

Minutes of the Annual Meeting of the Corporation and Board of Directors

March 24, 2016 | Ministry of Foreign Affairs of the Kingdom of the Netherlands
The Hague, The Netherlands

Attendees: Harriet Babbitt – Vice Chair, Robin Chase, Dino Patti Djalal, Jamshyd Godrej, Pamela Flaherty, Renée Jones-Bos, Jeff Miller, Andrew Steer, Daniel Weiss. For a portion of the meeting, by phone: Jim Harmon – Chair, Alison Sander.

Staff: Manish Bapna, Steve Barker, Rachel Biderman, Elizabeth Cook, Daphne van Esveld, Kitty van der Heijden, Lindsay Kubaryk, Aylin Leenhouts, Lailai Li, Kevin Moss, Alberto Pallecchi, Nitin Pandit, Janet Ranganathan, Mark Robinson, Nirarta Samadhi.

Guests: Elizabeth Belfer, Jamie de Bourbon de Parme, Charlotte Matthews.

The Vice Chair of the Board called the meeting to order at 8:00 a.m.

CHAIR'S WELCOME AND OVERVIEW

The Chair of the Board was unable to attend due to an unexpected emergency obligation, so the Vice Chair chaired the meeting. She highlighted the past day's special events – including special presentations from Board member Robin Chase to the Dutch Ministry for Infrastructure and the Environment, and a panel discussion for the Dutch Ministry of Foreign Affairs on the state-of-play in the United States political election with Board members Pam Flaherty and Daniel Weiss, joined by Bruce Babbitt. The Vice Chair expressed WRI's sincere appreciation to Renée Jones-Bos, Board member and Secretary-General of the Ministry of Foreign Affairs of the Kingdom of the Netherlands, for her and the Ministry's generous hospitality in hosting WRI in the Netherlands. The Vice Chair invited the Secretary-General to speak.

Secretary-General Renée Jones-Bos welcomed the Board and WRI leadership to the Netherlands and to the Ministry of Foreign Affairs. She reflected on the current political climate in Europe and the challenges facing the world.

The Vice Chair thanked the Secretary-General for her remarks and turned the floor over to the President of WRI.

INSTITUTIONAL UPDATE

The President thanked the Secretary-General for hosting WRI in The Hague and for the strong and continued partnership with the Dutch Ministry of Foreign Affairs. He proceeded to reflect on what a pivotal year 2015 was for sustainable development, the environment, and for WRI. He commented on the monumental adoption of the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. He highlighted WRI's extensive work on both outcomes. The President also highlighted the

side events and important launches that happened in parallel to the Paris Agreement, which were possible in part because of the political will shown at COP21. The President emphasized that it is time for the world and for WRI to pivot from commitments to action. The President invited the Board to share their perspectives on the state of the world post-Paris.

The Vice Chair commended WRI for its work on the SDGs, the Paris Climate Agreement, and the launches and achievements in the margins of those historic events. Board members applauded WRI's efforts to recruit new senior fellows. The Board inquired about the growth of the organization. Management agreed that they spend a lot of time thinking about the organization's growth and managing it carefully, and work to position WRI in a way that provides flexibility should financial resources change. Board members asked about how WRI develops high performing staff and promotes career development, which management agreed needs attention. Board members resoundingly agreed on the urgency and transformational quality of both the SDGs and Paris Climate Agreement. Management highlighted that WRI's distinct offer of non-partisan, evidence-based solutions is in more demand than ever, and they are in the process of discussing the strategic pivot for each program and center.

The President asked the non-US based directors to share their thoughts on WRI's unique offer in their countries: Renée Jones-Bos highlighted that the rigorous science-based solutions was a key driver for the Dutch government's partnership with WRI, and becomes increasingly important as they are faced with implementing changes to deliver on those commitments both domestically and internationally. Dino Patti Djalal expressed that WRI Indonesia's grip on policy-making, in addition to the expertise and reputation as an honest and credible resource, distinguished it from other NGOs in the country. Jamshyd Godrej shared that WRI India has been very successful in engaging many constituent groups – civil society, local governments, and businesses – and that there are great prospects for WRI's work in India. The only limit is staff capacity and resources.

SIGNATURE INITIATIVE UPDATE

The Managing Director presented the Signature Initiative Scorecards and summarized the assessment exercise. WRI assesses Signature Initiatives on four dimensions: clarity of the offer, funding adequacy, staff capacity for delivery, and the extent to which partnerships and political access can scale the initiative. The Managing Director then introduced the International Office Directors to highlight Signature Initiative work in their countries: Restoration in Brasil, Global Forest Watch in Indonesia, and Sustainable Cities in India and China. The Managing Director then opened the floor to the Board for discussion.

Board members discussed the challenges of matrixed organizations, and commented that highly matrixed organizations are becoming the norm, but are very complicated and difficult to make work well. Management concurred that the interaction between the six WRI programs (food, forests, water, cities, energy, climate) and four cross-

cutting centers (business, governance, finance, economics) is critical to enabling the best work that the organization can produce. Management discussed the challenges that exist in securing funding for matrixed projects versus dedicated programmatic or center funding. Board and Management agreed that making the matrix work is a priority and the organization needs to continue to reinforce this approach in the organizational DNA.

