This meeting of the Board of Trustees of OCLC Online Computer Library Center, Inc., pursuant to the notice of the Secretary dated January 31, 2007, 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 February 12, 2007 at 6600 Kilgour Place, Dublin, OH, 43017. Ms. Wilson presided as Chair and Mr. Houfek kept the minutes of the meeting.

Trustees present:
Larry Alford
Edward W. Barry
William J. Crowe
Maggie Farrell
Ralph K. Frasier
Victoria Johnson
Jay Jordan
David P. Lauer
Bruce Newell
Elisabeth Niggemann
David Roselle
Jane N. Ryland
Robert Seal
Jerry Stephens
Betsy 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
Cathy De Rosa, Vice President, Marketing and Library Services
Lorcan Dempsey, Vice President and Chief Strategist
Gary R. Houk, Vice President, Corporate Information Technology & Business Integration
James Michalko, Vice President, RLG Programs Development
George Needham, Vice President, Member Services
William Nilges, Vice President, New Services
Rich Rosy, Corporate Vice President, NetLibrary Division and Content Management
Tammi N. Spayde, Vice President, Human Resources
Phyllis B. Spies, Vice President, Collection Management
Michael Teets, Vice President, Global Product Architecture
Greg Zick, Vice President, Digital Collection Services
Jim Neal, Chair of the RLG Committee

To begin the meeting, Ms. Wilson noted a few changes to the agenda, and then requested a motion to approve the minutes of the annual meeting and the special meeting of the
Board of Trustees, both of which were held on November 13, 2006. Upon motion duly made and seconded, the Board of Trustees unanimously approved the minutes of each of those meetings.

Ms. Wilson referred the Board to Tab 2 of the Board materials for the Chair’s report. There were no additional questions.

Ms. Wilson then indicated that the Executive Committee of the Board met on February 11, 2007 and had: (i) reviewed a preliminary schedule for the Board meetings to be held in 2008 with a final vote to be taken at the April Board meeting, (ii) continued discussion of the status and various timelines of the Spencer Stewart report, and (iii) held the usual exchange with Mr. Jordan regarding the current state of affairs of the Corporation. There being no additional comments, 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) congratulations were due to Mr. Neal, Mr. Roselle and Ms. Wilson, each of whom had recently been honored for certain individual achievements, (ii) a summary of the recent Members Council meeting in Canada which involved several issues and discussions relevant to the OCLC/Network relationships, and (iii) a responsive memorandum was being prepared that would deal with the issues raised regarding the OCLC/Network relationships at the recent Members Council meeting. That concluded Mr. Jordan’s report.

Ms. Wilson then called on Ms. Johnson for her report from the Joint Committee on Membership. Ms. Johnson related that the Committee met on February 11, 2007 and had: (i) discussed the issues and attendant resolutions which were brought forward to Members Council, one of which was withdrawn and a second regarding the ownership of cataloging credits which the Committee unanimously determined was inappropriate and unnecessary as no alterations were needed to the existing practices, and (ii) discussed a survey that would be conducted in the next thirty days or so which would attempt to determine the best methodology for selecting the six new designated delegates to Members Council. This concluded Ms. Johnson’s report on behalf of the Committee.
The Chair then called for the report of the Finance Committee. Mr. Barry indicated that the Committee met, and had: (i) reviewed financial results and estimates with Mr. Schwieterman including positive indicators for revenue and contribution before portfolio gains, (ii) reviewed expenditures that had been made out of the strategy fund, including the opening of an office in China and several new product initiatives, (iii) reviewed individual business segment reports, and (iv) reviewed recent activities of OCLC Pica. Mr. Barry then introduced the following three resolutions which the Committee approved and unanimously recommended to the full Board for passage:

**BANK ACCOUNTS**

WHEREAS, OCLC maintains the following accounts with the banks identified below. Due to changes in titles and responsibilities, OCLC needs to update the signatories on each account to reflect the following:

Any one of the following officers or representatives of OCLC is authorized to sign as to amounts of $50,000.00 or less or any two of the following as to amounts in excess of $50,000.00, namely: President; Vice President, Chief Financial Officer and Treasurer; Vice President and General Counsel; Sr. Manager Treasury Services & Cost Accounting; and Director, Financial Planning and Budgets. The officers or
representatives or other officers or representatives duly appointed by any one of those officers of OCLC or otherwise will be authorized as set forth above.

National City Bank:
846833073 Payroll Account
846822307 General Account
0100925 Disbursement Account
984230318 Wire Account

Bank of Montreal
1250981 General Account

Bank of America
1493204308 General Account
1493204307 Sweep Account

Any one of the following officers or representatives of OCLC is authorized to sign as to amounts of $550,000 Pesos or less or any two of the following as to amounts in excess of $550,000.00 Pesos, namely: President; Vice President, Chief Financial Officer and Treasurer; Vice President and General Counsel; Sr. Manager Treasury Services & Cost Accounting; Director, Financial Planning and Budgets; and Director, OCLC Mexico. The officers or representatives or other officers or representatives duly appointed by any one of those officers of OCLC or otherwise will be authorized as set forth above.

