

**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 and shall include the chair of the audit committee.

(b) Appointments to the committee shall be for a period up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the committee.

(c) 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”) or his or her nominee.

**(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 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 quarterly.
- (b) Notice of meetings shall be given by the Secretary to all Members, the Chief Executive Officer, Chief Financial Officer and all 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 are expected to attend the meetings.
- (c) The Committee will 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 the goal of developing a risk management framework and:

- (a) 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; and
- (b) A clear understand for the appetite for particular risks of the shareholders and key stakeholders of CDC.

## **(11) DUTIES**

The duties of the Committee shall be:

### **Risk policy, guidelines and risk culture**

- (a) to review the risk appetite, tolerance and strategy, of CDC Group plc and its subsidiary undertakings (“CDC Group”) taking account of CDC Group’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 CDC Group
- (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 review the strategy, resources and work programme of the CDC Group and risk function to enable it to perform its function effectively. The Committee shall ensure that the function has adequate independence and is free from management and other restrictions
- (g) 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
- (h) to assess the adequacy and effectiveness of the risk management systems of CDC Group in relation to both financial and non-financial risks to ensure periodic review of such risks
- (i) to review and monitor the CDC Group’s ongoing action planning to implement, improve and maintain adequate risk management process, systems and culture
- (j) to review the CDC Group’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**

- (k) to receive reports from any executive with respect to any matters within the Committee's duties as contained herein
- (l) to ensure the provision of adequate training for its Members (and those who report to it) in relation to its duties hereunder
- (m) to arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it consider necessary to the Board for approval.

### **General**

- (n) 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 CDC Group
- (o) 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
- (p) 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 the Board and 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.

Adopted by the Risk Committee on 23 November 2017.

November 2017