
Section 1: 10-Q (10-Q)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from to

Commission File Number 001-38103



Janus Henderson Group plc

(Exact name of registrant as specified in its charter)

Jersey, Channel Islands
(State or other jurisdiction of
incorporation or organization)

98-1376360
(I.R.S. Employer
Identification No.)

201 Bishopsgate EC2M 3AE
United Kingdom
(Address of principal executive offices)

N/A
(Zip Code)

+44 (0) 20 7818 1818
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12

months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of August 4, 2017, there were 200,406,138 shares of the Group's common stock, \$1.50 par value per share, issued and outstanding.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

JANUS HENDERSON GROUP PLC

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Dollars in Millions, Except Share Data)

	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 640.0	\$ 279.0
Investment securities	274.1	79.6
Fees and other receivables	346.3	165.5
OEIC and unit trust debtors	274.8	142.1
Assets of consolidated VIEs:		
Cash and cash equivalents	43.7	44.2
Investment securities	384.4	313.7
Other current assets	12.9	8.1
Other current assets	85.1	28.5
Total current assets	<u>2,061.3</u>	<u>1,060.7</u>
Non-current assets:		
Property, equipment and software, net	76.5	41.2
Intangible assets, net	3,202.1	401.3
Goodwill	1,474.9	741.5
Retirement benefit asset, net	196.0	180.2
Other non-current assets	22.0	8.5
Total assets	<u>\$ 7,032.8</u>	<u>\$ 2,433.4</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 330.6	\$ 141.7
Current portion of accrued compensation, benefits and staff costs	205.1	147.0
Current portion of long-term debt	115.4	—
OEIC and unit trust creditors	273.2	137.9
Liabilities of consolidated VIEs:		
Accounts payable and accrued liabilities	23.9	26.2
Total current liabilities	<u>948.2</u>	<u>452.8</u>
Non-current liabilities:		

Accrued compensation, benefits and staff costs	21.0	8.7
Long-term debt	323.5	—
Deferred tax liabilities, net	1,091.8	70.7
Retirement benefit obligations, net	6.5	11.9
Other non-current liabilities	94.7	39.0
Total liabilities	2,485.7	583.1

Commitments and contingencies (See Note 13)

REDEEMABLE NONCONTROLLING INTERESTS	172.0	158.0
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EQUITY

Common stock (\$1.50 par and £0.125 par, 480,000,000 and 2,194,910,776 shares authorized; 200,406,138 and 1,131,842,109 shares issued and outstanding, respectively)	300.6	234.4
Additional paid-in-capital	3,824.5	1,237.9
Treasury shares (4,115,574 and 38,848,749 shares held, respectively)	(157.9)	(155.1)
Accumulated other comprehensive loss, net of tax	(344.1)	(434.5)
Retained earnings	708.0	764.8
Total shareholders' equity	4,331.1	1,647.5
Nonredeemable noncontrolling interests	44.0	44.8
Total equity	4,375.1	1,692.3
Total liabilities, redeemable noncontrolling interests and equity	\$ 7,032.8	\$ 2,433.4

The accompanying notes are an integral part of these condensed consolidated financial statements.

JANUS HENDERSON GROUP PLC

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED) (Dollars in Millions, Except per Share Data)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Revenue:				
Management fees	\$ 296.0	\$ 222.9	\$ 493.5	\$ 441.2
Performance fees	57.7	13.9	72.5	28.7
Shareowner servicing fees	9.9	—	9.9	—
Other revenue	21.2	20.3	38.4	41.6
Total revenue	384.8	257.1	614.3	511.5
Operating expenses:				
Employee compensation and benefits	123.6	67.2	194.0	134.6
Long-term incentive plans	47.3	30.2	63.7	51.3
Distribution expenses	60.7	57.3	107.8	111.9
Investment administration	9.7	12.8	19.9	24.5
Marketing	10.1	3.7	13.3	7.1
General, administrative and occupancy	67.3	23.9	92.4	48.9
Depreciation and amortization	9.4	5.6	15.7	11.2
Total operating expenses	328.1	200.7	506.8	389.5
Operating income	56.7	56.4	107.5	122.0
Interest expense	(2.0)	(1.4)	(3.1)	(5.6)
Investment gains (losses), net	9.8	(8.9)	8.9	(2.1)
Other non-operating expenses, net	(2.0)	(3.2)	(0.7)	(2.6)
Income before taxes	62.5	42.9	112.6	111.7
Income tax provision	(21.0)	(2.7)	(28.5)	(16.9)
Net income	41.5	40.2	84.1	94.8
Net loss attributable to noncontrolling interests	0.2	6.1	0.2	3.0
Net income attributable to JHG	\$ 41.7	\$ 46.3	\$ 84.3	\$ 97.8

