

CDC GROUP PLC (THE “COMPANY”)

**TERMS OF REFERENCE OF THE PEOPLE DEVELOPMENT AND
REMUNERATION COMMITTEE OF THE BOARD**

(1) NAME

People Development and Remuneration Committee (“Committee”).

(2) MEMBERSHIP

(a) The Committee will be consist of no less than three non-executive directors members (“Members”) appointed by the Board all of whom shall be independent and one member shall also be the Chair of the Risk Committee. The Chairman of the Board may also serve as an additional member.

(b) Appointments to the committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as Members continue to be independent.

(b) The Members are:

Wim Borgdorff
Michele Giddens
Laurie Spengler
Graham Wrigley

(d) The Board shall appoint the chair of the Committee (“Chair”) who shall be an independent non-executive director.

The Chair is:

Laurie Spengler

(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, to permit timely decision-making in line with the annual remuneration cycle, 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 OF THE COMMITTEE

- (a) Only Members and the Secretary shall be entitled to attend meetings of the Committee.
- (b) No executive director or the Chairman of the Board may be present or vote when his or her own remuneration is being considered. Any more general discussions on the remuneration framework or its constituent elements should include relevant executive directors as agreed with the Chair (although the Chair reserves the right at all times for private discussions with non-executive directors only).
- (c) 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 be required to attend the meetings.
- (d) 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 enabling the recruitment and retention of individuals of the calibre that will allow CDC to achieve its mission – to achieve impressive developmental impact in challenging places well balanced with reasonable financial returns through targeted, high quality investing skills
- (b) a clear understanding of the needs of the shareholders and key stakeholders of CDC
- (c) the goal of building a team at CDC that encapsulate and are inspired by the CDC identities.

(11) DUTIES

In order to ensure the recruitment and development of a high calibre of employees throughout the Company, the duties of the Committee shall be to:

- (a) review and approve the Company's policies for training and development of executives and other employees
- (b) review staff recruitment and retention data and strategies for enhancing recruitment and retention
- (c) review and advise on the approach taken to internal communications generally and other approaches taken by the Company to reinforce a culture at CDC that will motivate employees in ways that go beyond financial remuneration
- (d) review and approve the approach taken to individual performance and in particular the setting of clear goals and effective feedback on achievement, together with approaches to underperformance
- (e) recommend to the Board an approach to Executive succession.

The Committee shall ensure that clear and transparent compensation policies that are consistent with achieving CDC's mission are implemented, including that it shall:

- A. determine and agree on behalf of the Board and shareholders the Company's policy on remuneration and specific remuneration packages for each of the:
- (i) Chairman of the Board
 - (ii) Chief Executive Officer, in response to a recommendation made by the Chair:
 - (iii) the executive directors (whose membership shall be those roles defined as Management Committee as at the date of this document) in response to recommendations made by the Chief Executive Officer; and
 - (iv) such other members of the executive management of the Company as it shall be designated by the Board to consider.
- B. review on behalf of the Board and shareholders a sample of the remuneration packages of other employees of the Company
- C. with the help of information provided from external sources and in respect of executive directors and within the constraints of the Remuneration Framework agreed with the Shareholder:
- (i) satisfy itself that remuneration is set at a level that allows for the recruitment and retention of high calibre individuals;
 - (ii) ensure an appropriate mix of fixed and variable elements of remuneration;
 - (iii) ensure that overall remuneration packages encourage long term commitment; and
 - (iv) ensure that performance criteria used under any incentive arrangements, whether short or long term, are challenging and, wherever possible, reflect both the developmental and financial goals of CDC.
- D. oversee that remuneration is being executed in line with the Remuneration Framework agreed with the shareholder and provide assurance to the shareholders as prescribed by the Remuneration Framework. Make recommendations from time to time (but especially following the triennial Benchmarking review) to the shareholder on improvements to the Remuneration Framework (only if deemed necessary) bearing in mind the requirements of clause c) above and :
- (i) CDC's compensation when benchmarked against its DFI peers through the triennial Benchmarking review, as determined in the Remuneration Framework;
 - (ii) the need to ensure that compensation policies are clear and transparent; and

- (iii) that all rewards should be reviewed in the context of the Company's overall performance and the Committee should make recommendations to the shareholder and CDC for adjustments to the Framework if inconsistencies between rewards and performance are felt to be detrimental to CDC or its reputation.
- E. oversee recommendations from the senior management team on Promotions and Progressions to ensure that they are promoting the Guiding Principle above and are coordinated with the Company's budgeting process (for the avoidance of doubt, this oversight will concentrate on consistency with the Guiding Principle and will not approve individual cases) to ensure that (i) management have demonstrated a robust process; (ii) costs are within budget; and (iii) the overall shape of the organisation is not adversely impacted by the proposed changes.
- F. Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

(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 Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- (c) The Committee shall ensure that it produces a report on the Company's remuneration policy and practices to be included in the Company's annual report. If the Committee has appointed remuneration consultants the annual report should identify the consultants and state whether they have any connection with the Company.
- (d) Through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholder about remuneration.
- (e) 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 were adopted by the Committee on 23 November 2017.

