

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

Held by videoconference on Friday 5 February 2021 from 10.45 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*
Chris Coles*
Tenbite Ermias*
Liz Lloyd*
Srini Nagarajan* (CDC India Advisers Pte Ltd)
Stephen Priestley*
Holger Rothenbusch*
**ExCo members left after item 4.*

1. Private NED meeting

A private meeting was held with the non-executive directors (NEDs)

2. Conflicts of interest

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

3. Introduction

The Chairman introduced Kathryn Matthews to her first meeting.

The meeting started with an introduction to the Impact Gamechangers which were examples of CDC investments which were already demonstrating impact on a large

scale and reflected the breadth of CDC's work and the sectors in which the company invests. The team was commended on these powerful vignettes.

4. CEO report

Nick O'Donohoe presented the CEO report. It was anticipated that CDC would post a loss for 2020 and the CEO stressed that, after two years of losses, it was important that the company demonstrated profitability in 2021 and that was a key objective for management.

The 2021 corporate objectives were confirmed. Staff morale was also discussed, and it was acknowledged that many staff were juggling a wide range of challenging personal situations. Each of the sector and region heads provided an overview of their business units with the focus on portfolio performance, market dynamics and employee wellbeing.

Impact of the budget constraints

The impact of the budget constraints was discussed, and the Board received reassurance that controls would remain adequate in the absence of additional headcount and that the incremental risk was manageable and controls were adequate.

5. Letter of intent and FCDO strategy negotiations

An update was provided on the letter of intent and the wider strategy planning process was presented.

The strategy team was commended for the process and progress so far on the delivery of the strategic framework.

6. Investment decision making proposal

Recognising the development of the business and the strength of the Executive team and Investment committee (IC) members (who continue to be appointed by the Board), the Board endorsed the recommendation that there was less need for direct NED participation in individual ICs and the focus should be on broader oversight of the overall investment decision making process. Additional work would be undertaken on the conditions which needed to be in place before the change would be effected. In addition, changes were approved to the Chairs for the IC meetings and additional changes were approved to the investment approval processes.

7. Communications update

(i) Brand review update

The principles underpinning the brand review project were approved subject to some small amendments.

(ii) Annual return and accounts 2020

The timeline and process for the annual report and accounts 2020 were noted.

8. Stakeholder update

An update was provided on ongoing engagement with the FCDO including Ministers and Officials. It was noted that plans were in place to establish a Shareholder Relations Desk to enhance internal coherence and create efficiencies.

9. External speaker: Tom Cargill

Tom Cargill, CEO of Wilton Park and Chair of the British Foreign Policy Group joined the meeting and shared some thoughts on UK foreign policy.

In the discussion which followed, it was recognised that the UK was in a period of transition and as such CDC would need to be ready to adapt to these changes, at the same time as keeping the focus on long term development impact.

10. Legal proceedings

A legally privileged update on a legal matter was received.

11. Triennial review

An update was presented on the Triennial review and the Remuneration Framework. The Board indicated that it supported the direction of travel.

12. Board committee reports

(i) Audit and compliance committee

A report was presented on the issues discussed by the Audit and compliance committee the previous day including an update on the external audit, internal audit, debt valuations and compliance. The non-audit services policy had also been agreed.

(ii) People development and remuneration committee

The key items discussed by the People development remuneration committee had included attrition rates, diversity and inclusion targets as well as approving the

Catalyst objectives which would be used for measuring the discretionary element of the Long-Term Development Performance Plan.

(iii) Development impact committee

A deep-dive on the committee's activities during 2020 was presented alongside the priorities for 2021. In addition to the standard agenda items, the committee had received a presentation on the impact of the COVID-19 pandemic on the workforce in Africa and how nature-based solutions could become an investable opportunity for CDC.

(iv) Risk committee

Principal risk exposures including those outside of appetite were discussed alongside foreign exchange risks and counterparty risks. An update on the Risk Management roadmap had also been presented.

(v) Nominations committee

The Nominations committee had received an update on Board succession both for the Chair and the Chair of the Development Impact committee. A review of fees for the Chair and the non-executive directors had also been discussed.

13. Company Secretary's report

The Company Secretary's report was noted.

14. Minutes

The minutes of the meeting held on 4 December 2020 were approved as a correct record of the proceedings. In addition, the summary minutes of the meeting held on 4 December 2020 were approved for publication.

The matters arising from the minutes were noted.

15. Termination

There being no further business the meeting closed at 17.15 hrs and was followed by a private meeting of the non-executive directors.

[Approved by the Board on 16 April 2021]