

**OVERSEAS PRIVATE INVESTMENT CORPORATION  
MINUTES OF THE OPEN SESSION OF THE JUNE 12, 2014  
BOARD OF DIRECTORS MEETING**

**Directors:**

Elizabeth L. Littlefield, President & CEO, Overseas Private Investment Corporation, Chair  
Dr. Rajiv Shah, Administrator, U.S. Agency for International Development (via teleconference)  
Ms. Catherine A. Novelli, Under Secretary for Economic Growth, Energy and the Environment,  
U.S. Department of State  
Mr. Christopher P. Lu, Deputy Secretary of Labor, U.S. Department of Labor  
Michael J. Warren, Principal, Albright Stonebridge Group  
Terry Lewis, Principal, LIA Advisors, LLC  
Roberto R. Herencia, President & CEO, BXM Holdings, Inc.  
Maxwell T. Kennedy, Director, Kennedy Enterprises  
James A. Torrey, Director, The Torrey Family Office  
James M. Demers, President, Demers & Blaisdell, Inc.

**Other Attendees:**

Cecily David, Program Analyst, Economic Growth, Education and Environment,  
U.S. Agency for International Development  
Thomas Fine, Director of Services and Investment, Office of the United States Trade Representative  
Michael C. Fuchs, Team Leader, Trade and Project Finance, U.S. Department of Commerce  
Karen F. Travis, International Economist, U.S. Department of Labor  
Bonnie Resnick, International Economist, U.S. Department of the Treasury  
Joshua Archibald, Financial Economist, U.S. Department of State  
Erika Hamalainen, Program Examiner, Office of Management & Budget

**OPIC Attendees:**

**Office of the President**

John E. Morton, Chief of Staff  
Paula Tufro, Deputy Chief of Staff  
Astri Kimball, Senior Advisor for Policy and Operations  
Keith Kozloff, Director of Accountability

**Office of the Chief Financial Officer**

Allan Villabroza, Deputy Vice President and Treasurer  
Stephanie I. Kaufman, Managing Director, Budget and Resource Planning  
Yvonne Durazzo, Managing Director, Risk Management

**Office of Investment Policy**

Margaret L. Kuhlow, Vice President, Investment Policy  
Mary S. Boomgard, Managing Director, Environmental Impact Analysis Group  
Tara L. Guelig, Senior Labor and Human Rights Analyst  
Lori Leonard, Managing Director, Economic & Development Impact

**Structured Finance**

Michael S. Whalen, Vice President, Structured Finance  
Tracey L. Webb, Managing Director, Structured Finance  
Nancy A. Rivera, Managing Director, Structured Finance  
Alex Hadden, Associate Director, Structured Finance  
Ali Ayub, Director, Structured Finance  
James D. Meffen, Director, Structured Finance

**Small and Medium Enterprise Finance**

James C. Polan, Vice President, Small and Medium Enterprise Finance  
John R. Aldonas, Deputy Vice President  
Michael Ratliff, Managing Director, Renewable Energy Finance  
Debra L. Erb, Managing Director, Housing Project Finance  
Hassan Z. Qayyum, Project Finance Specialist

**Investment Funds**

Brooks B. Preston, Vice President, Investment Funds  
Barbara F. Brereton, Managing Director, Private Equity  
Carolyn A. Keating, Director, Private Equity  
Suzanne Etcheverry, Director, Investment Funds  
Adam McConagha, Director, Investment Funds  
Colin Butnick, Director, Investment Funds  
Akobundu Chinesom (Chin) Ejiasa, Director, Investment Funds

**Insurance**

John F. Moran, Vice President, Insurance

**Office of External Affairs**

Judith D. Pryor, Vice President, External Affairs  
Aysha House-Moshi, Director of Congressional Affairs  
James W. Morrison, Special Assistant (Congressional and Intergovernmental Affairs)