BANAMEX
9774009 OCLC Mexico

RESOLVED, that the Vice President, Chief Financial Officer and Treasurer and the Vice President and General Counsel are authorized to change the titles of the authorized signatories on the Accounts as set forth above and;

RESOLVED FURTHER, that all such changes as set forth above delivered to Bank and other acts taken in connection therewith on behalf of OCLC are hereby ratified, confirmed and approved by this governing body; and

RESOLVED FURTHER that this resolution supersedes and replace all prior resolutions with respect to the Account.

TREASURY SERVICES

WHEREAS, OCLC has entered into agreements with National City Bank ("Bank"), from time to time, to furnish treasury management services to OCLC, which agreements may relate to one or more of the deposit accounts of OCLC with Bank.

RESOLVED, that, in connection herewith, (a) any of the following, namely: President; Vice President of Finance, Chief Financial Officer and Treasurer; Vice President and General Counsel be and each of them was authorized for and on behalf of OCLC to execute and deliver to Bank such agreements and other writings, if any, as Bank may require, which agreements and other writings, if any, each shall be in such form and contain such representations, agreements, authorizations, waivers and other provisions as Bank may require and as the person executing such agreements on behalf of OCLC may
approve, and (b) any of the following, namely: Sr. Manager Treasury Services & Cost Accounting be authorized for and on behalf of OCLC to make and do all such further and other acts and things, including but not limited to, supplying operational and procedural information to Bank, as Bank may from time to time deem necessary or advisable in connection with the foregoing, and, in each case, any such person’s execution thereof or other acts in connection therewith shall be conclusive evidence of his or her approval and the approval of this governing body; and

RESOLVED FURTHER, that certification of the names, titles and specimen signatures of the persons herein authorized to act on behalf of OCLC shall be furnished to Bank, and that Bank is authorized to rely on this certification until written notice of any change therein, in a form satisfactory to Bank, shall have been received by the appropriate officer of Bank.

SMITH BUILDING PARKING LOT

RESOLVED, that the Corporation be, and it hereby is, authorized to expand the Smith Building parking lot and redesign the 5-way intersection, with the understanding that the total cost shall not exceed $850,000.00.

FURTHER RESOLVED, that as the three phases of this project occur due to increased tenancy in the Smith Building the Corporation is authorized to proceed with the expansion after review by the Corporation's internal finance committee.

FURTHER RESOLVED, that Robert L. Jordan, Rick J. Schwieterman and James T. Houfek be and they are each hereby authorized to execute and deliver in the name and on behalf of this Corporation such additional agreements, instruments and other documents, and to do such other acts and things as they or any of them shall deem necessary or appropriate to carry out the purposes of the foregoing Resolution.

Having been recommended by the Committee and thus no further motion or second being necessary, each of the aforementioned resolutions were separately voted on by the full Board, and each resolution was unanimously approved.

The Chair then called for the report of the Personnel and Compensation Committee. Ms. Johnson reported that the Committee met, and had: (i) received a report from Mr. George Walter on the status of the corporate internal audit and non-financial metrics status, (ii) reviewed certain issues with the “participants” metric which are being addressed by Mr. Houk, and (iii) reviewed the Committee Charter and suggested changes thereto. Ms. Johnson then indicated that the Committee had reviewed and unanimously recommended the following resolution for approval by the full Board:

RESOLVED, that the proposed Personnel and Compensation Committee Charter as presented to this Board be, and the same is, hereby approved.
Discussion ensued, and several corrections were made to the proffered Charter. Thereafter, having been recommended by the Committee and thus no further motion or second being necessary, the aforementioned resolution was voted on by the full Board, and was unanimously approved.

The Chair then called for the report of the Nominating and Board Development Committee. Ms. Niggemann reported that the Committee met, and had: (i) discussed new Board member orientation procedures, (ii) reviewed and conducted an evaluation of the recent Board/SLT retreat, and (iii) discussed the exit survey summary from those Board members who had recently concluded their Board service. Ms. Niggemann then reminded the Board that the Committee is still interested in any candidate recommendations for future Board vacancies. That concluded Ms. Niggemann’s report.

The Chair then called for the report of the Audit Committee. Mr. Seal indicated that the Committee met and accomplished the following: (i) met with representatives of Deloitte and Touche and discussed various issues, not including the OCLC Pica audit, new accounting rules that would affect the Company in the coming year, and new FASB rules for tax-exempt organizations, (ii) heard a report from Mr. Houfek on his initiation of a formal patent protection program for the Company, (iii) discussed the current forms for the conflict of interest statements and the new IRS Form 990 disclosure forms, and (iv) discussed the letter of engagement for Deloitte and Touche for the corporate audit for FY2007. Mr. Seal then indicated that the Committee had reviewed and unanimously recommended the following resolution for approval by the full Board:

RESOLVED, That Deloitte & Touche be engaged to perform the annual audit of the Corporation for the year ending June 30, 2007.

