This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated May 30, 2006, 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 June 12, 2006 at the Hotel Montgomery, 211 South First Street, San Jose, California. 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 (Telephonically)
- Martín Gómez
- Victoria Johnson (Telephonically)
- Jay Jordan
- David P. Lauer
- Elisabeth Niggemann
- David Roselle
- Jane N. Ryland
- Robert Seal
- 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, Chief Financial Officer
- Tammi N. Spayde, Vice President, Human Resources
- Bruce Crocco, Director, Global & Segment Marketing
- James Michalko, President, The Research Libraries Group
- Susan Boren, Consultant, Spencer Stuart

To begin the meeting, Ms. Wilson thanked Ms. Ryan for her hard work in setting up all of the meeting facilities. She then asked for any discussion on the proposed agenda, and there being none, she requested a motion to approve the minutes of the meeting of the Board of Trustees held on April 10, 2006. Upon motion duly made and seconded, the Board of Trustees unanimously approved the minutes of that meeting.
Ms. Wilson referred the Board to her Chair’s report previously sent to them and found at Tab 2 of the Board materials, indicating that she had the following additional items to add: (i) following the Board meeting, she and Mr. Jordan will be meeting with the employees of Research Library Group, Inc. for a question and answer session, (ii) the five members to be named to the RLG Program Council by the Board, and the two members to be named by Mr. Dempsey, have been selected, and (iii) Ms. Wilson received a letter from a Members Council delegate regarding the composition and selection process of the Members Council elected members of the Board of Trustees. Ms. Wilson indicated that she would be responding to the author of the letter shortly. Ms. Wilson then called for questions or comments. There being none, Ms. Wilson reported on the meeting of the Executive Committee of the Board, indicating that all of the Committee members had met (Mr. Frasier via conference telephone) and that the Committee had: (i) reviewed plans for the November 11th through the 13th, 2006 Board/SLT retreat and meeting; (ii) reviewed plans for the June 10th and 11th 2007 Board Meeting to be held in Amsterdam, the Netherlands, including the related activities and schedules for those meetings, and (iii) engaged in an update regarding the RLG transaction. There being no further discussion, that concluded Ms. Wilson’s report.

The Chair then called for the President’s report. Mr. Jordan asked that the Board look to his written report for details, a copy of which could be found at Tab 3 of the Board materials, and then called their attention to the following specific items: (i) the Board should note that during 2005, 5 million records were added to WorldCat, but in the first 6 months of 2006 there have been over 8 million records added, (ii) an updated roadmap of OCLC’s global intentions was presented to Members Council at their recent meeting, (iii) certain OCLC staff members would be attending the RLG membership meeting later this week, (iv) Christine Deschamps’ consulting services would be terminated effective August 2006 after several years of valuable service, and (v) Mr. Jordan wanted to thank the staff of RLG for all of their efforts in effecting the transition to becoming an OCLC division. That concluded Mr. Jordan’s report. A general discussion followed.

Ms. Johnson then reported that the Joint Committee on Membership had met and discussed a recommendation of a resolution revising the Membership Protocols which were approved by Members Council at their May, 2006 meeting. The Membership Protocols include a
provision to elect 66 delegates, with an additional 6 delegates to be designated annually by a joint vote of the Members Council in May and concurrence by the Board in June. Ms. Johnson then indicated that the Committee had recommended the following resolution (which could be found at Tab 4 of the Board materials) for approval by the full Board:

WHEREAS, the Standing Joint Committee on Membership has made its report to Members Council for 2006; and

WHEREAS, this report contains recommendations to the Members Council and the Board of Trustees regarding the addition of six new designated delegates to the Council; and

WHEREAS, the Committee has provided the Council a draft revision of the Membership and Contribution Protocols to implement these recommendations;

BE IT THEREFORE RESOLVED that the Report of the Standing Joint Committee on Membership be accepted by the Members Council; and

BE IT FURTHER RESOLVED that the Membership and Contribution Protocols be amended as shown in proposed draft revision distributed to Council on May 2, 2006, and amended May 22, 2006; and

BE IT FURTHER RESOLVED that these amendments would become effective July 1, 2006; and

BE IT FURTHER RESOLVED that the 2006-2007 Standing Joint Committee on Membership be charged with developing recommendations for the consideration of Members Council and the Board of Trustees on those areas to be designated for representation on the 2007-2008 Council; and

BE IT FURTHER RESOLVED that the Standing Joint Committee on Membership also be charged with monitoring progress on implementation of new financial systems at OCLC in order to make recommendations to Council and the Board on when financial contribution could be added to the delegate allocation formula; and

BE IT FINALLY RESOLVED that this resolution be submitted to the Board of Trustees for action at its meeting on June 12, 2006.