**Department of Legal Affairs**

Kimberly Heimert, Vice President and General Counsel and Counsel to the Board  
Barbara K. Day, Associate General Counsel, Investment Funds  
Brian Christaldi, Associate General Counsel, Project Finance  
Merlin Liu, Associate General Counsel, Direct Loans and Housing Finance  
Harriette (Rette) Lopp, Assistant General Counsel  
Andrea Keller, Assistant General Counsel  
Miguel E. Rubio, Assistant General Counsel  
Alexander M. Evans, Assistant General Counsel  
Shai Ingber, Assistant General Counsel  
Mark C. Paist, Assistant General Counsel  
Amy L. Bailey, Assistant General Counsel  
Cameron S. Alford, Assistant General Counsel  
Lisa Pettinati, Senior Commercial Counsel  
Connie M. Downs, Corporate Secretary

**Office of Administrative Services**

Dennis Lauer, Vice President, Department of Management & Administration and Chief Information Officer

**Office of Human Resources**

Rita Moss, Vice President for Human Resources

## MEETING CALLED TO ORDER

Ms. Littlefield called the meeting to order at 10:45 AM. She noted that Christopher Lu, Deputy Secretary of Labor and a new member to the Board, is expected to join the meeting. She also noted that the Board had approved the confirmations of Kimberly Heimert as Vice President and General Counsel and Brooks Preston as Vice President, Investment Funds via notational vote in late May, who were also expected to join the meeting.

### A. PRESIDENT'S REPORT

Before presenting her President's Report, Ms. Littlefield called on Ms. Downs to report on the outcome of OPIC's Public Hearing in Conjunction with today's meeting. Ms. Downs reported that OPIC published notice of its Public Hearings in *The Federal Register*. No requests were received to speak or to submit copy for the record, so the meeting was not held.

Ms. Littlefield then presented her President's Report, a copy of which is incorporated by reference into these minutes as Attachment A.

### B. APPROVAL OF AMENDED AUDIT COMMITTEE CHARTER

Ms. Littlefield noted that the Amended Audit Committee Charter effectively permits the number of Committee members to be extended from three and five. She added that the Charter was approved by the Audit Committee yesterday, and the Audit Committee is recommending that the Charter be approved by the Board. Ms. Lewis moved and Mr. Torrey seconded the motion to approve, and by a unanimous voice vote the following resolution was approved by the Board.

**BE IT RESOLVED**, that Article IV, Section 2. Audit Committee of the **OPIC Bylaws**, is hereby amended as follows:

Section 2. Audit Committee. There shall be an Audit Committee consisting of at least three and no more than five Directors other than the President & Chief Executive Officer. The Chair of the Board shall, from time to time, nominate Directors to serve on the Audit Committee for the Board's approval. One of the Directors so approved shall, from time to time, be designated by the Chair of the Board to serve as Chair of the Audit Committee. A majority of the Audit Committee members shall constitute a quorum (*i.e.*, two members constitute a quorum if the Audit Committee consists of three members; three members constitute a quorum if the Audit Committee consists of four or five members). The Audit Committee shall report to the Board, and shall be responsible for providing assistance to the Board in fulfilling its oversight responsibilities, which include: determining that the Corporation has adequate administrative and financial controls, reviewing the financial statements prepared by management for distribution to Congress and the public, providing oversight regarding the Corporation's internal audit function and the Corporation's independent accountants, and receiving and reviewing reports from an Inspector General.

**BE IT FURTHER RESOLVED**, that the Audit Committee Charter attached hereto is hereby adopted.

## OVERSEAS PRIVATE INVESTMENT CORPORATION

### Charter for the Audit Committee of the Board of Directors

(Pursuant to Article IV, Section 2 of the OPIC Bylaws (the “Bylaws”), as adopted by the Board of Directors (the “Board”) of the Overseas Private Investment Corporation (the “Corporation”) on June 12, 2014)

**Purpose:** The purpose of the audit committee (the “Committee”) is to provide assistance to the Board in fulfilling its oversight responsibilities with respect to the Corporation’s financial reporting process, system of risk management and internal control, and audit process, and to provide an avenue of communication between management, the independent auditors, the internal auditors and the Board with respect to such matters.

**Authority:** The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. Specifically, it is empowered to:

- appoint and oversee the work of any registered public accounting firm employed by the Corporation;
- resolve any disagreements between management and the auditor regarding financial reporting;
- pre-approve all auditing and non-audit services;
- retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;
- seek any information it requires from employees – all of whom are directed to cooperate with the Committee’s requests; and
- meet with the Corporation’s officers, external auditors, or outside counsel, as necessary.