Earnings per share attributable to JHG common shareholders:

Basic	\$	0.29	\$	0.42	\$	0.66	\$	0.88
Diluted	\$	0.28	\$	0.41	\$	0.64	\$	0.86
Other comprehensive income (loss), net of tax:								
Net unrealized gains (losses) on available-for-sale securities	\$	—	\$	0.4	\$	(0.4)	\$	(0.5)
Foreign currency translation gains (losses)		51.2		(95.5)		74.5		(134.6)
Actuarial gains		—		0.1		—		0.1
Other comprehensive income (loss), net of tax		51.2		(95.0)		74.1		(135.0)
Other comprehensive loss (income) attributable to noncontrolling interests		15.9		(8.3)		16.3		(7.2)
Other comprehensive income (loss) attributable to JHG		67.1		(103.3)		90.4		(142.2)
Total comprehensive income (loss)	\$	92.7	\$	(54.8)	\$	158.2	\$	(40.2)
Total comprehensive loss (income) attributable to noncontrolling interests		16.1		(2.2)		16.5		(4.2)
Total comprehensive income (loss) attributable to JHG	\$	108.8	\$	(57.0)	\$	174.7	\$	(44.4)

The accompanying notes are an integral part of these condensed consolidated financial statements.

JANUS HENDERSON GROUP PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in Millions)

	Six months ended June 30,	
	2017	2016
CASH FLOWS PROVIDED BY (USED FOR):		
Operating activities:		
Net income	\$	84.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		15.7
Stock-based compensation expense		30.9
Losses from equity-method investments		—
Investment gains (losses), net		(8.9)
Impairment of equity-method investment		—
Contributions to pension plans in excess of costs recognized		(11.7)
Other, net		9.0
Changes in operating assets and liabilities:		
OEIC and unit trust receivables and payables		2.6
Other assets		(107.9)
Other accruals and liabilities		47.8
Net operating activities		61.6
Investing activities:		
Cash acquired from acquisition		417.2
Proceeds from:		
Investment securities - VIEs, net		139.9
Investment securities - seed capital, net		22.9
Dividends received from equity-method investments		—
Purchases of:		
Investment securities - seed capital		—
Property, equipment and software		(8.4)
Net cash paid on settled hedges		(7.3)
Net investing activities		564.3
Financing activities:		
Proceeds from settlement of convertible note hedge		59.3
Settlement of stock warrant		(47.8)
Proceeds from issuance of option		25.7
Proceeds from stock-based compensation plans		2.1
Purchase of common stock for stock-based compensation plans		(39.1)

Dividends paid to shareholders	(128.6)	(115.9)
Repayment of long-term borrowings	—	(215.0)
Distributions to noncontrolling interests	(0.5)	—
Third-party sales (redemptions) in consolidated seeded investment products, net	(148.8)	40.7
Principal payments under capital lease obligations	(0.1)	—
Net financing activities	<u>(277.8)</u>	<u>(327.8)</u>

Cash and cash equivalents:

Effect of foreign exchange rate changes	12.4	(19.3)
Net change	360.5	(334.3)
At beginning of period	323.2	583.7
At end of period	<u>\$ 683.7</u>	<u>\$ 249.4</u>

Supplemental cash flow information:

Cash paid for interest	\$ 0.3	\$ 7.7
Cash paid for income taxes, net of refunds	\$ 25.0	\$ 14.0

Reconciliation of cash and cash equivalents

Cash and cash equivalents	\$ 640.0	\$ 204.9
Cash and cash equivalents held in VIEs	\$ 43.7	\$ 44.5
Total cash and cash equivalents	<u>\$ 683.7</u>	<u>\$ 249.4</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

JANUS HENDERSON GROUP PLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
(Amounts in Millions)

