

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 23 July 2021 at 09.15 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*

*by videoconference

In attendance: Jane Earl (Company Secretary)
Chris Woodruff (Observer)
Colin Buckley*
Tenbite Ermias*
Liz Lloyd*
Tony Morgan
Srini Nagarajan (CDC India Advisers Pte Ltd)*
Stephen Priestley*
Jonathan Hughes*
Andrew Brown*
Diana Kolar (Observer)*

**Executive Committee ("ExCo") members joined by video conference at item 1815 left at item 1822 (ii)*

1. Introduction and conflicts of interest

The Chairman welcomed Professor Chris Woodruff to the Board meeting as an observer and as the Development Impact committee Chair designate. It was noted that formal confirmation of Professor Woodruff's appointment by the shareholder was imminent.

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 gamechangers' videos.

3. **CEO report**

Nick O'Donohoe introduced the CEO report with reference to the key activities which had taken place during the quarter. Matters discussed included gains in the portfolio, staff retention, commitments made at the G7 meeting in Cornwall, global supply chain challenges, and the political situation in Myanmar and Ethiopia.

4. **Strategy update**

(i) General strategy update

The Chairman introduced the discussion on the strategy thanking the strategy team for ensuring that CDC was fully prepared for the next phase in its development.

The Board endorsed the 2022-26 Strategy and Investment Policy and agreed that the papers should be submitted to the Director General Africa, at the Foreign, Commonwealth and Development Office ('FCDO').

(ii) Proposal for 2022-2026 Operational Expenses ("OpEx") framework

The proposed 2022-26 OpEx framework was presented and the Board agreed that it was appropriate to have an OpEx Framework and seek non-binding formal agreement with the shareholder. Within CDC there was a commitment to continue to manage costs, balanced against the context of new initiatives recognising the Board's fiduciary responsibility for managing our development impact mission while also managing a c.£7bn business.

(iii) Proposed new initiatives

The feasibility of three new initiatives proposed by FCDO were being examined to see whether it would be possible to incorporate them within the existing cost framework or would require additional funding.

(iv) Commercial return hurdle and Long Term Incentive Performance Plan ('LTIPP') structure

An update was provided on the commercial return hurdle and the overall structure of the LTIPP. The Board approved the direction of travel.

(v) *CDC Approach to digital transformation*

A digital transformation project was discussed noting that there would be two distinct but interlinked workstreams. It was noted that this work would be a focus of the November 2021 Board Strategy Day.

5. Employee related updates:

(i) *Annual engagement survey 2021*

The results of the annual employee engagement survey were discussed. Participation had been high and key insights were shared which had been viewed in total and through an ethnicity and gender lens. CDC's mission continued to energise staff, while reward, systems and processes as well as hybrid working remained of concern. ExCo had developed a plan to address the issues raised.

(ii) *Diversity and inclusion ('D&I') update*

An update was provided on D&I activities which had continued despite the lack of a D&I manager since February 2021.

During the discussion which followed there was a recognition that the organisation was moving as fast as it could while acknowledging that for some colleagues that was not fast enough. A new D&I manager was due to join CDC during the first week of August 2021.

(iii) *Employee Forum*

Laurie Spengler provided an oral update on the meeting of the newly established Employee Forum. The two ExCo members who had attended the Forum commented on the richness and variety of the conversation. While still early days, there was emerging clarity that the Forum was a discussion arena rather than an action body whose purpose was to keep the Board updated, provide information and context to the Board discussion.

6. CDC Covid Response Impact update

A first assessment of the impact of the Preserve and Strengthen pillars of CDC's Covid response was presented based on a review of available impact data across a number of transactions, CDC Plus projects and CDC's direct investments. While progress had been made, the impact of the Preserve and Strengthen transactions was still emerging and further work would be undertaken to assess how successful the programme had been.

7. Investment review

It was noted that a deep-dive review had been undertaken of one of CDC's investments, with the resulting recommendations helping CDC strengthen future investment structuring and portfolio management. The Board acknowledged the open and transparent way in which the review had been undertaken.

8. Governance and policy

(i) Safeguarding update 2020-21

Confirmation was received from management that CDC's internal and investment processes reflected an effective and robust Safeguarding framework and that the governance oversight and controls provided adequate evidence for the Board to approve the annual safeguarding assurance letter to the FCDO.

(ii) Update on External Affairs

It was noted that the external landscape in which CDC operated remained challenging. Current geo-political issues were resulting in a broader range of stakeholders being interested in CDC's activities.

(iii) Legal update

The Chief Legal Officer, delivered a legally privileged update on the status of an ongoing matter.

(iv) Contract Approval and Signing Procedures

The Board approved and adopted the new Contract Approval and Signing Procedure in place of the existing Authorised Signatory Policy.

(v) Company Secretary's report

The Company Secretary presented her report which was noted.

(vi) Branding

An update was provided on proposed branding work.

9. Board committee reports:

(i) Risk committee

The Risk committee report was presented including the new Risk Framework. A deep-dive on the annual activities of the committee was also presented.

(ii) Audit and Compliance committee

The Audit and Compliance committee report was presented which included confirmation that all the material outstanding GDPR issues had been addressed.

(iii) Development Impact committee

The Development Impact committee report was presented which included a review of CDC's compliance with the Operating Principles for Impact Managers.

(iv) People Development and Remuneration committee (PremCo)

The PremCo report was presented including an update on the new LTIPP.

(v) Nominations committee

The Nominations committee report was presented which included an update on Board succession and progress on implementing the findings of the recent Board evaluation.

10. Minutes

The minutes of the meeting held on 16 April 2021 were approved as a correct record of the proceedings. In addition, the summary minutes of the meeting held on 16 April 2021 were approved for publication.

The matters arising from the minutes were noted.

11. Note of thanks

The Chairman paid tribute to Sam Fankhauser as this was his final meeting as the shareholder nominated non-executive director and Chair of the Development Impact committee. Commenting on his passion for climate change and his diversity of thought and empathy, the Chairman thanked Professor Fankhauser for his independent thought and support for management during his time in office.

12. Termination

There being no further business the meeting closed at 15.15 hrs .

Approved by the Board on [22 September 2021]