

## Summary minutes of a meeting of the Board of British International Investment plc (BII)

Held at 123 Victoria Street, London SW1E 6DE on Friday, 1 December 2023 at 10:00 GMT.

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<b>Present:</b>	Diana Layfield (Chair) Andrew Alli Dolika Banda Kathryn Matthews Krishnakumar Natarajan Nick O'Donohoe Simon Rowlands Carolyn Sims Laurie Spengler Chris Woodruff	
<b>In attendance:</b>	Bethany Burrow (Company Secretary) Colin Buckley* (Item 11) Chris Chijiutomi* Jonathan Hughes* Liz Lloyd* Louise Meikle* (Items 3 to 7)	Tony Morgan* (Item 11) Srini Nagarajan* Vipul Prakash* Stephen Priestley* Holger Rothenbusch* <i>*For item 2, and other items where marked</i>

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### 1. Introduction and conflicts of interest

A specific conflict of interests (which had been declared previously in a general manner) relating to an approval to open a bank account under item 16 was declared and the relevant director recused themselves from voting in respect of that matter. There were no other conflicts of interest to note that were not contained within the Company Secretary's report.

### 2. CEO and Management report

The CEO and Management Report was presented. The presentation referred to current profit forecasts, the focuses of the portfolio and the likely deployment by year end. Upcoming changes to the Executive Committee, including the departures of the Chief Investment Officer and the Head of the Industry, Technology and Services group were highlighted.

Each regional and business Head provided an overview of the opportunities and

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challenges within their business. The Board noted that a new Investment Heads Meeting would begin in the new year, which would include the sector heads and the regional heads.

**3. 2024 Corporate Objectives**

The proposed 2024 Corporate Objectives were presented. It was noted that it was not proposed to change how the objectives linked to remuneration and the Long Term Incentive Performance Plan, including there being no change to the relative weighting of the objectives.

The way in which success against the objectives would be measured was discussed. Minor amendments to the language in the proposed objectives were agreed.

The Board approved the corporate objectives for 2024 subject to the minor amendments discussed in the meeting.

**4. London Office Space Needs 2023 and Beyond**

The Board was reminded of the discussion held earlier in the year on London office space needs and the Board's decision that BII should remain at 123 Victoria Street. It was noted that since that discussion, a new opportunity had been identified to move to a new building in the same neighbourhood. The Board considered the condition of the current building and the opportunity presented by the new building.

After further discussion, the Board decided not to give its approval to the new opportunity to move to another building.

**5. Operating Expense Forecast 2023 and Budget 2024**

The 2024 budget was introduced. It was noted that the Board had set an operating expenditure ratio and the budget had been formulated to fall within that ratio while allowing the organisation to execute its current strategy. It was noted that BII was below budget for 2023.

The Board approved the 2024 budget.

**6. 2023 Culture and Diversity Review**

The Culture Dashboard was presented. It was noted that a full employee survey had not been undertaken in 2023; however, focus groups had been established to work through the results of the previous year's survey, and a pulse survey had been undertaken to test certain aspects of the results of the previous employee survey.

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The Board discussed the political capital concept. It was noted that training on understanding the language and how the concept applied internationally was being planned.

The Board discussed the benefits provided by BII in relation to mental health and noted that these were seen as positive among staff.

**7. Diversity and Inclusion Representation Targets**

It was reported that the People Development and Remuneration Committee (**PremCo**) had reviewed the proposals to revise BII's diversity and inclusion representation targets and had recommended that they should be presented to the Board for approval.

It was noted that the revised targets would have a new time frame which was aligned with the current strategy period. The gender representation target would remain at 40%. The black leadership representation target would increase from 11% to 14% but would now be assessed globally instead of just in relation to the UK.

The Board approved the revised diversity and inclusion representation targets.

**8. Annual Salary Review for 2024**

It was reported that the PremCo had recommended to the Board to approve an annual salary increase for UK employees. Inflationary increases for employees in other countries were proposed using the same methodology as for the UK. However, in certain countries, it was proposed to delegate discretion to the CEO to approve different bases for salary increases, given the difficult inflationary landscapes.

The Board approved the proposed salary increases and the delegation of discretion to the CEO for certain countries with difficult inflationary landscapes.

**9. Employee Forum Update**

An update on the recently held Employee Forum meeting was received. It was noted that new Forum members had recently been selected.

**10. Global Affairs Stakeholder Survey Results and Q3 2023 Report**

The Global Affairs Stakeholder Survey Results and Q3 2023 Report were noted. It was noted that work had been ongoing on the UK International Development White Paper, along with the Government's response to the International Development Committee (**IDC**) report.

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**11. Investee Survey Final Report: Management Response**

Management's response to the Investee Survey Final Report was presented.

It was noted that having the Communications team lead on the survey had provided independence from teams which typically interacted with investees. The Board noted that the stories heard in the survey resonated with what BII already knew.

It was noted that the FCDO would perform their own research with investees in preparation for the new strategy period.

**12. Ukraine Interim Implementation Plan**

An update on the Ukraine Interim Implementation Plan was noted. The presentation focused on developments with the proposed investments in Ukraine through the arrangement with the European Bank for Reconstruction and Development (the **EBRD**).

The Board discussed deployment; due diligence on Business Integrity; reputational risk; the total amount of investment by all EBRD partners; and the expectations around reporting to the FCDO.

**13. Update to IC Terms of Reference and IC Membership**

The Board approved the proposed changes to the Investment Committee terms of reference and membership.

**14. Policy on Responsible Investment Assurance Report**

It was noted that the letter of assurance to the FCDO in respect of the Policy on Responsible Investment had been recommended by the Development Impact Committee to the Board for approval.

The Board approved the letter to be sent to the FCDO providing assurance in respect of the Policy on Responsible Investment and authorised the chair to sign the letter.

**15. Annual Review of BII's Tax Policy**

The Board reapproved BII's tax policy, noting that, following a review, no changes from the version approved in 2022 were proposed.

**16. Company Secretary Report**

The Company Secretary report was taken as read. The Board approved the following matters:

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- the extension of Kathryn Matthews' term as a non-executive director and as Risk Committee chair for a further period of three years ending on 31 December 2026;
  - the opening of certain bank accounts and the onboarding of a new global broker (along with the delegation of the signing of certain agreements to the CFO and the Company Secretary);
  - the renewal of the General Power of Attorney (**General PoA**) with immediate effect and the revocation and reissue of the General PoA on 1 February 2024 and 15 February 2024 to accommodate certain staff changes;
  - the updated schedule of matters reserved to the Board;
  - the 2024 Board forward agenda;
  - the ratification of certain powers of attorney;

The Board noted the proposed Board Effectiveness Review questionnaire and the corporate governance update.

#### **17. Reports from Board Committees**

The written reports from the Board committees were taken as read. After due consideration the Board approved:

- the revised terms of reference of the Audit and Compliance committee, the Risk Committee, and the Development Impact Committee, each on the recommendation of the respective committee;
- the revised Risk Appetite Statement, on the recommendation of the Risk Committee.

#### **18. Minutes and Matters Arising**

The minutes of the meeting held on 15 September 2024 were approved. The matters arising from the minutes were noted.

It was noted that the Board had received a presentation the previous day on the Net Zero Transition Strategy and carbon budget proposals. The Board noted management's decision to retain the existing approach to carbon budgeting, with the addition of enhanced monitoring.

#### **19. Any Other Business and Termination**

There being no further business the meeting closed at 16:00 GMT and was followed by a private NED meeting.

Approved by the Board on 23 February 2024.