

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

Held at 123 Victoria Street, London SW1E 6DE and by videoconference on Friday 17 July 2020 from 09.00 am.

Present: Graham Wrigley (Chair)
Andrew Alli
Dolika Banda*
Wim Borgdorff*
Sam Fankhauser
Michele Giddens
Keki Mistry* (item 1 only)
Krishnakumar Natarajan*
Nick O'Donohoe
Laurie Spengler*

In attendance: Jane Earl (Company Secretary)
Colin Buckley
Chris Coles*
Tenbite Ermias*
Liz Lloyd
Srini Nagarajan* (CDC India Advisers Pte Ltd)
Stephen Priestley*
Holger Rothenbusch*
Matt Robinson*
Mike Corcoran (interim CFO)
Carolyn Sims (observer)
**Joined by videoconference.*

ExCo members joined the meeting from the start of the meeting and left at item 10

1. Chairman's introduction

The Chairman welcomed Krishnakumar (KK) Natarajan to his first Board meeting. The Board approved KK's appointment to the Board with effect from 15 July 2020. In addition, the Chairman welcomed Carolyn Sims to the meeting who was attending the meeting as an observer.

The Chairman also paid tribute to Keki Mistry who it was noted would resign as a director of CDC Group plc at the conclusion of the meeting. In addition, to bringing

the voice of India and his significant knowledge of the banking industry to the Board table, Keki had also been a strong advocate of diversity in all respects. Srinu Nagarajan also thanked Keki Mistry for the support he had enjoyed during Keki's tenure as a Board director. In response, Keki thanked the Chair, his fellow Board members, ExCo and all of CDC for their dedication and sincerity and for all the help and support he had received during his directorship and wished CDC every success for the future.

The Chairman also thanked Mike Corcoran for all his work as the interim CFO on CDC and in particular paid tribute to his contribution to the production of the Annual report and accounts as well as steering the Incident Management Team through the Covid-19 pandemic.

2. Reflections from the Strategy session

Reflecting on the strategy discussion which took place on the afternoon of 15 July the Board was supportive of the work which had been undertaken. The Board recognised that CDC would need to be responsive to requests which may be raised by the shareholder which could be significant in terms of impact and implementation. Funding was also discussed.

There was strong support for the core business initiatives and while it was recognised that India was in a different place to the other overseas entities, there was a strong desire for a cohesive strategy for CDC in its entirety rather than individual product or country strategies.

Members of the Board would be identified to help support the different workstreams ahead of the next strategy discussion in December 2020.

3. CEO and management report

Nick O'Donohoe introduced his CEO report reflecting that the organisation had responded positively to the challenges which the Covid-19 pandemic had created in a way which demonstrated tenacity and flexibility.

Recent valuations had indicated that the portfolio was down in USD between year-end 2019 and Q1 2020. The Board also considered costs and resources necessary to deliver the strategy.

The 2020 corporate objectives, which had been revised to address the implication of Covid-19, were approved. An additional objective to address ethnic inclusion and diversity within CDC would be included in the corporate objectives.

4. **Covid-19 update**

An update on how CDC had responded to the Covid-19 pandemic was presented and discussed which included central planning scenarios, a summary of action taken, the remote due diligence guidelines and CDC's liquidity position.

5. **People**

(i) Employee Engagement Survey

The results of the recent employee engagement survey were presented. There was recognition that the results received showed little if any difference between male and female respondents but a markedly different picture emerged when assessed from an ethnicity perspective. As a result, it was recognised that more work was needed on diversity and inclusion to ensure that the progress made to date on staff morale continued.

On behalf of the Board, the PremCo Chair congratulated the CEO and ExCo, supported by the HR team, on the results of the survey.

(ii) Diversity and inclusion at CDC

The Board received an update on how CDC was tracking 2020 priorities with regard to diversity and inclusion specifically in respect of ethnicity. During the ensuing discussion, the need for targets and the importance of regular communication with all staff was recognised.

(iii) Safeguarding update 2019-20 Reporting Year

The Board received confirmation that CDC had appropriate safeguarding processes (internally and via investments) in place to identify and manage safeguarding issues and incidents including the reporting and management of incidents.

