

A summary of the minutes of a meeting of the Board of CDC Group plc

Held at 123 Victoria Street, London SW1E 6DE on Friday 5 July 2019 from 09.30 am.

Present: Graham Wrigley (Chair)
Andrew Alli
Dolika Banda
Sam Fankhauser
Michele Giddens
Clive MacTavish
Keki Mistry
Nick O'Donohoe
Laurie Spengler

Apologies: Wim Borgdorff

In attendance: Jane Earl (Company Secretary)
Colin Buckley*
Chris Coles*
Tenbite Ermias*#
Liz Lloyd*
Sri Nagarajan* (CDC India Advisers Private Ltd) #
Stephen Priestley*
Holger Rothenbusch*
Matt Robinson*

**Non-Board members joined the meeting from item 3 and left at item 11
by telephone*

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 5 April 2019 were approved.

The summary minutes for the meeting held on 5 April 2019 were also reviewed and approved for publication.

4. Matters arising

The schedule of matters arising was reviewed and noted.

5. Chief Executive Officer's introduction

Following a recommendation made as part of the Board evaluation, the Board agenda had been re-ordered to focus on strategic items at the start of the meeting. In this context, Nick O'Donohoe, the Chief Executive Officer, provided some introductory remarks to set the context for the discussions which would follow highlighting the issues which were of specific concern to him.

6. Strategic items

(i) Project Thrive

It was noted that the purpose of the Thrive working group was to prioritise and manage the growing number of initiatives which had been commissioned to support CDC's growth strategy and to ensure that where appropriate scrutiny was given by the Executive committee and its sub-committees.

(ii) Asia Funds Strategy

Given the need to adapt to market changes and to focus on development impact and additionality, a proposal to revise the strategic direction of the Funds and Capital Partnerships team in India, whilst continuing to pursue a wider strategy in South Asia (ex-India) was presented and discussed. The Board approved the general direction of travel but asked for further evidence to support some of the projections presented.

(iii) Sector strategies overview

The Board had received a detailed update on the sector strategies and how they had developed with regard to the existing framework. It was recognised that further work would be required over the summer to finalise both the sector strategies and the plans for implementation. The final agreed strategies would be circulated to the Board members as soon as they became available.

7. Investment strategy and performance

(i) Pipeline and portfolio review

Each business area was reviewed from a portfolio and pipeline perspective highlighting key deals and market trends and with particular attention paid to those investments which were underperforming or were facing particularly difficult issues. CDC's approach to climate change was also considered in the light of its growing importance, including to CDC's shareholder, the Department for International Development (DFID).

The Chairman thanked the Chief Executive and his team for their updates.

(ii) Roadmap for portfolio analytics

Plans for improving the performance analytics which the Board received were presented.

(iii) Lessons learned from Abraaj

CDC's Chief Investment Officer, Chris Coles, explained the background to the review of CDC's investments in the Abraaj Funds, which had been undertaken in the context of reinforcing CDC as a learning institution.

Following a discussion, it was agreed to hold a special meeting by telephone to discuss the findings in greater detail.

The Chairman thanked all involved for the open and transparent manner in which the review had been conducted.

8. People

(i) Employee engagement survey/culture update

The preliminary results of the employee engagement survey were presented and discussed. It was agreed to have an in-depth discussion at the overseas Board meeting once management had had the time to interrogate the results more fully.

(ii) Annual review of safeguarding

The Board received a briefing on the safeguarding measures which had been established to ensure that CDC was compliant with the ongoing responsibilities set by the Secretary of State for International Development (the Secretary of State).

The Board received Management's assurance that CDC had complied with those responsibilities and a letter of assurance would be issued to the Secretary of State.

9. Stakeholder issues

(i) Stakeholder mapping including a response to the report from the Independent Commission for Aid Impact (ICAI)

The paper on stakeholder mapping was noted. An oral update was given on the work being undertaken in response to the report issued by ICAI.

The political risks associated with CDC's overseas markets were discussed and it was agreed to undertake some further work in this regard.

(ii) Task Force on Climate-related Financial Disclosures (TCFD)

Recognising HM Government's commitments through the Green Finance Strategy and DFID's focus on climate change, the Board received a briefing on the work being undertaken in this regard. In particular, it was noted that CDC had committed to comply with the TCFD which would impact reporting from 2020.

10. IC Process and policy

(i) Consolidated list of Investment Committee (IC) members

The consolidated list of IC members was noted and approved.

(ii) Terms of reference

The terms of reference for the ICs had been revised to reflect current practice. Subject to one suggested amendment, the terms of reference were approved.

11. Governance

As the meeting had been adjourned due to an evacuation of the building, the governance issues would be addressed at a separate call on 31 July 2019.

12. External speaker: Ed Northam, Head of the Green Investment Group, Europe

The Chairman welcomed Ed Northam, the Head of the Green Investment Group Europe who shared some of the lessons learned during his time with the Green Investment Group on renewable energy and in particular in emerging and frontier markets from the perspective of fully commercial investments.

13. Project 'Hatch'

In order that CDC could deliver its ambitious strategy, there had been a significant increase in the number of employees based in the London office. As a result, space

was becoming a valuable commodity. The board was briefed on a project that was underway to look at how best to utilise the existing space available and was supportive of the direction of travel whilst being sensitive to the impact it may have on CDC's employees.

14. Termination

There being no further business the meeting closed at 15.15 hrs and was followed by the Annual Shareholder's Meeting with DFID.

[Approved by the Board on 2 October 2019] 1023 words