This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated October 28, 2004, and in accordance with Article VII, Section I, of the Code of Regulations of OCLC Online Computer Library Center, Inc., convened at 8:30 a.m., local time, on November 15, 2004 at OCLC Online Computer Library Center, Inc., 6600 Frantz Road, Dublin, OH. Ms. Wilson presided and Mr. Houfek kept the minutes of the meeting.

Trustees present:

Larry Alford
Bradley F. Baker
Edward W. Barry
William J. Crowe
Ralph K. Frasier
Maurice Glicksman
Martín Gómez
Barbara Gubbin
Victoria Hanawalt
Jay Jordan
David P. Lauer
Jane N. Ryland
Thomas W. Shaughnessy
Jerry Stephens
Lizabeth A. Wilson

Trustees Absent:

None

Also, present for all or portions of the meeting:

James T. Houfek, Vice President, General Counsel and Secretary
Rick J. Schwieterman, Vice President, Finance & Human Resources and Treasurer
Lizbeth J. Bishoff, Vice President, Digital Collections and Metadata Services.
Lorcan Dempsey, Vice President, Research and Chief Strategist
Cathy De Rosa, Vice President, Marketing
Gary R. Houk, Vice President, Corporate Information Technology & Business Integration
Victoria Johnson, Members Council Trustee-elect
George Needham, Vice President, Member Services
Elisabeth Niggemann, Trustee-nominee
Rich Rosy, Corporate Vice President, NetLibrary Division and Content Management
David Roselle, Trustee-nominee
Robert Seal, Members Council Trustee-elect
Phyllis B. Spies, Vice President, Collection Management
Rein van Charldorp, Managing Director, OCLC PICA
Charles Katz, President, Members Council
Maggie Farrell, Vice President, Members Council (by phone)
To begin the meeting, Ms. Wilson asked for any discussion on the proposed agenda, and there being none, she requested a motion to approve the minutes of the last meeting. Upon motion duly made and seconded, the Board of Trustees unanimously approved the minutes of their September 20, 2004 meeting.

Ms. Wilson referred the Board to her Chair’s report that had previously been sent to them, and which could be found at Tab 2 of the Board materials. Ms. Wilson indicated that she had nothing further to add to her report and called for questions. There were no questions asked. Ms. Wilson then reported on the meeting of the Executive Committee of the Board, indicating that the Committee had not met since the last meeting, but as Chair, she wished to thank the outgoing Committee members for all of their good work.

The Chair then called for the President’s report. Mr. Jordan first asked that the Board look to his written report for details, but then stated that he wanted to call their attention to the following specific items: (i) that copies of both the OCLC Annual Report and the employee calendar were placed at each Trustees position, and (ii) that he wished to thank all of the SLT, especially Mr. Dempsey, for their work in generating the key corporate objectives which were reviewed with the Board yesterday. A discussion followed regarding issues relating to future distribution channels and models as well as current staff morale in light of the recent reorganization actions. That concluded Mr. Jordan’s report.

Mr. Kratz then reported on behalf of Members Council that (i) he wished to express his thanks to the Board for inviting him and Ms. Farrell to attend the weekend proceedings, (ii) his and Ms. Farrell’s involvement helps the Council to formulate and consider their key objectives planning, (iii) each Trustee was given a copy of the current organizational structure of the Members Council for their reference, (iv) the Council hoped to build on the momentum created by the OCLC Environmental Scan, (v) the Council discussed the impact of the changing culture of libraries, and the challenges of changes in the delivery of materials at their October meeting, (vi) the Council agenda for the February meeting included an in-depth look at both electronic content and the future of WorldCat, (vii) both OCLC and Members Council should continue to work on improving communication between the groups, including the structure and content of future meetings of each, (viii) the Council needs to begin consideration of the future of its transitional delegates, (ix) the
Council would like to be included further upstream in pricing discussions, and (x) the Council believes issues of global strategy should be further discussed and understood. This concluded the report of Mr. Kratz.

A review of yesterday’s strategic retreat was presented by Mr. Gomez, Mr. Baker and Mr. Dempsey, and a general discussion followed. Ms. Wilson extended her thanks to all those who contributed to the retreat and characterized it as having been substantive, strong and exciting.

The Chair then called for a break at 10:10 a.m.

The meeting was reconvened at 10:25 a.m. and Mr. Stephens then reported on behalf of the Standing Joint Committee on Membership that the Committee had met before the recent Members Council meeting and (i) had considered the issue of whether contribution should be the measure of membership in the cooperative, and (ii) had discussed the issue of transitional delegates to the Members Council and how they might be handled after 2007.

The Chair then called for the report of the Audit Committee. Mr. Frasier indicated that the Committee had not met since the last meeting, but that he wished (i) to call the Board’s attention to the previously circulated financial statements, and (ii) to thank outgoing Board members Mr. Glicksman and Ms. Hanawalt for their participation and contribution to the Committee. This concluded Mr. Frasier’s report.

The Chair then called for the report of the Personnel and Compensation Committee. Ms. Ryland reported that the Committee had not met since the last meeting. Ms. Ryland indicated that the study on executive compensation by KPMG was in process. She also expressed thanks to outgoing Board members Mr. Shaughnessy, Ms. Gubbin and Ms. Hanawalt for their extensive contributions to the Committee over the years. That concluded Ms. Ryland’s report.

The Chair then requested the report of the Finance Committee. Mr. Lauer indicated that the Committee had not met since the last meeting, but that he is in frequent contact with Mr. Schwieterman throughout the year in order to update himself on the financial condition of the company. Some discussion of the current financial information followed. This concluded the report of the Finance Committee.

Ms. Wilson then called on Mr. Baker for his report from the Nominating and Board Development Committee. Mr. Baker related that the Committee had not met since the last meeting,
but that he had included the results of the recently conducted Board assessment for review by the Trustees. This concluded Mr. Baker’s report.

The Chair then called the Board into executive session at 11:05 a.m. Following that executive session, the Chair called for a short break at 11:57 a.m., and then subsequently reconvened the meeting in regular session at 12:05 p.m.

There being no further business to come before the meeting, on motion duly made and seconded, it was adjourned at approximately 12:06 p.m.

/s/  Lizabeth A. Wilson, Chair

/s/  James T. Houfek, Secretary