

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

Held by videoconference on Friday 16 April 2021 at 09.30 hrs

Present: Sir Graham Wrigley (Chair)
Andrew Alli
Dolika Banda
Sam Fankhauser
Michele Giddens
Kathryn Matthews
Krishnakumar Natarajan
Nick O'Donohoe
Carolyn Sims
Laurie Spengler

In attendance: Jane Earl (Company Secretary)
Colin Buckley*
Tenbite Ermias*
Liz Lloyd*
Tony Morgan*
Srini Nagarajan (CDC India Advisers Pte Ltd)*
Stephen Priestley*
Jonathan Hughes*
Andrew Brown*
Tay Lim Hock (external speaker – item 5)
**ExCo members were absent for item 4*

1. Conflicts of interest

There were no potential conflicts of interest to record other than those referred to within the Company Secretary's report.

2. Impact gamechangers video

The meeting started with the viewing of one of the impact game changers' videos - Benban Solar Park in Aswan, Egypt.

3. CEO report

Nick O'Donohoe introduced the CEO report. Overall business activity continued to be strong but political risk whether at a country or project level, alongside reputational risk, continued to be a focus and a concern.

The development of the new five-year strategy continued along with all aspects of the associated business planning. In this context, it was reported that the Letter of Intent had been signed by the FCDO.

The new CDC organisation structure (established at the end of 2020) was working well. Staff morale continued to be a concern given the impact of the Covid pandemic and extended home working continued to be monitored.

Each of the Managing Directors was asked to comment on their own business areas commenting on overall business performance and portfolio highlights (both performing and non-performing assets), market challenges, gender and climate initiatives and resource issues. In the regions, the Covid pandemic was having a severe impact alongside political unrest and security concerns.

The Chairman thanked the management team for their contributions.

Branding update

Lynsay Taffe joined the meeting and explained the context for the brand update. A further discussion would be scheduled.

4. ExCo succession and development planning

A representative from Laidlaw Associates joined the meeting and explained how ExCo members had taken part in a development assessment. The Chairman thanked Nick O'Donohoe and his ExCo colleagues for their openness to participating in the process and for their ongoing commitment to following through on the outcomes.

5. External speaker: Tay Lim Hock

The Chairman welcomed Tay Lim Hock, Chief Operating Officer and Deputy Group Chief Investment Officer at GIC, to the meeting. Based on his experience, Tay Lim Hock shared his personal perspectives on the general investment environment with particular reference to the outlook for the global economy, financial markets overall and asset allocation in region.

Recognising that CDC and GIC were different types of investment vehicles, the discussion focused on climate and infrastructure and the opportunities to invest in

frontier markets and what, if any, lessons could be learned from the GIC experience. In particular, it reinforced the idea that CDC should keep an eye on long-term returns.

6. Portfolio reviews

(i) Performance deep-dive

Nick O'Donohoe introduced the performance deep-dive where both the component parts of the Growth and Catalyst portfolios had been assessed.

During the ensuing discussion, it was reported that a new framework was being devised to monitor financial and impact priorities. Further work on liquidity would be undertaken as part of the planning process for the new strategy period.

(ii) Catalyst Annual review of 2020

The Catalyst Annual review of 2020 was presented noting that the total size of the portfolio at the end of 2021 would probably land at the lower end of the range agreed with FCDO in 2017.

Portfolio performance had been resilient against the background of the Covid pandemic and Catalyst had formed a critical part of CDC's response. Access to discretionary capital was also discussed.

(iii) CDC Covid-19 response impact report

CDC's response to the Covid pandemic across the three pillars of Preserve, Strengthen and Rebuild was considered including an early assessment of potential outcomes and management reflections on lessons learned. A comparison of CDC's response compared to its DFI peer group was also discussed.

The Chairman commended the team for their work, recognising that it was too early to assess the full impact and the reflections discussed would be factored into ongoing work. An overview of CDC's activities in relation to Covid-19 vaccines was also noted for information.

7. Strategy update

(i) Update on the next steps for the five-year strategy

An update across the several strands of work which were under consideration as work continued towards finalising the five-year strategy was presented.

The team was commended for the work done to date.

(ii) *Code of Responsible Investing update*

The Board received an update on the process, assumptions and key issues relating to the revision to the Code of Responsible Investing, which would define CDC's E&S and Business Integrity standards and requirements for the forthcoming strategy period.

8. Investment Decision Making

(i) *Delegated Authorities proposal*

The changes proposed to the Delegated Authorities following the restructuring of the investment teams were explained and approved subject to further work on deal costs.

(ii) *NED participation in ICs*

Proposed changes to the IC process, which were in line with the objective to further develop the IC process while also improving the level of Board oversight by means of more structured updates and better information on portfolio development, were presented. The Board approved the recommendations.