Mr. Gomez commented that a change to the delegate selection formula to allow for financial contributions was being considered, but could not be implemented yet due to limitations of the current software used to track same. There being no further comments and no second being necessary, a vote was taken on the foregoing resolution and said resolution was unanimously approved by the full Board. This concluded the report of the Joint Committee on Membership.
The Chair then requested the report of the Finance Committee. Mr. Barry indicated that the Committee met on June 11, 2006 and that all of the Committee members were present (Ms. Johnson via conference telephone). Mr. Barry then indicated that the Committee had discussed the following matters: (i) results of the April 2006 joint budget meeting, (ii) the content and structure of upcoming Board meeting discussions including:

- the NetLibrary 3 year plan
- the global development shortfall
- recent acquisitions, and
- the effect of Open WorldCat on FirstSearch revenues.

(iii) a review of the latest financial forecast for FY 2006, (iv) a review of the current status of the RLG acquisition, and (v) the approval and recommendation of the following two resolutions (which could be found at Tab 5 of the Board materials) for approval by the full Board:

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Commercial Segment Corporate Resolution

(Deposit Account)

**BANK USE ONLY: DO NOT SEND TO ACCOUNT RECORDS – SEND TO WA1-501-08-21**

| Organization Legal Name: OCLC Online Computer Library Center, Inc. |
| Tax ID Number: 31-0734115 |

RESOLVED, that the above referenced "Corporation" authorizes each person holding any of the following officer positions:

| Title: President and Chief Financial Officer |
| Title: Vice President and General Counsel Budgets |
| Title: Investment and Risk Manager |

| Title: Director, Financial Planning and |
| Title: |
(each an "Authorized Officer"), acting alone, to: (1) establish now with Bank of America (the
"Bank") one or more deposit accounts and additional accounts from time to time; and (2) to
designate from time to time persons to operate each account.

RESOLVED FURTHER, that this organization adopts for each account the Authorization in
the Bank's agreement entitled Commercial Segment Deposit Account Signature Card, which is
incorporated by this reference.

SECRETARY’S CERTIFICATE

I certify that I am the Secretary of the Corporation named above; that the foregoing is a
complete, true and correct copy of resolution of the Board of Directors of the Corporation, or a duly
authorized committee of the Board, duly and regularly adopted by the Board of Directors of the
Corporation in all respects as required by law and the bylaws of the Corporation; and that the
resolutions are still in full force and effect and have not been amended or revoked and do not
exceed the objects or powers of the Corporation or the powers of its directors.

I further certify that the persons whose names, titles and signatures appear in the
Agreement section of the Signature Card are authorized to establish accounts for the Corporation
and to designate persons to operate each account and to execute that certain Authorization and
Indemnity Agreement by Agent, if applicable, and that their signatures are genuine.

I further certify that the persons who signed in the Designated Account Signers section of
the Signature Card are authorized to operate each account specified on the Signature Card and
that their signatures are genuine.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Corporation on

Dated: June 21, 2006

By: ______________________________

(Signature)

Name: James T. Houfek

BANK OF AMERICA
(Second Resolution)

RESOLVED, that the above referenced "Corporation" authorizes
each person holding any of the following officer positions:

President
Vice President and Chief Financial Officer
Vice President and General Counsel
Director, Financial Planning and Budgets
Investment and Risk Manager
(each an "Authorized Officer"), acting alone, to: (1) establish now with Bank of America (the "Bank") one or more deposit accounts and additional accounts from time to time; and (2) to designate from time to time persons to operate each account.