The Board queried how the impact of Covid-19 on safeguarding was being monitored, particularly with regard to gender-based violence, the abuse and exploitation of children and modern slavery.

It was agreed to submit the annual letter of reassurance to the Secretary of State for International Development with respect to CDC's safeguarding measures.

6. Debt Deep-dive

The Board undertook a detailed review of CDC's debt business focussing on the original rationale for growing the debt business; how the team had performed relative to the original objectives in the 2017-2021 strategy; current objectives and lessons learned to date together with the key considerations for the future.

The Chairman thanked Holger Rothenbusch and his team for their thoughtful presentation and for the innovation which had been demonstrated. The Board recognised the significant work which had been undertaken in order to build a solid foundation for growing the debt business.

7. IC Process and policy

(i) Express IC proposal

It was agreed that the mandate of the Express IC, established earlier in the year, be extended until the December 2020 Board meeting at which point it would be reviewed again.

(ii) Triggers for Non-executive Director participation at IC meetings

Minor interim amendments to the existing triggers for Non-executive Director involvement at IC were proposed and agreed. A further paper on investment decision making would be presented later in the year.

(iii) Covid-19 Delegated authorities

The Board approved the Covid-19 Delegated Authorities presented, recognising that such delegation was effective until 31 December 2020 and was revocable by the MD or CIO (or Board) at any time before that date.

8. FCDO – a personal view (Sir Simon Fraser)

The Chairman welcomed Sir Simon Fraser to the meeting commenting that Sir Simon not only had intimate knowledge of the Foreign and Commonwealth Office (FCO) and the Department for Business, Enterprise, Innovation and Science (BEIS) but also knew CDC very well too.

Sir Simon provided the Board with some personal observations on the proposed merger between the Foreign and Commonwealth Office and the Department for International Development (DFID).

9. Stakeholder update

The results of the recent ICAI report were discussed and there was general disappointment with the inadequate rating outcome while accepting that there was always room for improvement.

It was noted that significant work had been undertaken to strengthen CDC's relationships with key stakeholders which had been reflected in the positive feedback received from the recent Stakeholder survey. The Board also discussed the forthcoming merger between the FCO and the Department for International Development.

10. Governance

(i) Digital transformation

Nick O'Donohoe introduced the discussion on digital transformation and confirmed that addressing the technology challenges within CDC as whole was a priority and would be a focus over the coming months. Innovation and digitalisation was also discussed in the context of the business as a whole and had been a key factor in the appointment of Krishnakumar Natarajan as the Board sought to expand its own skill-set set in this area.

(ii) Risk reporting and transparency

It was noted that a process for reporting significant HR issues and events to the Chair of People Development and Remuneration committee had been established.

(iii) Board committee reports

a) Audit and Compliance committee

The Audit and Compliance committee had received updates from Internal Audit and Compliance (including whistleblowing and complaints handling) as well as an update on the valuation process. The committee's key priorities for the year were also presented.

b) Risk committee

The Risk committee had received reports on risk management, Covid related risk assessments, value at risk and foreign exposure in addition to notifications from the Exceptional risk committee.

Development Impact committee

The Development Impact committee ('DevCo'), had confirmed the reappointment of PwC as the auditor for the Grid Assurance review. The Insight Studies workplan for 2020-21 and the Impact results for 2019 had been reviewed in addition to receiving an update on the Catalyst Impact framework.

c) People Development and Remuneration committee

The People Development and Remuneration committee had discussed the duty of care to employees in the light of the Covid pandemic together with the results of the recent employee engagement survey. Diversity and inclusion updates had been received and reward had been discussed in the context of the triennial remuneration review.

(v) Company Secretary's report

The Company Secretary's report was presented and noted which included the ratification of two powers of attorney. Conflicts of interest registers for each of the Directors were noted.

11. Minutes of the previous meetings

The minutes of the meetings held on 3 April 2020, 1 May 2020 and 17 June 2020 were approved as a correct record of the proceedings. In addition, the summary minutes of the meetings held on 3 April 2020, 1 May 2020 and 17 June 2020 were approved for publication.

The matters arising from the minutes were noted.

12. Termination

The meeting closed at 16.45 hrs and was followed by a private meeting of the Non-executive directors.

Approved by the Board on [23 September 2020]