	Number of shares	Common stock	Additional paid-in-capital	Treasury shares	Accumulated other comprehensive loss	Retained earnings	Nonredeemable noncontrolling interests	Total equity
Balance at December 31, 2015	1,131.8	\$ 234.4	\$ 1,237.9	\$ (175.3)	\$ (189.6)	\$ 759.5	\$ 44.1	\$ 1,911.0
Net income	—	—	—	—	—	97.8	(3.0)	94.8
Other comprehensive income (loss)	—	—	—	—	(142.2)	—	7.2	(135.0)
Dividends paid to shareholders	—	—	—	—	—	(115.9)	—	(115.9)
Purchase of common stock for stock-based compensation plans	—	—	—	(46.1)	—	—	—	(46.1)
Vesting of stock-based compensation plans	—	—	—	65.8	—	(65.8)	—	—
Stock-based compensation plan expense	—	—	—	—	—	20.2	—	20.2
Proceeds from stock-based compensation plans	—	—	—	—	—	8.5	—	8.5
Balance at June 30, 2016	<u>1,131.8</u>	<u>\$ 234.4</u>	<u>\$ 1,237.9</u>	<u>\$ (155.6)</u>	<u>\$ (331.8)</u>	<u>\$ 704.3</u>	<u>\$ 48.3</u>	<u>\$ 1,737.5</u>
Balance at December 31, 2016	1,131.8	\$ 234.4	\$ 1,237.9	\$ (155.1)	\$ (434.5)	\$ 764.8	\$ 44.8	\$ 1,692.3
Share consolidation	(1,018.6)	—	—	—	—	—	—	—
Net income	—	—	—	—	—	84.3	(0.5)	83.8
Other comprehensive income (loss)	—	—	—	—	90.4	—	(16.3)	74.1
Dividends paid to shareholders	—	—	—	—	—	(128.6)	—	(128.6)
Distributions to noncontrolling interests	—	—	—	—	—	—	(0.5)	(0.5)
Derivative instruments acquired on acquisition	—	—	54.4	—	—	—	—	54.4
Noncontrolling interests recognized on acquisition	—	—	—	—	—	—	16.5	16.5
Settlement of derivative instruments	—	—	(11.5)	—	—	—	—	(11.5)
Purchase of common stock for stock-based compensation plans	—	—	—	(39.1)	—	—	—	(39.1)
Issuance of common stock	87.2	130.8	2,551.2	—	—	—	—	2,682.0
Redenomination and reduction of par value of stock	—	(64.6)	64.6	—	—	—	—	—
Acquisition adjustment in relation to unvested awards	—	—	(81.3)	—	—	—	—	(81.3)
Vesting of stock-based compensation plans	—	—	(13.9)	36.3	—	(22.4)	—	—
Stock-based compensation plan expense	—	—	21.0	—	—	9.9	—	30.9
Proceeds from stock-based compensation plans	—	—	2.1	—	—	—	—	2.1
Balance at June 30, 2017	<u>200.4</u>	<u>\$ 300.6</u>	<u>\$ 3,824.5</u>	<u>\$ (157.9)</u>	<u>\$ (344.1)</u>	<u>\$ 708.0</u>	<u>\$ 44.0</u>	<u>\$ 4,375.1</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1 — Basis of Presentation

In the opinion of the management of Janus Henderson Group plc (“JHG” or “the Group”), previously Henderson Group plc (“Henderson”), the accompanying condensed consolidated financial statements contain all adjustments necessary to fairly present the financial position, results of operations and cash flows of JHG in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Such financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the annual consolidated financial statements and notes included in the Henderson annual financial statements for the year ended December 31, 2016, which can be found in JHG’s prospectus dated March 21, 2017, as filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933, as amended (File No. 333-216824) (the “Prospectus”). Events subsequent to the balance sheet date have been evaluated for inclusion in the accompanying financial statements through the issuance date and are included in the notes to the condensed consolidated financial statements. Certain prior period balances have been reclassified for conformity with current period presentation. There was no impact on the results.

The Group had \$9.9 million and \$20.2 million of stock-based compensation costs and nil and \$8.5 million of proceeds from stock-based compensation plans included in retained earnings during the six-month periods ended June 30, 2017 and June 30, 2016, respectively. Prior to the Group’s Extraordinary General Meeting (“EGM”) on April 26, 2017, the Group’s articles of association did not allow the Group to recognize these items in additional paid-in-capital. A change in the Group’s articles of association was approved at the EGM and from April 26, 2017, all costs in relation to stock-based compensation will be recognized in additional paid-in-capital. The accumulated balance in relation to stock-based compensation plans within retained earnings as of June 30, 2017 and December 31, 2016, was \$(105.4) million and \$(92.9) million, respectively.