RESOLVED FURTHER, that this organization adopts for each account the Authorization in the Bank's agreement entitled Commercial Segment Deposit Account Signature Card, which is incorporated by this reference.

No second being necessary and no further comments being expressed, a vote was taken on each of the foregoing resolutions and each of said resolutions was unanimously approved by the full Board. This concluded the report of the Finance Committee.

The Chair then called for the report of the Audit Committee. Mr. Stephens indicated that the Committee met with all members present to consider the extension of the Deloitte and Touche corporate audit for an additional three years. Following some discussion, Mr. Stephens indicated that the Committee had recommended the following resolution (which could be found at Tab 6 of the Board materials) for approval by the full Board:

WHEREAS, the Audit Committee has reviewed a proposal by Deloitte & Touche to conduct the annual audit of the Corporation for the Fiscal years 2007, 2008 and 2009;

WHEREAS, the Audit Committee has presented its recommendation to the full Board for its consideration;

NOW, THEREFORE, BE IT RESOLVED, that subject to the negotiation of a mutually satisfactory engagement agreement by management, the firm of Deloitte & Touche be engaged by OCLC to perform the annual audit of the Corporation for a period of three (3) years beginning with the fiscal year ending June 30, 2007.

Therefore, Jerry Stephens, Chair of Audit Committee and Robert L. Jordan, President and Chief Executive Officer and Rick J. Schwieterman, Vice President and Chief Financial Officer and James T. Houfek, Vice President and General Counsel of the Corporation be and they hereby are each individually authorized to take whatever action they deem necessary and appropriate in order to carry out the purposes of the foregoing Resolution.

There being no further comments and no second being necessary, a vote was taken on the foregoing resolution and said resolution was unanimously approved by the full Board. This concluded Mr. Stephens report.
At this point in the meeting, Ms. Johnson ended her telephonic participation.

A report was then made by Messrs. Crocco, Michalko and Jordan on the current status of the RLG transition. Following this report, the Chair called for a recess in the meeting at 10:10 a.m. The meeting reconvened at 10:25 a.m., without Messrs. Crocco and Michalko.

The Chair then called for the report of the Personnel and Compensation Committee. Ms. Ryland reported that the Committee met with all members present (Ms. Johnson via conference telephone) and that they discussed the following issues: (i) review of the results of an executive compensation study coordinated by Ms. Spayde and prepared by Hewitt and Associates, including review of an opinion letter prepared by outside counsel, (ii) review of 2006 and 2007 MIP issues including officer targets for 2007, (iii) the upcoming employee opinion survey and (iv) review and approval of several resolutions which would be discussed further in executive session later today. That concluded Ms. Ryland’s report.

Ms. Wilson then called on Mr. Alford for his report from the Nominating and Board Development Committee. Mr. Alford related that the Committee met and: (i) discussed the new trustee orientation for November which Mr. Seal will be coordinating, including issues of mentoring assignments and related matters, (ii) discussed the status of the Board development and effectiveness study being conducted by Ms. Susan Boren of Spencer Stewart, (iii) discussed the continuance of the Board self-assessment survey process, (iv) discussed the November retreat being conducted by a facilitator from The Ohio State University’s Fisher College of Business, using case study methodology to examine the next 2-3 years of OCLC’s business directions, (v) began consideration of FY2007 Committee assignments, with the goal of making recommendations at the September meeting, and (vi) discussed some additional issues that would be shared with the Board later today in executive session. This concluded Mr. Alford’s report.

The Chair then called for new business, and there being none, called the Board into executive session at 10:43 a.m.

Following that executive session, the Chair reconvened the meeting in regular session at 11:59 a.m., at which time it was reported that the following resolutions had been discussed, moved, seconded and approved (as noted) by the Board while in executive session:
RESOLVED, That in view of the Corporation’s interest in expanding its services to its membership, the Corporation should proceed with further investigation of the potential for merger with and/or acquisition of DiMeMa, Inc. ("DiMeMa").

