

CDC GROUP PLC (THE “COMPANY”)

TERMS OF REFERENCE OF THE RISK COMMITTEE OF THE BOARD

(1) NAME

Risk Committee (“Committee”).

(2) MEMBERSHIP

(a) The Committee will consist of no less than three non-executive director members (“Members”) appointed by the Board.

(b) The Members are:

Wim Borgdorff
Valentine Chitalu
Samuel Fankhauser
Keki Mistry
Graham Wrigley

(c) The Board shall appoint the chair of the Committee (“Chair”).

The Chair is:
Wim Borgdorff

(3) QUORUM

Two Members.

(4) SECRETARY

The secretary of the Committee shall be CDC’s Company Secretary (“Secretary”).

(5) VOTING

Decisions shall be made by a majority of those voting with the Chair of the Committee holding the carrying vote in the event that there is a tie.

(6) RESOLUTIONS IN WRITING

A resolution in writing signed by all the Members entitled to receive notice of a meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened.

(7) FREQUENCY AND NOTICE OF MEETINGS

- (a) Meetings of the Committee shall be held as required, but not less than two times each year.
- (b) The Secretary shall give notice of meetings to the Members and the Chief Executive Officer and attendees.

(8) ATTENDANCE AT MEETINGS AND ACCESS TO THE COMMITTEE

- (a) Only Members and the Secretary shall be entitled to attend meetings of the Committee.
- (b) Any other person may attend with agreement of the Chair. The Secretary shall maintain a list, which shall be reviewed and agreed from time to time, of the staff who may attend the meetings.
- (c) The Committee shall maintain an open door policy allowing all employees of the Company to bring any matters relevant to the Committee's work to the attention of the Committee and its Chair.

(9) AUTHORITY

The Committee is authorised by the Board:

- (a) to investigate any matters relevant to the fulfilment of its duties
- (b) to seek any information it requires from any employee of the Company and any subsidiary of the Company and all such employees are directed to co-operate with any such request made by the Committee
- (c) to obtain external legal or other independent professional advice and to secure the attendance of external advisors at its meetings (if it considers this necessary).

(10) GUIDING PRINCIPLE

The Committee shall be guided in all its decisions by:

- (a) the purpose of managing risks to a level that will allow CDC to achieve its mission - to support the building of businesses throughout Africa and South Asia, to create jobs and to make a lasting difference to people's lives in some of the world's poorest places
- (b) a clear understanding of the appetite for particular risks of the shareholders and key stakeholders of CDC
- (c) the goal of developing a risk management framework that allows CDC to identify and manage risks that threaten its ability to meet its mission and objectives.

(11) DUTIES

The duties of the Committee shall be:

Risk policy, guidelines and risk culture

- (a) to review the CDC group of companies' risk appetite, tolerance and strategy, taking account of the Company's Risk Management Policy and Investment Policy
- (b) to review the Risk Management Policy at least every two years and recommend updates to the Policy to the Board
- (c) to establish, maintain and advise the board on guidelines escalating certain risk exposures to Management, the Committee and the Board
- (d) to review and advise the board on the current principal risk exposures of the Company
- (e) to oversee the risk culture that is established and promoted by management
- (d) to ensure risk is taken into consideration when setting executive objectives.

Internal controls

- (f) to receive and review reports on a timely and regular basis on the management of principal risks identified by Management, particularly exceptional items that have been assessed as outside risk appetite and review the appropriateness of follow up action as proposed by Management
- (g) to assess the adequacy and effectiveness of the risk management systems of the Company in relation to both financial and non-financial risks to ensure periodic review of such risks
- (h) to review and monitor the Companies ongoing action planning to implement, improve and maintain adequate risk management process, systems and culture
- (i) to review the Company's statements on risk management systems and compliance with these statements prior to their endorsement by the Board and, in particular, to review and recommend to the Board statements to be included in the annual report concerning internal control and risk management.

Operational

- (j) to receive reports from any executive of the Company with respect to any matters within the Committee's duties as contained herein

- (k) to ensure the provision of adequate training for its members (and those who report to it) in relation to its duties hereunder

General

- (l) to ensure the overall policies for risk management and control meet the relevant requirements of the Financial Conduct Authority regulations and other authoritative sources, as applicable to the Company
- (m) to consider such other topics as are either referred to the Committee by the Board or may be defined by the Committee and notified to the Board, which topics shall not be restricted to matters relating to internal financial controls but may include any matter constituting a material risk exposure for the Company
- (n) the Committee will work and liaise as necessary with all other board committees in order to carry out its duties.

(12) REPORTING

- (a) The Secretary shall circulate copies of the minutes of meetings of the Committee to all directors, following the preliminary approval of such minutes by the Chair; formal approval of such minutes shall be sought at the next meeting of the Committee.
- (b) The Chair may report on decisions of, or matters coming before, the Committee to any other person or body the Committee considers appropriate.

These terms of reference are to be reviewed at least at each renewal of the Company's Risk Management Policy and Investment Policy.

NOVEMBER 2015

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**ATTENDANCE LIST FOR
THE RISK COMMITTEE OF THE BOARD**

In accordance with Article 8 of the Terms of Reference of the Risk Committee (Committee), in addition to the Committee members, the following persons should also attend the Committee meetings at the discretion of the Chairperson:

- Chief Executive Officer
- Chief Operating Officer
- Chief Investment Officer
- Risk Manager
- Chief Financial Officer
- General Counsel*
- Internal Audit Manager*
- Compliance Officer*

November 2015

* - *where appropriate*