

HENDERSON GLOBAL TRUST PLC

Terms of Reference of the Audit Committee

Membership and Attendance

1. The Audit Committee shall be appointed by the Board and shall comprise of a Chairman and at least 2 other directors.
2. All Members of the Audit Committee shall, before appointment, have been confirmed by the Board to be independent non-executive directors. The Chairman of the Board shall not be a member of the Audit Committee. At least one member of the Audit Committee should have recent and appropriate professional qualifications or relevant financial expertise. Note: the qualification of all Audit Committee members is required to be disclosed in the annual report.
3. Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.
4. The Board shall appoint the Audit Committee Chairman who shall be an independent non-executive director. In the absence of the Audit Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number present to chair the meeting.
5. The Audit Committee may ask the Chairman of the Company and senior representatives of the Manager and Secretary to attend meetings, either regularly or by invitation, but invitees shall have no right of attendance.
6. The Audit Committee may invite a representative of the external auditors and the Manager's Heads of Compliance and Internal Audit to attend all meetings. The Audit Committee should have at least one meeting, or part thereof, with the external auditor without management being present should the Committee deem that to be necessary.

Company Secretary

1. The Company Secretary or their nominee shall act as the Secretary of the Audit Committee.

Quorum

1. The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee.

Frequency of Meetings

1. The Audit Committee shall meet twice a year and at such other times as the Chairman of the Audit Committee shall require.
2. Meetings will be arranged to coincide with the publication of the Company's financial statements.
3. Meetings can be requested by the external auditors or by the Manager's Heads of Compliance and Internal Audit if they consider that to be necessary.

Notice of Meetings

- 1 Meetings of the Audit Committee shall be convened by the Secretary of the Audit Committee at the request of any member.
- 2 Unless otherwise agreed, Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Audit Committee, any other person required to attend and all other members of the Board, no fewer than 5 working days prior to the date of the meeting.

Minutes of Meetings

- 1 The Secretary shall minute the proceedings and resolutions of all meetings of the Audit Committee, including recording the names of those present and in attendance.
- 2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 3 Minutes of Audit Committee meetings shall be circulated promptly to all members of the Audit Committee and to the Chairman and all other members of the Board.

Annual General Meeting

- 1 The Chairman of the Audit Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Audit Committee's activities.

Duties

Internal Control and Risk Assessment

- 1 The Audit Committee shall keep under review the effectiveness of the Company's financial reporting and internal control policies and procedures with respect to the Company's record keeping, asset management and operations for the identification, assessment and reporting of risks.
- 2 Monitor and review the remit and effectiveness of the Manager's internal audit, compliance and business risk functions in the context of its overall risk management system;
- 3 The Audit Committee shall monitor adherence to best practice in corporate governance.

Internal Audit

- 1 The Audit Committee shall review promptly all reports on the Company from the Manager's Heads of Compliance and Internal Audit.
- 2 The Manager's Heads of Compliance and Internal Audit shall have the right of direct access to the Chairman of the Audit Committee.

External Audit

- 1 The Audit Committee shall consider and make recommendations to the Board (to be put to shareholders for approval at the Annual General Meeting regarding) the appointment, re-appointment, and remuneration of the external auditors. The Committee shall oversee the appointment of new auditors and in the event of them resigning investigate the reasons. It shall also consider the provision of non-audit services by the Company's external auditors on a case