Share Redenomination and Consolidation

On April 26, 2017, Henderson redenominated its ordinary shares from Great British pound (“GBP”) to U.S. dollar (“USD”) resulting in a change in par value from £0.125 to \$0.1547 per share. At that time Henderson had 1,131,842,110 shares in issue and as a result the ordinary share nominal capital became \$175.1 million. The difference between the revised ordinary share nominal capital balance of \$175.1 million and the previously stated ordinary share nominal capital balance of \$234.4 million (converted at the historic exchange rate rather than the rate required for the redenomination under Jersey company law) was recognized as a component of additional paid-in-capital. Consequently, the additional paid-in-capital balance was adjusted from \$1,237.9 million to \$1,297.2 million.

Additionally, in accordance with a special resolution passed by the shareholders on May 3, 2017, the par value of the shares of Henderson was reduced to \$0.15 per share from \$0.1547 per share and the total ordinary share nominal capital became \$169.8 million. In accordance with that resolution, the reduction in the total ordinary share nominal capital of \$5.3 million was credited to the additional paid-in-capital account which moved from \$1,297.2 million to \$1,302.5 million.

On April 26, 2017, the shareholders approved a 10-to-1 share consolidation, which took effect on May 30, 2017. As a result of the share consolidation, the number of shares in issue was reduced by a factor of 10, and the par value of the shares became \$1.50.

Merger with Janus Capital Group Inc.

On May 30, 2017 (the “Closing Date”), Janus Capital Group Inc. (“JCG”) and Henderson announced the completion of an all-stock merger of equals (“the Merger”). JCG is a U.S.-based asset manager. The Merger is expected to accelerate the Group’s strategic objectives for growth, diversification and the creation of a global active investment manager. Based on an evaluation of the Merger agreement provisions, Henderson was determined to be the acquirer for accounting purposes and the historical financial statements and notes included herein represent Henderson.

Prior to the Merger, Henderson’s functional currency was GBP. After consideration of numerous factors, management concluded that the post-merger functional currency of JHG will be USD.

The Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2017, include JCG results from the Closing Date. The Condensed Consolidated Balance Sheet reflects the financial position of JHG at June 30, 2017. See Note 2 - Acquisitions, for more information on the Merger.

Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (“FASB”) issued a new revenue recognition standard. The standard’s core

principle is that a company will recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard specifies the accounting for certain costs to obtain or fulfill a contract with a customer and expands disclosure requirements for revenue recognition. The revenue standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The Group is evaluating the effect of adopting this new accounting standard, including the amending Accounting Standards Update (“ASU”), and is focused on the assessment of its mutual fund performance fees and the related applicability of the new guidance. Currently, JHG does not expect a change in accounting treatment for mutual fund performance fees or other operating revenues upon adoption of the new guidance. However, the Group’s evaluation is ongoing and not complete.

In January 2016, the FASB issued amendments to its financial instruments standard, including changes relating to the accounting for equity investments and the presentation and disclosure requirements for financial instruments. Under the amended guidance, all equity investments in unconsolidated entities (other than those accounted for using the equity method of accounting) will generally be measured at fair value through earnings. There will no longer be an available-for-sale classification (changes in fair value reported in other comprehensive income) for equity securities with readily determinable fair values. The amended guidance also requires financial assets and financial liabilities to be presented separately in the notes to the financial statements, grouped by measurement category (e.g., fair value, amortized cost, lower of cost or market) and form of financial asset (e.g., loans, securities). The standard is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Group is evaluating the effect of adopting this new accounting standard.

In February 2016, the FASB issued a new standard on accounting for leases. The new standard represents a significant change to lease accounting and introduces a lessee model that brings most leases onto the balance sheet. The standard also aligns certain of the underlying principles of the new lessor model with those in the FASB’s new revenue recognition standard. Furthermore, the new standard addresses other concerns related to the current leases model. The standard is effective for fiscal years beginning after December 15, 2018. The Group is evaluating the effect of adopting this new accounting standard.

In March 2016, the FASB issued an amendment to its principal-versus-agent guidance in the FASB’s new revenue standard. The key provisions of the amendment are assessing the nature of the entity’s promise to the customer, identifying the specified goods or services, and applying the control principle and indicators of control. The amendment is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. In addition, entities are required to adopt the amendment by using the same transition method they used to adopt the new revenue standard. The Group’s principal-versus-agent assessment is focused on treatment of distribution fees collected from mutual fund assets and whether such fees should be reported as revenue (1) on a gross basis or (2) on a net basis, where such fees are reduced by distribution fees paid by the Group to intermediaries. The Group’s assessment is ongoing and not complete.