9. Formal approvals

(i) *CDC's disclosures in line with the Taskforce on Climate Related Financial Disclosures (TCFD)*

The Board approved in principle the TCFD disclosures within the annual financial statements and authorised the Board committee established (see minute 9 (ii) below) to approve the final draft.

(ii) *Annual financial statements*

The draft annual financial statements which had been prepared on a going concern basis, were approved in principle on the basis that they provided a fair, balanced and understandable representation of the Company's financial position.

A Board committee was established to give final approval to the annual financial statements, the letter of representation and any other such documentation as may be required.

(iii) *Letter of representation*

The Board approved in principle the letter of representation and authorised the Board committee (see (ii) above) to approve the final draft and authorise execution for and on behalf of the Board.

(iv) *Long Term Development Performance Plan (LTDPP)*

Laurie Spengler, Chair of the People Development and Remuneration committee (PremCo) advised that in private session, the Board had agreed the outcome for the LTDPP based on the confirmation that the Development Outcome Performance (DOP) and Development Potential Performance (DPP) targets had been met and taking into consideration the performance against the Catalyst objectives.

(v) *Company Secretary's report*

The Company Secretary presented her report. The Board approved the draft Notice of Annual General Meeting (AGM) and form of proxy for issuance to the shareholder. The Board also approved the transfer and subsequent merger of CDC India Investments Private Limited and CDC India Advisers Private Limited, appointed designated authorised signatories for the Broking and Depository Services account with India Infoline Limited, and noted the CDC Plus Table of Authorities.

(vi) *Modern Slavery Act statement*

The Modern Slavery Act statement (the 'Statement') was approved and the CEO was authorised to sign the Statement on behalf of the Board and authorise publication on CDC's website.

(vii) *Bank Account with HSBC Middle East Limited*

The Board approved the opening of a local bank account and post-dated cheque facility with HSBC Middle East Limited and delegated authority to the Chief Financial Officer to take such action as may be required.

10. Governance and policy

(i) *Legal proceedings*

Mark Kenderdine-Davies, Chief Legal Officer, delivered a legally privileged update on a legal issue. The Chairman thanked Mark Kenderdine-Davies, on behalf of the Board, for managing the legal process.

(ii) *Employee forum*

Laurie Spengler provided an oral update on the first meeting of the newly established Employee Forum, commenting on the energy of the meeting and the quality of the discussion. A summary of the main discussion points had been published on CDC's internal website, Sydney, as part of the commitment towards transparency.

11. Board committee reports:

(i) *Audit & Compliance committee*

The Audit & Compliance committee had reviewed the draft annual financial statements and the report from the external auditors, Deloitte. The committee had also approved the DOP (see minute 9 (iv)), and received the Internal Audit quality assessment, a report on overdue audit findings and a deep dive on the committee's activities during the year.

(ii) *Development Impact committee (DevCo)*

DevCo had reviewed the annual Serious Incidents report, the annual assurance report from Pricewaterhouse Coopers on the testing of Grid scores for new disbursements, and an update on the new impact scoring framework. The background and learning session had focussed on the worker engagement and protection facility which had been put in place as a result of the Covid-pandemic. DevCo also discussed supply chain issues which had arisen in the Xinjiang region of China.

(iii) *People development and remuneration committee (PremCo)*

In addition to making a recommendation to the Board on the discretionary element of the LTDPP award (see Minute 9 (iv) above), PremCo had reviewed the annual assurance reports on remuneration for the three CDC-controlled entities, a new dashboard for the culture metrics along with reports on diversity and inclusion. The Gender Pay Gap report and the Ethnicity Pay Gap report were discussed and while

the results had been disappointing it was recognised that work was being undertaken to reduce the differentiation in pay.

(iv) Risk committee

The Risk committee had reviewed the four key risks which were outside of appetite and had received an update on reputational risks linked to Myanmar and Mozambique. In addition, an update was provided on the Significant Risk Event process and the roadmap for enhancing risk management within CDC. The results of the review of Trade and Supply Chain Finance activities were also considered.

(v) Nominations committee

The Nominations committee had confirmed that all the directors of CDC Group plc should stand for re-election at the AGM in accordance with the Articles of Association. Updates were also provided on the recruitment process for the Chair of the Development Impact committee and the Board Chair.

12. Minutes

The minutes of the meetings held on 5 February 2021 and 18 March 2021 were approved as a correct record of the proceedings. In addition, the summary minutes of the meetings held on 5 February 2021 and 18 March 2021 were approved for publication.

The matters arising from the minutes were noted.

13. Termination

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 [23 July 2021]

(1,810 words)