

HENDERSON INTERNATIONAL INCOME TRUST PLC

Schedule of Matters Reserved for the Board

Adopted by the Board of Directors on 7 July 2020

Whilst the board has delegated the management of the Company's investments to the manager, and certain functions are dealt with by committees which report to the board, the directors collectively are ultimately responsible for all affairs of the Company. The following matters are specifically reserved for determination by the board of directors.

URGENT MATTERS

For matters that have to be dealt with urgently, between regular board meetings, a meeting will be held in person, or by telephone or video conference in which as many directors as possible will participate. This will allow directors the opportunity to discuss the matter and raise questions. Any director unable to attend will be sent the relevant papers and will have the opportunity to give his/her views to the chairman, another director or the company secretary before the meeting.

If the matter is routine and discussion is unnecessary, the approval of all directors may be obtained by means of a written resolution. In all cases the procedures will balance the need for urgency with the overriding principle that each director should be given as much information as possible, the time to consider it properly and an opportunity to discuss the matter prior to the commitment of the Company.

Strategy and Management	
1.1	Responsibility for the overall leadership and management of the Company and setting the Company's values and standards.
1.2	Approval of the Company's long-term objectives and commercial strategy to include the determination of the parameters of the investment strategy and investment, treasury and risk management policies within which the manager can exercise judgement.
1.3	Review of the Company's performance in light of its strategic aims, objectives and business model.
1.4	Oversight of the Company's operations ensuring: <ul style="list-style-type: none">• competent and prudent management;• sound planning;• an adequate system of internal control;• adequate accounting and other records; and• compliance with statutory and regulatory obligations.
1.5	Review of reports submitted by the manager, in particular valuations, transactions, balance sheets and revenue forecasts. Review of any other ad hoc reports as requested of the manager by the board.
1.6	Review of the Company's stated investment objective and policy; any material amendment to be approved by the FCA and shareholders.
1.7	Regular review of gearing levels and bank borrowing facilities.
1.8	Review of the portfolio's geographical asset allocation.
Structure and Capital	
2.1	Approval of changes relating to the Company's status as an investment trust company or its capital structure, including reduction of share capital, the authorisation of share issues and share buy backs and the use of treasury shares.
2.2	Consideration of proposals relating to corporate acquisitions / disposals.
3. Contracts	
3.1	Contracts which are material strategically or by reason of size, entered into by the Company in the ordinary course of business.

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3.2	Contracts of the Company not in the ordinary course of business.
3.3	Major investments including the acquisition or disposal of more than 3% in the voting shares of any company or the making of any takeover offer.
4.	Board membership and other appointments
4.1	Establish the terms and conditions of appointment of non-executive directors and ensure regular review of such terms and conditions.
4.2	Through the nominations committee, to lead the process for appointments and ensure plans are in place for orderly succession to the board.
4.3	Changes to the structure, size and composition of the board, following recommendations from the nominations committee.
4.4	Appointments to and removals from the board, following recommendations by the nominations committee.
4.5	Selection of the chairman of the board and approval of the description of the role of the chairman.
4.6	Formulation of the policy on the tenure of the chairman and other directors.
4.7	Appointment of any senior independent director and approval of the description of the role of the senior independent director.
4.8	Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
4.9	Determining the independence of non-executive directors in light of their character, judgment and relationships.
4.10	Identifying and managing directors' conflicts of interest where permitted by the articles of association, ensuring that the influence of third parties does not compromise or override independent judgement.
4.11	Appointment or removal of the company secretary.
4.12	Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, and approval of the remuneration of the external auditor, following the recommendation of the audit committee.
5.	Remuneration
5.1	Determining the remuneration policy for the directors to be put to shareholders for approval every three years and any changes thereto.
5.2	Determining the remuneration of the chairman and the non-executive Directors, subject to the articles of association and the approved remuneration policy.
6.	Financial reporting and controls
6.1	Approval of the half-yearly report and the announcement of half yearly results.
6.2	Approval of the annual report and accounts and the announcement of annual results, including the strategic report, viability statement report of the directors', corporate governance statement, report of the audit committee and directors' remuneration report and policy.
6.3	Approval of the dividend policy.
6.4	Declaration of interim dividends and recommendation of final or special dividends (if applicable).
6.5	Approval of any significant changes in accounting policies or practices.
6.6	Approval of the Company's annual operating and capital expenditure budget and any material changes to them.