Terms of Reference of the Audit Committee

- by case basis. The policy for non-audit services should be kept under review and the following factors should be considered in relation to non-audit services: whether the audit firm is the most suitable supplier of non-audit services; the impact on the auditor's independence and objectivity and what safeguards can be put in place to eliminate or reduce any threat in this regard; and the cost-effectiveness of the services and criteria which govern the compensation of the individuals performing the audit.
- 2 The Audit Committee will review and approve the terms of the external Auditor's engagement letter.
 - 3 The Audit Committee will mediate in relation to any disagreements between the Manager and the external auditors.
 - 4 The Audit Committee shall meet with the external auditors at least once a year at the post-audit reporting stage, to review any matters arising in the course of the audit with respect to accounting or internal control systems or other significant issues, and to ensure that the Auditor's management letters and the Manager's responses are reviewed.
 - 5 The Audit Committee shall keep under review the relationship with external auditors including (but not limited to):
 - 5.1 the independence, objectivity, effectiveness and competence of the external auditors;
 - 5.2 the consideration of audit fees to be paid as well as any other fees payable to auditors in respect of non-audit activities;
 - 5.3 monitor the external auditors rotation of partners;
 - 5.4 review and approve the audit plan;
 - 5.5 review and approve the representation letter for recommendation to the Board ; and
 - 5.6 discussions with the external auditors concerning such issues as compliance with accounting standards and any proposals which the external auditors have made, e.g. in respect of the Company's internal auditing standards.
 - 6 Investigate the issues giving rise to any resignation of the auditors and consider what action is required.

Financial Statements

- 1 The Audit Committee shall keep under review the consistency of accounting policies both on a year-to-year basis and across the Company/Group.
- 2 The Audit Committee shall review and challenge, where necessary, the Company's annual and half yearly financial statements taking into account:
 - 2.1 decisions requiring a major element of judgement;
 - 2.2 the extent to which the financial statements are affected by any unusual transactions;
 - 2.3 the clarity of disclosures;
 - 2.4 in the case of the annual financial statements significant adjustments resulting from the audit;
 - 2.5 the going concern assumption;
 - 2.6 compliance with accounting standards;
 - 2.7 compliance with stock exchange and other legal requirements;

Terms of Reference of the Audit Committee

- 2.8 the Company's statement on internal control systems, prior to endorsement by the Board, and the policies and process for identifying and assessing business risks and the management of those risks by the Company; and
- 2.9 the need to ensure that the information presented is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Reporting Responsibilities

- 1 The Audit Committee or its Chairman shall meet formally with the Board at least once a year to report on how it has discharged its duties and discuss such matters as the Annual Report and the relationship with the external auditors.
- 2 In the light of its other duties, the Audit Committee shall make whatever recommendations to the Board it deems appropriate.
- 3 It shall approve the report to shareholders regarding its activities and any statements concerning internal controls and risk management contained in the Annual Report. The report should include details of any significant issues which the Committee has considered, how these were addressed and how it has assessed the effectiveness of the internal audit process; the Committee is therefore required to consider any issues to be disclosed.

Other Matters

- 1 The Audit Committee shall give due consideration to the requirements of the UK Listing Authority's Listing Rules.
- 2 The Audit Committee shall be responsible for supervising the co-ordination of the activities of the internal and external auditors.
- 3 The Audit Committee will review the Company's procedures for the signing of cheques and the transfer of inter-bank funds.
- 4 The Audit Committee shall be responsible for monitoring the names of the banks used by the Manager to place the Company's uninvested cash and should review the limits on the amount that can be placed on deposit with any one bank.
- 5 The Audit Committee will review the Company's Agreements, in particular the Investment Management Agreement, Company Secretarial and Administration Agreement, and Custody Agreement.
- 6 The Audit Committee will ensure that financial information used within the business or published is reliable.
- 7 The Audit Committee will oversee any investigation of activities which are within its terms of reference and act as a court of last resort.
- 8 The Audit Committee shall give due consideration to the requirements of the Alternative Investment Fund Managers Directive and the reporting requirements arising therefrom.

Terms of Reference of the Audit Committee

Bribery

- 1 The Audit Committee shall, in relation to the Company's anti-bribery policy and stance, review the Manager's anti-bribery procedures and be aware that adequate policies are in place at the Company's other service providers.

Whistle blowing and fraud

- 1 The Audit Committee shall review the Manager's arrangements to raise concerns in confidence about possible wrongdoing in financial reporting and other matters.

Authority

The Audit Committee is authorised to:

- 1 seek any information it requires from the Manager and BNP to which the accounting function has been delegated, in order to perform its duties;
- 2 obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- 3 request that a representative of the Manager be available to answer questions at meetings of the Audit Committee.

Last updated: November 2015

Last reviewed: November 2015