DEVELOPMENT COMMITTEE REPORT

The Vice President for Institutional Strategy and Development began her report by highlighting how important it was for WRI to be having the Board meeting in the Netherlands. Not only is it important for the Board to spend time with one of WRI's closest partners, the Dutch Ministry of Foreign Affairs, but WRI recently registered as a European charity. This strategic move opens funding avenues with European foundations, some of whom WRI convened the day before the Board meeting. The Vice President for Institutional Strategy and Development continued with the revenue report, highlighting that the funding received in fiscal year 2015 was well-balanced amongst multi- and bilateral funds, individual giving, foundation grants, and corporate giving. She reviewed the revenue received/100% committed to date in fiscal year 2016. The Vice President for Institutional Strategy and Development reviewed trends and anticipated challenges, especially surrounding raising unrestricted revenue (general support). She concluded by inviting Pam Flaherty to summarize Board expectations on giving.

AUDIT COMMITTEE REPORT

In the absence of the Audit Committee Chair, the Vice Chair (also a member of the Audit Committee) delivered the report. The Vice Chair first reported that WRI earned a clean bill of health in its most recent audit. She also shared that WRI will be switching audit partners within the audit firm. She shared that the Audit and Executive Committee of the Boards have had a discussion on the subject of risk – not just financial, but reputational, cyber security, among others – and have agreed that the Audit Committee will broaden its mandate to include Risk Management. She highlighted the efforts made by the Chief Financial and Operating Officer to enhance the management of the global WRI network.

FINANCE AND INVESTMENT COMMITTEE REPORT

The Chief Financial and Operations Officer presented WRI's financial progress year-to-date. He shared that the organization is in a good position for program funding as of year-to-date and expressed cautious optimism that WRI would hit the forecasted revenue for fiscal year 2016 based on historic trends. He reiterated the issue of a gap in unrestricted funding (general support). The Chief Financial and Operations Officer invited the Chair of the Finance and Investment Committee to deliver an update on WRI's investment performance. The Chair of the Finance and Investment Committee shared that WRI's investment has underperformed. The market is volatile, and the committee has diagnosed the issue and is adjusting the asset allocation. The committee

is aligning WRI's portfolio with ESG (environmental, social, and governance) principles, which is consistent with WRI's values. The committee recognizes that this approach is challenging, but important to "walking the talk." Because of the hands-on nature of how this needs to be managed, the committee is recommending an outsourced investment officer model. This gives WRI a unique opportunity to be not only thought leaders on ESG and impact investment, but pioneering practitioners as well.

NOMINATING COMMITTEE REPORT

The Vice Chair explained that the current Nominating Committee Chair, Afsaneh Beschloss, was unable to attend this meeting and will be rotating off the Board as her term concludes in March 2016. The Vice Chair introduced Pam Flaherty as the incoming Nominating Committee Chair. Pam Flaherty delivered the committee report. She presented the following resolutions:

- Resolution to elect James Harmon as Chair of the Board of Directors: The resolution was so moved by Harriet Babbitt, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors.
- Resolution to elect Susan Tierney and Harriet Babbitt to as Vice Chairs of the Board of Directors: The resolution was so moved by Harriet Babbitt, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors. (Harriett Babbitt abstained)
- Resolution to elect the officers of the corporation (listed below): The resolution was so moved by Robin Chase, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors.
 - President and CEO – Andrew Steer
 - Executive Vice President and Managing Director – Manish Bapna
 - Vice President, Chief Financial and Operating Officer, and Corporate Secretary and Treasurer – Steve Barker
 - Vice President for Institutional Strategy and Development – Elizabeth Cook
 - Vice President for Science and Research – Janet Ranganathan
 - Vice President for Communications – Lawrence MacDonald
- Resolution to elect a new class of directors of the class of 2019 (listed below): The resolution was so moved by Robin Chase, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors.
 - James Harmon
 - Tiffany Clay
 - Preston Miller
 - Caio Koch-Weser
 - James Umpleby
- Resolution to amend the by-laws of to allow term extensions in exceptional cases: The resolution was so moved by Robin Chase, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors.

- Resolution to amend the by-laws to create a category of non-voting directors of the Board: The resolution was so moved by Robin Chase, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors.
- Resolution to elect three Board members for exceptional three year terms (listed below): The resolution was so moved by Robin Chase, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors.
 - Frances Beinecke
 - Jamshyd Godrej (Jamshyd Godrej abstained)
 - Stephen Ross
- Resolution to elect Harriet Babbitt to an exceptional one year term: The resolution was so moved by Robin Chase, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors. (Harriet Babbitt abstained)
- Resolution to move Jaime Lerner from the category of voting to non-voting director: The resolution was so moved by Robin Chase, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors.
- Resolution to change the name of the Audit Committee to the Audit and Risk Management Committee: The resolution was so moved by Pam Flaherty, seconded by Daniel Weiss, and passed by the voting members of the Board of Directors.
- Resolution to ratify the Fiscal Year 2015 Audit Report: The resolution was so moved by Robin Chase, seconded by Pam Flaherty, and passed by the voting members of the Board of Directors.

The Vice Chair paused the meeting for lunch at 12:00 pm. The Vice Chair resumed the meeting at 2:00 pm. The Vice Chair welcomed by phone Jim Harmon, Chair of the Board, and Alison Sander, member of the Board.

RISING INITIATIVES: RESOURCE WATCH

The Vice President of Science and Research presented a rising WRI initiative entitled Resource Watch. She reviewed the impetus behind the concept and showed a sneak preview of the platform. She also reviewed the initial partnership project that will be building and utilizing this tool. The Board was enthusiastic about the direction of this rising initiative, and provided feedback on partnership and funding prospects.

EXECUTIVE SESSION

The Vice Chair moved the Board to Executive Session.

The meeting adjourned at 3:00 pm.