

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

Held at 123 Victoria Street, London SW1E 6DE on Friday 8 February 2019 from 11.00 am.

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**Present:** Graham Wrigley (Chair)  
Andrew Alli  
Dolika Banda  
Wim Borgdorff  
Valentine Chitalu  
Sam Fankhauser  
Michele Giddens  
Clive MacTavish  
Keki Mistry (left the meeting at item 13)  
Nick O'Donohoe  
Laurie Spengler

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**In attendance:** Jane Earl (Company Secretary)  
Colin Buckley\*  
Chris Coles\*  
Tenbite Ermias\*  
Murray Grant\*  
Srini Nagarajan\* (India Private Advisers)  
Stephen Priestley\*  
Holger Rothenbusch\*

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

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### **1. Private meeting of the non-executive directors**

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

### **2. Conflicts of interest**

There were no other conflicts of interest to register other than those previously reported.

### **3. Minutes**

The draft minutes of the meeting held on 22 and 23 November 2018 were approved.

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The summary minutes for the meeting were also reviewed and approved for publication.

**4. Matters arising**

The schedule of matters arising was reviewed and noted.

**5. Reports from the Board committees**

*Audit and Compliance committee*

Andrew Alli, Chair of the Audit & Compliance committee reported on the recent meeting of the committee which had received the internal audit manual and updates from KPMG on the year-end audit, from the Compliance Director on compliance issues and from the Finance team on the valuations process. The committee had also met privately with each of the head of Internal Audit and KPMG.

*Risk committee*

Wim Borgdorff, Chair of the Risk committee, reported on the recent meeting of the committee which had reflected on risks associated with Brexit and the political landscape. The committee had received presentations on the Emerging Markets Private Markets Value at Risk (VAR) project and Foreign Exchange risks the actions from which were discussed at the meeting.

*People Development and Remuneration committee*

Laurie Spengler, Chair of the People Development and Remuneration committee reported on the meeting of the committee held earlier in the week. The committee had approved the Principles for Remuneration at CDC-controlled entities and the Catalyst Review Framework and 2018 Objectives. The change to the Promotions and Progressions Cycle had been agreed with 2019 being a transition year. Work was also beginning on preparing for the Triennial benchmarking review.

**6. CEO report**

Nick O'Donohoe introduced the CEO and Management report reflecting on all that CDC had achieved during the previous 12 months.

In the review of performance against 2018 objectives there was a focus on those items where there had been significant delays or issues which had impacted the delivery of the objectives.

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The portfolio and pipeline were reviewed in some detail with particular attention paid to those investments which were underperforming or were facing particularly difficult issues.

The Chairman thanked the CEO and the Executive team for their report.

**7. 2019 Corporate objectives**

A paper setting out 13 corporate objectives which spanned 5 specific themes was presented.

The Board commended the work which underpinned the proposed 2019 corporate objectives recognising that they were comprehensive and well defined. Following a discussion, the 2019 corporate objectives were agreed.

**8. 2019 Budget**

The CEO introduced the 2019 Budget discussion explaining the key components impacting costs in 2019.

Recognising that CDC was in a growth phase the board stressed the importance of ensuring cost discipline and encouraged the use of appropriate benchmarking.

The budget for 2019 was approved.

**9. Investment policy, process and performance**

*a) Review of Investment Committee (IC) decision making*

The Chief Investment officer (CIO) introduced the paper explaining the context for recommending changes to the process for investment decision making.

Following a discussion, the Board confirmed their agreement to the direction of travel and a further paper would be presented for approval at the next Board meeting.

*b) IC membership*

An updated list of IC members was noted.

**10. South Asia update**

Srini Nagarajan (India Private Advisers) presented an update on the activities in South Asia which was noted. The Board was supportive of the initiatives proposed.

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**11. Incident/crisis management**

Tenbite Ermias introduced the session on incident management by explaining what had happened in Nairobi three weeks previously when terrorists had entered the office compound in which CDC had its office.

An immediate post incident review has been commissioned and work was underway to significantly enhance incident/crisis management support for all CDC employees. The Board were supportive of the steps being taken.

**12. ICAI report update**

Colin Buckley introduced the discussion around the draft report issued by the Independent Commission for Aid Impact (ICAI).

The draft report had six recommendations, each of which was addressed in the paper. The Board and the Executive Committee recognised that there was room for improvement but were disappointed with the overall score.

The review had primarily focussed on CDC's performance between 2012 and 2016. There had been a recognition that over the past 18 months significant progress had been made in focussing investment in the poorest and most fragile states and since 2017 a number of changes had been introduced to maximise CDC's development impact.

The final report was due to be published in March 2019, and the Chairman and CEO would be required to attend a meeting of the International Development Committee in May 2019.

**13. Governance**

*(i) Development Impact committee*

Sam Fankhauser, Chair of the Development Impact committee, introduced the in-depth discussion about the committee's activities with reference to the agenda for the February meeting and the workplan for the year.

*(ii) Company Secretary's report*

The Company Secretary's report was presented and noted.

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*a. Signing authorities*

The Board ratified the updates to the Authorised Signatory Lists for Investment matters and for Operations & Banking as set out in the Company Secretary's report.

*b. Powers of attorney*

The Board ratified the powers of attorney granted on 7, 14 and 21 December 2018, and the CDC General Power of Attorney executed on 20 December 2018.

(iii) Annual Review

The annual financial statements would be submitted to the Board for approval in April 2019.

(iv) Drawdown from the Promissory note programme

Clive MacTavish advised the Board that a letter had been submitted to DFID in connection with the drawdown by CDC of £395m.

**14. Termination**

The Chairman took the opportunity to thank Valentine Chitalu, on behalf of the Board, management team and all at CDC, for the significant contribution he had made to the Board of CDC and the CDC business overall.

There being no further business the meeting closed at 17.00 hrs and was followed by a private meeting of the Non-executive Directors.

Approved by the Board on 5 April 2019