**Composition:** The Committee will consist of at least three and no more than five members of the Board other than the President & Chief Executive Officer. The Committee members and the Chair will be appointed as provided in Article IV, Section 2 of the Bylaws.

**Meetings:** The Committee will meet periodically throughout the year at the call of the Chair as necessary to discharge its responsibilities, but

not less than quarterly. A majority of the Audit Committee members shall constitute a quorum (*i.e.*, two members constitute a quorum if the Audit Committee consists of three members; three members constitute a quorum if the Audit Committee consists of four or five members). Members may attend in person or via conference call or any other means by which all members may hear and respond to each other's statements contemporaneously. The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary or appropriate. The Committee will hold private meetings with auditors and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

Audit Committee  
Duties and  
Responsibilities:

The Committee's duties and responsibilities consist of oversight and are not managerial.

The Committee's duties and responsibilities shall include the following:

- (1) Select the independent public accountants who will perform the financial audit function.
- (2) Review and comment on the financial audit scope, risk assessment and audit plan of the independent public accountants.
- (3) Discuss with the independent public accountants:
  - the results of the Corporation's annual financial audit at the conclusion of the audit;
  - the adequacy of the Corporation's system of internal controls;
  - the adequacy of the Corporation's reserve for losses;
  - any recommendations made by the independent public accountants to management as a result of their audit;
  - other business relationships and potential conflicts of interest, if any, of the independent public accountants with the Corporation; and
  - compliance of the annual financial audit with the applicable auditing standards.

- (4) Review the audit plans and estimated fees of any additional audits that the Committee wishes the independent public accountants to perform.
- (5) Review the Corporation's accounting policies and policy changes including fair value estimates, impairments, and management's assumptions underlying critical accounting estimates.
- (6) Review the Corporation's financial statements to be published for appropriate disclosures, including any pending litigation.
- (7) Determine through discussions with the independent public accountants and the internal auditors that no restrictions are being placed on the scope of their audits by the Corporation's management.
- (8) Review the capacity of the internal and independent public accountants to meet their performance expectations.
- (9) Review the audit risk assessment and risk management plans of the Corporation's internal auditors, and discuss with the auditors the results of their audits.
- (10) Review key controls of the Corporation, including whistleblower activities, fraud detection, and key business process controls.
- (11) Review the effectiveness of the system for monitoring the Corporation's compliance with laws and regulations and the results of the Corporation's management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- (12) Obtain regular updates from the Corporation's management regarding compliance matters.
- (13) Receive and review reports on matters from any auditor and any Office of Inspector General with authority to oversee the Corporation.
- (14) Review risk management reports prepared by the Corporation's management and provide general oversight of enterprise risk management and guidance to the Corporation's management in determining overall risk management strategy.

The Committee will report its activities and recommendations to the Board. Such reports will be made as necessary, but not less than annually.

Management  
Responsibilities:

The Corporation's management shall (1) provide support sufficient to allow the Committee to carry out its duties and responsibilities; (2) manage the schedule of the Committee such that all matters necessary to fulfilling the Committee's duties and responsibilities are properly and timely brought before it; and (3) furnish to the Committee an annual report at the last Committee meeting of a calendar year indicating the dates that each of the enumerated duties and responsibilities were completed.



**C. APPROVAL OF THE MINUTES**

Ms. Littlefield moved to the approval of the minutes of the Open Session of the March 20, 2014 Board meeting. Mr. Herencia moved and Mr. Warren seconded the motion to approve the minutes, and by a unanimous voice vote the minutes were approved.

Ms. Littlefield closed the meeting to the public at 10:50 AM.

Respectfully submitted



Connie M. Downs  
Corporate Secretary

## PRESIDENT'S REPORT

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By  
Elizabeth L. Littlefield  
June 12, 2014

Good morning Board Members.

First, I would like to welcome Christopher Lu, Deputy Secretary of Labor, as our newest Board Member. Both he and Undersecretary Catherine Novelli joined us this past year as Board Members and have provided invaluable perspectives to our discussions. I would also like to take a brief moment to once again welcome Kimberly Heimert, who I introduced at our last Board meeting and who you confirmed as our new General Counsel via notational vote in May. I also want to recognize Brooks Preston, who recently joined OPIC as our new Vice President for Investment Funds, and who you also confirmed as Vice President via notational vote in May.