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7.	Internal Controls and Risk Management
7.1	<p>Ensuring maintenance of a sound system of internal control and risk management including:</p> <ul style="list-style-type: none"> • Approving the company/group's risk appetite statements and risk map; • Satisfying itself that the manager and all other third-party suppliers of services to the Company maintain a sound system of internal control and risk management; • Receiving reports on, and at least annually reviewing, the effectiveness of, the Company's risk and control processes to support its strategy and objectives; • Approving procedures for the detection of fraud and the prevention of bribery and obtaining confirmation from each of its service providers that they have put in place adequate procedures for the prevention of bribery within their organisations; • Considering the Company's third-party service providers' policies and procedures in place to prevent the facilitation of tax evasion in accordance with CFA17 and in relation to modern slavery; • Undertaking an annual assessment of these processes; and • Approving an appropriate statement for inclusion in the annual report.
7.2	Regular review of the schedule of investment limits and restrictions in order to ensure compliance with regulations.
8.	Communication and public relations
8.1	Ensuring a satisfactory dialogue with shareholders.
8.2	Approval of resolutions and corresponding documentation to be put forward to shareholders at general meetings.
8.3	Approval of all circulars, prospectuses and listing particulars.
8.4	Approval of press releases and non-routine announcements concerning matters decided by the board.
8.5	Approval of the marketing strategy and objectives and the marketing budget.
9.	Shareholders and stakeholders
9.1	Receiving reports on the views of the Company's shareholders and other stakeholders to ensure that they are communicated to the board as a whole.
9.2	Regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the board's views to shareholders.
9.3	Understand the views of the Company's key stakeholders and keep engagement mechanisms under review so that they remain effective.
9.4	Consider the actions to take to consult shareholders in order to understand the reasons behind a situation where 20 per cent or more of votes have been cast against the board recommendation for a resolution.
10.	Corporate Governance Matters
10.1	Setting the corporate governance culture of the Company and review of the Company's overall corporate governance arrangements.
10.2	Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual Directors, and the division of responsibilities.
10.3	Appointment and review of the performance and terms of appointment of the manager following recommendations of the management engagement committee.
10.4	Annual review of the continuing appointment of the manager following recommendations of the MEC.

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10.5	Regular review of the manager's Stewardship and Responsible Investment policies and the approach to environmental, social and governance ("ESG") matters.
11.	Delegation of Authority
11.1	Establishing board committees and approving their terms of reference and approving material changes thereto.
11.2	Membership and chairmanship of board committees following recommendations from the nominations committee.
11.3	Receiving reports from board committees on their activities.
11.4	Authorise the use of ad-hoc sub-committees of the board and consider recommendations of such sub-committees.
12.	Other Matters
12.1	Any decision likely to have a material impact on the company or group from any perspective, including, but not limited to, financial, operational, strategic or reputational risk.
12.2	Approve the appointment of the Company's service providers and professional advisers and monitor their performance.
12.3	Authorisation of signatories, including the Company's bank mandate and as witnesses to the Company's seal.
12.4	Consider actions which may give rise to prosecution, defence or settlement of litigation.
12.6	Determine the overall level of directors' and officers' liability insurance required.
12.7	Approval of minutes of board meetings.
12.8	This schedule of matters reserved for board decisions.

Additional Notes

Matters the board considers suitable for delegation are contained in the terms of reference of each committee.

In addition, the board will receive reports and recommendations from time to time on any matter which it considers significant to the Company.