Therefore, Robert L. Jordan, President and Chief Executive Officer; Rick J. Schwieterman, Vice President and Chief Financial Officer or James T. Houfek, Vice President and General Counsel of the Corporation be and they hereby are each individually authorized to take the following actions in the name and on behalf of this Corporation:

1) To enter into a non-binding Letter of Intent with the above organization;

2) To conduct an appropriate due diligence process to determine the acceptability of such organization for merger and/or acquisition; and

3) If satisfied with the due diligence review, to negotiate a proposed definitive agreement for presentation to and final approval of the Executive Committee of the OCLC Board of Trustees.

FURTHER RESOLVED, That the other officers of this Corporation be and they are each individually authorized to execute and deliver in the name and on behalf of this 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 Resolution, as directed by Messrs. Jordan, Schwieterman and/or Houfek.

(Note: Ms. Wilson was not present for the discussion or vote on the above resolution. The resolution was moved, seconded and unanimously approved by the Trustees present.)

HEWITT ASSOCIATES
RESOLVED, that after review by the Personnel and Compensation Committee of the report entitled “Compensation Benchmarking and Philosophy” dated June 2006 and the accompanying presentation made by Hewitt & Associates to the Personnel and Compensation Committee, and after additional discussion with the full Board, the following is hereby approved and adopted, including without limitation:

- The discussion under the heading “Articulating a Compensation Philosophy,” together with the changes discussed, is hereby adopted as the
philosophy governing compensation of all employees; and

- The conclusions made, and midpoints among the comparable compensation data recommended, by Hewitt in its presentation, together with the changes as discussed, are hereby adopted for implementation of compensation for the period beginning July 1, 2006.

FURTHER RESOLVED, that the representatives of Hewitt participating in these discussions are hereby authorized to complete and finalize such compensation philosophy and such conclusions and recommendations with the changes discussed and to present the same to the appropriate officers of the Corporation for inclusion in the minutes of the Personnel and Compensation Committee or other appropriate records of the Corporation and, for implementation by the Corporation.

CEO PERFORMANCE AND SALARY

RESOLVED, that following a review of the individual performance of the President & CEO for FY 2005/2006, the Board in executive session hereby approves the annual base salary for Robert L. Jordan to be effective July 1, 2006.

CEO EMPLOYMENT AGREEMENT

RESOLVED, that after review and discussion to amend the Employment Agreement between OCLC and Robert L. Jordan as set forth in the Third Amendment, the recommendation of the Personnel and Compensation Committee of the Board of Trustees, be and the same are hereby approved. Either the Chair or the Vice-Chair is hereby authorized and directed to make whatever modifications they may deem appropriate in order to finalize said amendment with Mr. Jordan, and to execute said amendment on behalf of the corporation.

(Note: Mr. Jordan was not present for the discussion or vote on the above resolutions. The resolutions were each moved, seconded and unanimously approved by the Trustees present.)

FY2006 MIP Non-Executive Incentive Compensation

RESOLVED, that following review by both the Personnel & Compensation Committee and the Board in executive session, the recommendations of the Personnel and Compensation Committee regarding a Management Incentive Plan award as presented in executive session
be approved and the allocation of said funds be directed as follows:

(1) Management Incentive Plan awards to non-executive plan participants of the Corporation be and the same are hereby approved as determined by the President and Chief Executive Officer pursuant to the provisions of the Management Incentive Plan.

(2) Management Incentive Plan awards to terminated participants be and the same are hereby approved as presented.

APPOINTMENT OF JIM MICHALKO

RESOLVED, That, contingent upon the satisfactory closing of the Asset Purchase Agreement between the Corporation and The Research Libraries Group, Inc. the President may appoint Jim Michalko as Vice President of RLG-Programs Development, and his base salary be approved effective July 1, 2006; and

FURTHER RESOLVED, that following review by both the Personnel and Compensation Committee and the Board in executive session, the recommendations of the Personnel and Compensation Committee regarding Mr. Michalko’s Management Incentive Plan target for FY2007 are hereby approved.

(Note: The above resolutions were each moved, seconded and unanimously approved by the Trustees present.)

There being no further business to come before the meeting, and upon motion duly made and seconded, the meeting was adjourned at approximately 12:00 p.m.

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/s/ Lizabeth A. Wilson, Chair    /s/ James T. Houfek, Secretary