be treated as an expenditure of such proceeds for purposes of Sections 103 and 141 to 150 of the Code; and

FURTHER RESOLVED, that this Board determines that this action shall constitute a Declaration of Official Intent for purposes of Sections 103 and 141 to 150 of the Code.

Needing no second, and with no further discussion, the resolution was voted on and approved by a unanimous vote. This concluded Mr. Neal'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 FY19 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 FY2020 MIP and FY2021 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 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 results from the self-assessment survey, (iii) reviewed board committee assignments for next year, which will be discussed in more detail during executive session, (iv) received an update from Ms. Keane and Ms. Lefebvre about succession planning work involving reviewing criteria for potential and continuing trustee candidates, (v) discussed updates to the exit survey seeking feedback from departing board members, and (vi) received a preview of the Board development session to be held in November. Ms. Lison also reported that resolutions appointing corporate and board officers, as well as approving committee assignments, will be presented to the full Board for approval during the Annual Meeting in November. Ms. Lison introduced a resolution, which was recommended by the Committee, to approve the Board member appointments. Chair Szabo brought forward the following resolution to the Board for their approval:

### **RESOLUTION**

**RESOLVED**, that Cindy Hilsheimer 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 11, 2019 (the “Effective Date”) and will end immediately following the Board meeting to occur in November, 2023, 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 March 26, 2019, wherein Theresa Byrd 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 on the Effective Date and will end immediately following the Board meeting to occur in November, 2023, 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 with Ms. Hilsheimer abstaining. This concluded Ms. Lison's report.

Chair Szabo then convened the meeting in executive session at 11:19 a.m. with Mr. Prichard and Ms. Spayde present for certain portions of the session. The Board continued in executive session until 12:13 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 1<sup>st</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 President and CEO, including (i) fiscal year 2019 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 2020, and (iii) MIP performance objectives and target awards for fiscal year 2020 and (iv) LTIP objectives and target awards for fiscal year 2020-21;

**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 2019 are hereby approved as presented;

**FURTHER RESOLVED**, that the recommendations of the Committee regarding the President and CEO's fiscal year 2020 base salary (to be effective as of September 1, 2019) and MIP and LTIP performance objectives and target awards for fiscal year 2020 and 2021 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.

**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 2019 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 2020, (iii) MIP performance objectives and target awards for fiscal year 2019; and (iv) LTIP objectives and target awards for fiscal year 2020-21;

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 2019 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;

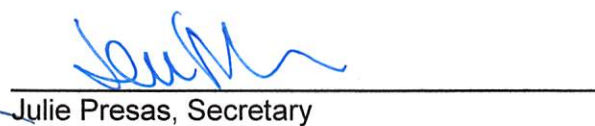
FURTHER RESOLVED, that the recommendations of the Committee regarding the fiscal year 2020 base salary for each Corporate Officer (to be effective as of September 1, 2019), MIP performance objectives and target awards for fiscal year 2020, and LTIP performance objectives and target awards for fiscal year 2020-21 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.

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 12:14 p.m.



John Szabo, Chair



Julie Presas, Secretary