

Summary minutes of a meeting of the Board of CDC Group plc

Held at 123 Victoria Street, London SW1E 6DE on Friday 6 July 2018 from 09.30 am.

Present: Graham Wrigley (Chair)
Wim Borgdorff
Valentine Chitalu
Sam Fankhauser
Michele Giddens
Clive MacTavish
Keki Mistry
Nick O'Donohoe
Laurie Spengler

In attendance: Jane Earl (Company Secretary)
Colin Buckley*
Chris Coles*
Tenbite Ermias*
Murray Grant*
Srini Nagarajan*
Mark Pay*
Holger Rothenbusch*
Nanno Kleiterp – item 9 only

**Non-Board members joined the meeting from item 6*

1. Private meeting of the non-executive directors

A private meeting was held with the non-executive directors.

2. Conflicts of interest

Potential conflicts of interest were disclosed.

3. Minutes

The draft minutes of the meetings held on 20 April 2018 were approved as an accurate record of proceedings subject to a small amendment.

The summary minutes would be discussed with nominated individuals from the Board prior to publication.

4. Matters arising

The schedule of matters arising was reviewed and noted.

5. Reports from the Board committees

Audit and Compliance committee

The Audit and Compliance committee had focussed on two key items for discussion - the audit tender process and the third-party evaluation of the performance of the internal audit function in CDC.

Development Impact committee

The Development Impact committee had discussed the Value Creation strategies focussing on gender, climate and job quality; a programme of key sector studies; and a draft workplan for research and policy. An amendment to the Development Impact committee terms of reference whereby the committee's remit had been extended to include oversight of CDC Plus (the Grant Facility) was approved. As part of the commitment to learning, a presentation was received on one investment focussing on the environmental and social issues.

People Development and Remuneration committee

The People Development and Remuneration committee had received updates on hiring and attrition; gender and diversity together with the outline for a new project on culture.

Nominations committee

The Nominations committee had discussed the mid-year update following the Board evaluation undertaken earlier in the year and had reviewed the candidates shortlisted for appointment to the Board as Non-executive Directors.

The composition of the Board committees was also reviewed and changes proposed, which were endorsed by the Board.

Risk committee

The Risk committee had received updates on two items – job methodology and information security (where substantial progress had been made).

As part of the commitment to allow for a deep-dive on the work of the Board committees, there had also been a presentation explaining the key issues on which the Risk committee was focussed.

6. CEO report

The CEO's report was considered with particular focus on reviewing performance against 2018 objectives. The Board also reviewed the performance of the portfolio paying particular attention to those investments which were underperforming or were facing particularly difficult issues.

7. Investment policy, process and performance

a) Ultra vires

Work was continuing with the project to identify a transparent way for identifying investments on which the Board directors may want to engage or review alongside the investment committees.

b) Africa power

The strong development case for power in Africa was recognised and the proposal to use Globeleq as a core platform for CDC to execute its mandate was supported. As the Board was keen to retain control and optionality over CDC's future exposure levels a gradual approach, involving staged approvals over time, was approved.

In future the CEO's report would include dedicated reporting on Globeleq and an annual review would be undertaken by the Board.

c) MD Debt – delegated authorities

The revised 'MD Debt Delegated Authorities' were approved.

8. Strategic projects

i) Africa coverage strategy

The Africa coverage strategy which aimed to define and communicate an operating model which supported CDC's investment agenda was presented. In particular, the paper covered the specific activities which should be included in the mandate for the Africa coverage team, the optimal locations for CDC's offices and representatives; and the required roles in offices.

Ten activities were proposed including in-country origination, local intelligence gathering and stakeholder engagement. Consideration was given to the proposal that three regional offices be opened in Kenya, Nigeria and South Africa; two

representative locations in Ethiopia and Zimbabwe; a CDC representative in Egypt by the end of 2018; and to investigate whether to hire a dedicated Cote D'Ivoire/Francophone West Africa representative by mid-2019. The people resources were also considered.

During an in-depth discussion, questions were raised about culture, development impact and the interface with the London office. The Board asked for additional information on the time-line for delivery of the plan together with an assessment of costs relative to the portfolio.

ii) Capital mobilisation

The Board reiterated the strategic importance of capital mobilisation and, in this context, asked to see a workplan which identified specific actions together with a timeline for delivery and an assessment of the resources needed.

iii) Development impact and UK business

The Board discussed a report commissioned to assess whether there were opportunities for CDC to – within its existing mandate - increase its development impact by encouraging UK based companies to invest or expand their operations in Africa and South Asia. The Board was supportive of the initiatives proposed. The report will now be discussed further by the management team.

iv) CDC and DFIs

The paper setting out the current landscape for the DFI community and CDC's positioning therein was presented. An Executive Committee sponsor had been identified to manage core relationships with other DFIs.

9. External perspective: Nanno Kleiterp

The Chairman welcomed Nanno Kleiterp, Chairman of the Association of European Development Finance Institutions (EDFI) to the meeting, who shared some personal insights with the Board on EDFI, CDC and the DFI community. Topics discussed included capital mobilisation, increasing the profile of DFIs and maintaining a dynamic and mission-focused culture.

10. Governance

(i) Tax Policy

The 2018 Tax Policy and the Tax Strategy were approved.

(ii) Safeguarding

A paper on CDC's response to safeguarding was presented. A letter of assurance was due to be submitted to the Secretary of State in early July 2018.

(iii) Annual Review

The contents of the 2018 Annual Review were approved.

(iv) Company Secretary's report

The Company Secretary's report was presented. An amendment to the authorised signatories was approved together with resolutions relating to the formation of a new subsidiary in India.

11. Termination

There being no further business the meeting closed at 15.15 hrs and was followed by the annual shareholders' meeting with the DFID Permanent Secretary and members of his team.