

## **Henderson Diversified Income Limited**

### **Terms of Reference for the Management Engagement Committee**

#### **Duties**

1. To review and monitor the performance of the Manager:
  - 1.1 Investment Performance:
    - Performance of gross/net assets
    - Debt management
    - Maintenance of agreed of agreed policy and risk profile
    - Consistency of overall strategy
    - Company's benchmark
  - 1.2 Marketing Performance:
    - Quantitative measures
    - Relationship maintenance
    - Institutions
    - ISA/Private client advisors
    - Promotional material
  - 1.3 Communication/Company Support:
    - Contribution to Board Meetings
    - Awareness of the investment company sector
    - Appropriate support to the Board
    - Monitor of internal risks and controls
  - 1.4 Company Secretarial Support:
    - Efficiency and effectiveness of the presentation of the Board papers
  - 1.5 Inter Alia:
    - Relations with the managers
    - To monitor and review the services provided by the manager in relationship to inter alia to control the environment and compliance
  - 1.6 Third Parties:
    - To evaluate the services provided by third parties with regard to effectiveness and competitiveness e.g. accountants, the custodian, the registrar, the Company's brokers, the Company's solicitors.
2. To review whether the terms of the investment management agreement should be altered in any way.

3. To negotiate terms with the managers.
4. To make proposals to the Board on any matter within its terms of remit.
5. To provide feedback to the managers on its performance and to suggest where changes/improvement could be implemented.

### **Membership**

6. The Committee should comprise of the Chairman of the Company and at least one other director of the Company who are independent of the manager.
7. A quorum will be two directors present in person.
8. Other directors may attend meetings by invitation but may not vote.

### **Frequency**

9. The Committee will meet every year.

Approved by the Board on 28 August 2008