

Lord Myners
Financial Services Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

8 February 2010

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Dear Lord Myners,

Thank you for your letter of 28 January on the subject of bank remuneration and bonus payments for 2009 performance.

Henderson Global Investors takes its responsibilities to clients very seriously in respect of corporate governance. We take an active approach to engagement with the companies we invest in on behalf of our clients, and we frequently meet with companies on the subject of executive remuneration. As an example of our engagement work on bank remuneration specifically, we recently participated in a meeting with the chairman and remuneration committee chairman of Barclays organised by the NAPF to discuss their remuneration proposals for 2009/10 and beyond.

We are supportive of the risk based approach to remuneration in banks taken by the FSA, and agree that this is where remuneration committees need to do more to ensure incentives are closely aligned with the interests of long term shareholders. However, we are also conscious of the difficult balance that remuneration committees face in formulating policies that both meet the demands of regulators and shareholders, and also maintain a globally competitive position. Whilst in the current economic environment we would encourage remuneration committees to show restraint in their decisions on bonus payments for 2009 performance, it is not in shareholders' interests for UK banks to act unilaterally in such a way as to undermine their ability to retain key staff.

We have a well established process for appraising company remuneration reports. We subscribe to independent external corporate governance research and also make use of in-house expertise. Ultimately, our portfolio managers will make their final voting decisions based on what they judge to be in the interests of our clients.

If you have any further questions please contact Antony Marsden, Manager Corporate Governance.

Yours sincerely,



Shirley Garrood
Chief Financial Officer