

HENDERSON GROUP PLC

CHARTER OF STATUTORY AUDITOR INDEPENDENCE

1. The Henderson Group plc Board, on the advice of its Audit Committee (AC), is responsible for the appointment of the statutory auditor. The statutory auditor is expected to attend all meetings of the AC and to attend at least once a year without Management being present.
2. The statutory auditor will report to the AC, in the annual letter to management, inter alia, on its assessment of how Henderson Group's principal accounting practices, internal controls and reporting procedures compare with best practice, to reinforce the reality and perception of auditor independence.

In addition, the auditor will discuss with the AC and without Management being present any material issues, which affect approval of the annual accounts of Henderson Group.

3. The statutory auditor will provide suitably qualified personnel to ensure an effective audit is carried out. It will provide audit personnel who are appropriately trained; capable of meeting the required technical standards; will maintain confidentiality; and behave in a professional manner at all times. These standards are necessary to reinforce the reality and perception of auditor independence.
4. Henderson Group expects its statutory auditor to maintain quality control processes whereby all key accounting and auditing decisions are arrived at after appropriate consultation with technical and subject matter experts within the firm. This provision codifies existing practice and is necessary to reinforce the reality and perception of auditor independence.
5. Henderson Group will require the statutory auditor to rotate the senior audit partner and independent partner for Henderson Group every five years with suitable succession planning to ensure consistency.
6. The statutory auditor's annual letter of engagement will be agreed by Henderson Group Management in accordance with this Charter, and circulated to the AC for information and comment. No work for the statutory auditor will be approved in the following areas:-
 - any valuation work for accounts purposes
 - secondment to management positions
 - implementation of key systems with financial implications
 - advice that has a significant influence on the value of a material asset or liability included in the accounts
 - internal audit of financial controls

Letters of engagement which provide any of the above services from other accounting firms will be agreed by Henderson Group Management and circulated to the AC for information and comment.

7. No work of the statutory auditor will be approved that would create a conflict or perceived conflict in the following areas:-
 - outsourcing/partnering
 - tax structuring advice
 - valuation of acquisition targets and connected due diligence, other than transaction support (where transaction support is defined as review of a target's financial statements and internal controls system).
8. All potential material mandates for non-audit related services from the statutory auditor will be determined on a case to case basis by the AC on recommendation by Management. However the AC Chairman may give preliminary approval in cases where the non-audit related work to be carried out is of an urgent nature and he is satisfied that such work will not impact on the independence or objectivity of the Statutory Auditor pending formal decision or ratification by the AC (as for example certain initial work to be undertaken in respect of transaction matters).
9. Pre-approval for services is deemed to be given for (1) non-audit work that is considered by management to be routine in nature (and does not conflict with the areas set out in 6 and 7 above) and the fee is not significant in the context of the audit fee or (2) for audit related services. In cases where there is uncertainty as to whether such work is of a routine nature or not the AC Chairman shall be consulted for final decision.¹
10. To ensure audit quality at Henderson Group and to allow for an effective audit service by suitably qualified professionals, Henderson Group commits to the payment of fair commercial rates for its statutory audit and audit-related services.
11. The Chief Financial Officer of Henderson Group will negotiate the annual statutory audit fee on a group wide basis and recommend for approval by the AC. Reports will be provided by Management to the AC on an annual basis detailing the level of fees paid to the statutory auditor, differentiating between audit and non-audit work being awarded to the statutory auditor.

¹ ⁴ Audit related services are those non-audit services specified as such in APB Ethical Standards for Auditors as including:

- Reporting required by law or regulation to be provided by the auditor;
- Reviews of interim financial information;
- Reporting on regulatory returns;
- Reporting to a regulator on client assets;
- Reporting on government grants;
- Reporting on internal financial controls when required by law or regulation; and
- Extended work that is authorised by those charged with governance on financial information and/or
- financial controls performed where this work is integrated with the audit work and is performed on the same principal terms and conditions.

12. If, in the view of the AC, the level of fees for non-audit services, being paid to the statutory auditor is of a magnitude that could impair, or be perceived to impair, auditor independence, the AC may, from time to time, impose a restriction on non-audit work being awarded to the statutory auditor.
13. As a matter of principle and sound corporate governance, Henderson Group will require the statutory auditor to provide the following assurances on an annual basis that:
 - The total fees received by the statutory auditor from Henderson Group do not have a material impact on its operations or financial condition.
 - Henderson Group has not withheld fees from the statutory auditor.
 - To the best of the statutory auditor's knowledge, there is no litigation between Henderson Group and the statutory auditor.
14. The AC will require the statutory auditor to confirm annually that it has complied with all professional regulations relating to auditor independence. Specifically, the statutory auditor will be required to confirm its commitment to strict procedures to ensure that:
 - The statutory auditor, its partners and its relevant staff (including the current service team members) do not have any financial, business, employment or family and other personal relationship with Henderson Group which could adversely affect the auditor's independence and objectivity, taking account of relevant Ethical Standards.
 - The superannuation fund of the partners of the statutory auditor does not hold any direct financial interest in Henderson Group
 - The staff superannuation fund of the statutory auditor does not hold any direct financial interest in Henderson Group
 - There are no business interests between Henderson Group and the statutory auditor including no outsourcing arrangements for the management/administration of staff/partner superannuation funds
 - No fee paid by Henderson Group to the statutory auditor is paid on a contingency basis
15. Henderson Group will review annually the independence, objectivity and performance of its auditor in considering the appropriateness of the ongoing appointment.
16. In addition to the confirmations and representations by the statutory auditor referred to above, the standard of independence to which the auditor complies will not be less than the requirements of the primary listing authorities to which Henderson Group is subject (currently UKLA and ASX).
17. The AC may engage on a periodic basis an independent expert to conduct a high level review of the perception of Henderson Group's statutory auditor independence.