I am very excited for today's marathon Board Meeting. Today we will present a record-breaking 15 projects to the Board for consideration, totaling just over \$1.6 billion in investments. These projects have huge potential developmental impacts, covering many sectors and every region: Africa, the Middle East, Latin America, Asia, and Eastern Europe. These projects also include some very strong U.S. companies, including some that are venturing into these markets for the first time, thanks to OPIC's support.

Our terrific OIP team's analysis projects that the eight finance projects we are considering today, including the recent Turkana wind deal approved via a notational vote, should result in 651 MW of clean energy and 1.2 million tons of CO<sub>2</sub> emissions avoided. That's equal to the annual GHG emissions of 122 million gallons of gasoline, 230,000 passenger vehicles, or powering 150,000 homes with electricity. These eight projects will also create 253 jobs here in the United States, while creating nearly 5,000 jobs in the host countries.

### **The Year Ahead:**

OPIC continues into Fiscal Year 2014 on a strong trajectory after our banner year in 2013 with several new records. In 2013, we committed nearly \$4 billion and disbursed over \$2 billion. We had a record year in renewables with \$1.2 billion committed with a solid 3-year average of 35% of our projects being in poorer countries.

Since what gets measured gets managed, and we know closing and disbursing deals is far more important than committing big numbers, last year we established a new financial goal of 55% of deals reaching initial disbursement within the first year, and 70% by the second year after commitment. Our progress so far this year, especially after this board meeting, suggests that, with some work and an extra push, we are well on our way to meeting our 2014 commitment, disbursement, and renewables goals, though we are going to need a bit of a push to achieve our low-income country goals.

Our portfolio performance has been strong as well. Write-offs net of recoveries remained under 1% through May of 2014, and our net write-off ratio has been trending downward for the past few years from nearly double that level a decade ago.

As you know, management works to maintain a balanced portfolio in terms of region, sector, client, and risk. The simple conceptual tool known as “the 4 Rs” guides us in thinking about the merit of every deal. We assess how the project stacks up in terms of the “Rs” – minimizing risks and OPIC resources, while maximizing returns, both developmental and financial. Not every deal will be a bell ringer in all areas. Some will be lower risk with higher profitability in order to balance out the higher risk and lower profitability projects that have a higher developmental impact, and I would ask you to bear that in mind as we review the slate of projects before us today.

**OPIC and the Administration:**

As we have acknowledged before, OPIC is central to two of the President Obama's critical second-term priorities – combatting climate change and support for Africa. As we have noted, fortunately, OPIC has a good head start on both. As you know, in 2010 we established a singular sector priority, broadly, of renewable resources, and we put a regional emphasis on low-income countries.

The President's focus on Africa has manifested in a great deal of activity. We joined Secretary Kerry on his trip to Addis, Kinshasa, and Luanda in May, as well as the African Energy Ministerial in Addis last week with Secretary Moniz. The President's focus on Africa has centered on his Power Africa initiative, which OPIC is an essential part of, and which is having a tangible impact on the lives of those living on the continent. Finally, in the first week of August, President Obama will also be hosting African Heads of State invited from 47 countries, and we are working hard to ensure that investment is a topic that is front and center on the agenda.

**Capitol Hill:**

Finally, there has been important activity on Capitol Hill. In mid-May, the House passed the Electrify Africa Act of 2014 by a vote of 291 to 117 in a rare and inspiring conference session. As John Morton said, it was a powerful demonstration of how democracy can actually work as we have worked in overdrive to reverse the feelings of OPIC detractors and build a coalition of allies across the aisles. Yet, with one victory comes a new mountain to climb, and now we are working to help with the passage of the bill in the Senate. We are hopeful that the two chambers can reconcile the bill and pass this meaningful legislation in support of powering Africa.

Although I generally try to give a more fulsome report, given the mountain of exciting projects the OPIC teams have diligently prepared for us, I will close here by simply thanking you again, on behalf of the OPIC team, President Obama, and especially the clients we seek to serve for your hard and thoughtful work and for your service to both our country and to those who live less fortunate lives than us.

That concludes my report.