Having been recommended by the Committee and thus no further motion or second being necessary, the aforementioned resolution was voted on by the full Board, and was unanimously approved.

The Chair then called for the report of the RLG Committee. Mr. Neal reported that the Committee met, and had: (i) continued its monitoring of the transition of former RLG products and services over to OCLC, (ii) discussed becoming more aggressive in terms of increasing the
number of RLG Partners whose fees help to support specific research library work, (iii) discussed the RLG portion of the OCLC budget in detail, and (iv) discussed prioritization of strategic program initiatives. Mr. Neal then thanked Mr. Michalko and Mr. Dempsey for their efforts towards defining the RLG initiatives and existence within OCLC. That concluded Mr. Neal’s report.

The Chair then called for a break at 9:30 a.m.

The Chair then reconvened the meeting at 9:50 a.m., following which the following reports were delivered to the Board:

- Corporate Strategy Update: Mr. Dempsey
- Enterprise Resource Plan: Mr. Houk and Mr. Teets

Following the above presentations, the Chair then called for a break at 10:55 a.m.

The meeting was reconvened at 11:10 a.m. in executive session, with all Board members present except Mr. Roselle.

During the meeting, the following resolution was discussed, moved and seconded, and upon vote was unanimously approved by all Board members present:

RESOLVED, that

WHEREAS, the OCLC governance structure adopted in 1977, last revised in 2000, provides libraries and other cultural heritage institutions means for them to elect members of the Board of Trustees; and

WHEREAS, today, more than 57,000 libraries and other cultural heritage institutions in 112 countries and territories contribute to and use one or more of the products and services offered by OCLC, and

WHEREAS, OCLC’s chartered public purpose is

. . . to promote the evolution of library use, of libraries themselves, and of librarianship, and to provide processes and products for the benefit of library users and libraries, including such objectives as increasing availability of library resources to individual library patrons and reducing rate of rise of library per-unit costs, all for the fundamental public purpose of furthering ease of access to and use of the ever expanding body of worldwide scientific, literary and educational knowledge and information.

and

WHEREAS, the OCLC Board of Trustees, consistent with the recommendations of the Advisory Council that were made in December 2000, wishes to commission a review of OCLC’s governance to ensure that OCLC can successfully meet current and emerging needs of libraries and other cultural heritage organizations across the world,
NOW, THEREFORE, be it resolved that the OCLC Board of Trustees authorizes the Chair of the Board, working with the President and CEO, to take all steps necessary to undertake such governance study, at a total cost to be approved by the OCLC Board, with the goal of being prepared to present the results thereof at the November 2007 meeting of the OCLC Board of Trustees.

Said study at a minimum shall:

1. Draw on the research and analyses done by OCLC and others to understand the environmental factors likely to have an impact on libraries, other cultural heritage institutions, and OCLC into the coming decade.
2. Review and evaluate the current and alternative governance forms for OCLC.
3. Recommend a governance structure appropriate to the roles that OCLC is expected to carry out in the next decade.

The following will participate in the study, with roles noted, as follows:

**OCLC Board of Trustees**

1. Upon the recommendation of the Chair of the Board, approve the appointment of the chair and members of a governance study committee, the majority of whose members will be current or past members of the OCLC Board of Trustees.
2. Approve a budget to carry out the study.
3. Monitor progress throughout the process.
4. Consider recommendations resulting from the study and take appropriate actions on any proposed changes.

**OCLC Members Council**

1. Participate in the study committee.
2. Monitor progress throughout the process.
3. Participate in discussions, both at Members Council meetings and in other forums, during the study.
4. Consider any actions passed by the Board for ratification (tentatively, at the February 2008 meeting) and take appropriate actions (tentatively, at the May 2008 meeting).

**Governance Study Committee**

1. Develop a plan of action for approval by the Board.
2. Carry out that plan, aided by OCLC staff and any consultants, as needed.
3. Develop recommendations about governance structure.
4. The Committee, represented by its Chair, will present any recommendations for action at the November 2007 meeting of the Board.

**OCLC Staff**

1. Assist the Board in identifying and recruiting committee members.
2. Create and implement, with the study committee, the Board and the Members Council, a multidimensional communication strategy to engage the membership, other stakeholders, and the wider community about this study.
3. Provide logistical and technical support, e.g., OCLC General Counsel will review proposals for their consistency with the Charter and for effects on the current Code of Regulations and other relevant bylaws and protocols.
4. Provide information on libraries and other cultural heritage institutions, their current and potential users, and the environments in which they function, all in a global context.
5. Implement any changes approved by the Board and ratified by the Members Council.

Following a request for new business (there was none), upon motion duly made and seconded, the meeting was adjourned at approximately 12:22 p.m.

/s/ Betsy Wilson, Chair

/s/ James T. Houfek, Secretary