
MINUTES OF THE 8TH MEETING OF THE BOARD OF DIRECTORS OF THE NEW DEVELOPMENT BANK HELD AT THE NEW DEVELOPMENT BANK, SHANGHAI, CHINA ON 22 FEBRUARY 2017 AT 11:00AM

PRESENT:

Board of Directors and Alternate Directors Acting for Directors

- i. Mr. Marcello Estevão (Director, Brazil, Chairperson of the Board of Directors)
- ii. Mr. Andrey Bokarev (Alternate Director, Russia)
- iii. Mr. Dinesh Sharma (Director, India)
- iv. Mr. Guoqi Wu (Alternate Director, China)
- v. Mr. Tito Mboweni (Director, South Africa)
- vi. Mr. K. V. Kamath (President and Board Member)

Alternate Directors

- i. Mr. Carlos Cozendeby (by video)

Vice Presidents

- i. Mr. Paulo Nogueira Batista
- ii. Mr. Vladimir Kazbekov
- iii. Mr. Xian Zhu
- iv. Mr. Leslie Maasdorp

Advisors accompanying Directors

- i. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russia

- i. Mr. Weijie Liu, Director, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- ii. Ms. Yue Ding, Senior Staff, Department of International Financial and Economic Cooperation, Ministry of Finance, China

New Development Bank

- i. Mr. Shaohua Wu
- ii. Mr. Yury Surkov
- iii. Mr. Sergio Suchodolski
- iv. Mr. Satish Rao
- v. Mr. Simba Mabhena
- vi. Mr. Fabio Batista
- vii. Mr. Couto Silva
- viii. Mr. Shu Zhan
- ix. Ms. Miya Liu
- x. Ms. Yolande Dwarika

1. Adoption of the Agenda

The agenda was adopted with additional items under any other matters including, African Regional Centre, update on project pipeline and loan agreements, update on project preparation fund, update on human resources and Memoranda of Understanding to be concluded with other multilateral development banks.

2. Leave of absence

The Director for China and Russia were not present and were represented by the respective Alternate Directors.

3. Approval of the Minutes and Summary of the 7th meeting of the Board of Directors, 22 November 2016

The Board of Directors approved the Minutes (2017-BD08-DOC-003) and Summary (2017-BD08-DOC-004) of the 7th meeting of the Board of Directors held on 22 November 2016.

4. Record of approval of matters agreed to during the inter-sessional period

The Board of Directors took note of the inter-sessional decisions made since the 7th Board of Directors meeting on 22 November 2016. The approved decisions included the following:

- i. Approval of the Policy on Transactions without Sovereign Guarantee
- ii. Ratification of the Appointment of Chief, Internal Audit
- iii. Proposal on the NDB Project Preparation Fund was approved for circulation to the Board of Governors
- iv. Approval of the Memorandum of Understanding regarding the Hosting of the Second Annual Meeting of the BOG in India

5. Strategy of the Bank

The Vice President and Chief Risk Officer, Mr. Paulo Nogueira Batista Jnr., presented a revised strategy to the Board which had incorporated comments received from Governors, Directors and NDB Management.

The Board of Directors welcomed the progress on the draft strategy while expressing a number of comments and proposals to finalise it.

It was decided that the draft would be further revised and circulated to the Board of Governors, for consideration at the Second Annual Meeting, by 17 March 2017 and earlier if possible.

6. Discussion on Terms and Conditions of the New Membership

The Board noted the progress made on the revised draft Terms, Conditions and Procedures for the Admission of New Members to the New Development Bank. The document on the shareholding formula was also considered. The Terms, Conditions and Procedures document was considered ready to be submitted for Governors' consideration. The Management was requested to further develop the shareholding formula document. These documents would be circulated to the Governors for their consideration at the Second Annual Meeting, by 17 March 2017 and earlier if possible.

7. Report of the Chairman of the Audit, Risk and Budget Compliance Committee

Mr. Mboweni, the Chairperson of the Audit, Risk and Budget Compliance Committee ("ARBC") provided a report on the first meeting of the ARBC. The Board took note of the report and recommendations of the ARBC. The Board approved amendments to the

Internal Audit Policy subject to the incorporation of the comments made by the Board members.

8. Election of Chairman and Vice-Chairman of the Governors and venue of third Annual Meeting

The Board noted that the Governor for China would be the next Chairperson of the Board of Governors and the Governor for South Africa would be the Vice-Chairman of the Board of Governors. The Board of Directors recommended that the Third Annual Meeting be held in the People's Republic of China.

9. Date and Venue of next meeting

The next meeting will be held on 31 March 2017 in New Delhi.

10. Any other Matters

10.1 African Regional Centre

The Board of Directors discussed the proposed preliminary draft Terms of Reference for the African Regional Centre. The Management will send comments on the Terms of Reference to the Government of South Africa and send a delegation to South Africa in order to try to finalise the issues pertaining to the ARC.

10.2 Update on Project Preparation Fund

The Board noted that the Board of Governors approved the establishment of the Project Preparation Fund.

10.3 Update on Project Pipeline and Loan Agreements

The Management updated the Board on the project pipeline and progress on the conclusion of the loan agreements. The Board undertook to liaise with the respective authorities in their countries in order to facilitate the conclusion of the loan agreements. Management would provide a note on the outstanding issues on the loan agreements. A time-line would be provided by the Second Annual Meeting for the loan agreements to be signed.

10.4 Memoranda of Understanding

Three Memoranda of Understanding were proposed for signing during the Second Annual Meeting. The Board decided that the three Memoranda of Understanding be

circulated to the Board of Directors to agree, on a non-objection basis by 1 March 2017, to circulate them to the Board of Governors for a vote without a meeting. If there were no comments or objections by that date then the Corporate Secretary, on behalf of the Board of Directors, would proceed with distributing them to the Board of Governors for their consideration and vote.

10.5 Update on Human Resources

The Management provided an update on the recruitment progress. The Board of Directors took note of the progress on recruitment. A proposal concerning the base salary revision would be circulated in 2 weeks. A proposal on amendment to the Children Assistance Allowance would be prepared in advance of the next Board of Directors meeting. A status update on recruitment would be provided in writing to the Board.

11. Closure

The Meeting ended with thanks from the Chairman.