# HENDERSON FAR EAST INCOME LIMITED

## Terms of Reference of the Management Engagement Committee

### 1. Constitution

The Committee is constituted by the Board of Directors and is appointed to ensure that the Company's investment manager remains suitable to manage the portfolio, that the Company's investment agreement is competitive and reasonable for shareholders and that the terms of engagement and performance of the Company's other third-party service providers are appropriate.

### 2. Membership

2.1 The membership shall comprise the Chairman and all directors of the Company independent of the Manager.

2.2 The Chairman of the Board may be a member of and chair the Committee, provided he is independent of the Manager.

2.3 The Chairman of the Committee shall be appointed by the Board.

### 3. Meetings

3.1 The Committee shall meet at least annually.

3.2 A quorum shall be any two members of the Committee.

3.3 Where the Chairman of the Committee does not form part of the quorum, the Committee shall appoint any one of its members attending a meeting as Chairman.

3.4 Only members of the Committee have the right to attend meetings, but the Committee may invite others, including but not limited to any director, officer or employee of the Manager or any person whose advice is sought, to attend all or part of any meeting if it thinks it is appropriate or necessary.

3.5 A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

3.6 Meetings of the Committee are called by the Secretary of the Committee at the request of any of its members.

### 4. Secretary

4.1 The Company Secretary or their nominee shall act as the Secretary to the Committee.

4.2 The Secretary must ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4.3 The Secretary must minute the proceedings and resolutions of all meetings of the committee, including recording the names of those present and in attendance.

## 5. Duties

The Committee shall:

5.1 review, at least annually, the terms of the investment management agreement to ensure they are competitive and in the interests of shareholders, making recommendations to the Board on any variation to the terms which it considers necessary;

5.2 review the performance of the Manager to ensure it remains suitable to manage the portfolio and whether the continued appointment of the Manager is in the best interests of shareholders;

5.3 review the standard of any administrative, company secretarial, marketing or sales support provided by the Manager, whether under the terms of the investment management agreement or simply as part of a non-contractual obligation or understanding;

5.4 review, at least annually, the performance and remuneration of the Company's other service providers in meeting their obligations under their respective agreements, making recommendations on any variation to the terms which it considers necessary; and

5.5 consider any points of conflict which may arise between the providers of services to the Company.

## 6. Reporting responsibilities

6.1 The Committee Chairman shall report to the Board on its proceedings after each meeting.

The Committee shall:

6.2 make a statement in the annual report concerning its activities; and

6.3 keep these terms of reference under regular review, making them available to explain its role and the authority delegated to it by the Board.

## 7. Support

7.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and external broker, legal or other professional advice for assistance as required on all Committee matters;

7.2 give due consideration to the applicable laws and regulations, the provisions of the AIC Code on Corporate Governance and the requirements of the Financial Conduct Authority's Listing, Prospectus, Disclosure Guidance and Transparency Rules; and

7.3 oversee any investigation of activities which are within its terms of reference.

## 8. Authority

The Board authorises the Committee to:

8.1 undertake any activity within its terms of reference;

8.2 seek any information from the Manager or third party that it requires to perform its duties;

8.3 obtain external legal or other professional advice on any matter within its terms of reference at the Company's expense, and to invite persons giving such advice to attend Committee meetings;

8.4 call the Manager or any third party to be questioned at a Committee meeting, as and when required; and

8.5 delegate any of its powers to one or more of its members or the Company Secretary.

*(Adopted on 23 June 2017, amended on 21 June 2022)*