In August 2016, the FASB issued an ASU to clarify guidance on the classification of certain cash receipts and cash payments in the statements of cash flows. The FASB issued the ASU with the intent of reducing diversity in practice regarding eight types of cash flows. The ASU is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. The Group is evaluating the effect of adopting this new accounting standard.

In November 2016, the FASB issued an ASU to clarify guidance on the classification and presentation of restricted cash in the statements of cash flows. The ASU is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. The Group is evaluating the effect of adopting this new accounting standard.

In January 2017, the FASB issued an ASU that simplifies the accounting for goodwill impairments by eliminating step two from the goodwill impairment test. The ASU requires goodwill impairments to be measured on the basis of the fair value of the reporting unit relative to the reporting unit’s carrying amount rather than on the basis of the implied amount of goodwill relative to the goodwill balance of the reporting unit. The ASU is effective for annual and interim impairment tests for periods beginning after December 15, 2021. Early adoption is allowed for annual and interim impairment tests occurring after January 1, 2017. The Group is evaluating the effect of adopting this new accounting standard.

Note 2 — Acquisitions

Merger with JCG

On the Closing Date, pursuant to the Agreement and Plan of Merger dated as of October 3, 2016 (the “Merger Agreement”), by and among JCG, a Delaware corporation, Henderson, a company incorporated in Jersey, and Horizon Orbit Corp., a Delaware corporation and a direct and wholly owned subsidiary of Henderson (“Merger Sub”), Merger Sub merged with and into JCG, with JCG surviving such merger as a direct and wholly owned subsidiary of Henderson. Upon closing of the Merger, Henderson became the parent holding company for the combined group and was renamed Janus Henderson Group plc.

Upon closing of the Merger, holders of JCG common stock received 0.47190 fully paid and non-assessable JHG ordinary shares with a par value of \$1.50 per share (the “Ordinary Shares”) for each share of JCG common stock held, plus cash in lieu of any fractional shares

based on prevailing market prices. Effective immediately prior to the closing of the Merger, Henderson implemented a share consolidation of ordinary shares at a ratio of one Ordinary Share (or Chess Depository Interest (“CDI”), as applicable) for every 10 ordinary shares (or CDIs, as applicable) outstanding.

The fair value of consideration transferred to JCG common stockholders was \$2,600.7 million, representing 87.2 million shares of JHG transferred at a share price of \$30.75 each as of the Closing Date, adjusted for a post-combination stock-based compensation charge for unvested shares in relation to JCG share plans.

The issuance of JHG shares in connection with the Merger was registered under the Securities Act of 1933, as amended, pursuant to JHG’s registration statement on Form F-4 (File No. 333-216824) filed with the SEC on March 20, 2017 (the “Registration Statement”).

Preliminary Fair Values of Assets Acquired and Liabilities Assumed

Preliminary estimates of fair values of the assets acquired and liabilities assumed are based on information available as of the closing of the Merger. The Group is continuing to evaluate the underlying inputs and assumptions used in its valuations. Accordingly, these preliminary estimates are subject to change during the measurement period, which is up to one year from the closing of the Merger.

The preliminary allocation of the consideration transferred to the assets acquired and liabilities assumed is presented in the following table (in millions):

	Preliminary purchase price allocation
Assets:	
Cash and cash equivalents	\$ 417.2
Investment securities	270.4
Fees and other receivables	133.7
Other current assets	119.4
Property, equipment and software	32.3
Intangible assets	2,785.0
Goodwill	697.9
Other non-current assets	10.6
Liabilities:	
Long-term debt	481.8
Deferred tax liabilities	1,025.6
Other current liabilities	243.8
Other non-current liabilities	55.2
Noncontrolling interests	59.4
Net assets acquired	<u>\$ 2,600.7</u>

Goodwill

Goodwill primarily represents the value JHG expects to obtain from growth opportunities and synergies for the combined operations. Goodwill is not deductible for tax purposes.

Intangible Assets

Acquired intangible assets include the value of investment advisory agreements for mutual funds, separate accounts and exchange traded products (“ETPs”). Also included are the values of acquired trademarks, which include trademarks for Janus Capital Management LLC (“Janus”), INTECH Investment Management LLC (“INTECH”), Kapstream Capital Pty Limited (“Kapstream”), Perkins Investment Management LLC (“Perkins”) and VS Holdings Inc. (“VelocityShares”). Preliminary estimates of acquired intangible assets and their related estimated useful lives are presented in the following table (in millions):

	Estimated fair value	Estimated useful life (in years)
Investment management contracts - mutual funds	\$ 2,155.0	Indefinite
Investment management contracts - separate accounts	202.0	13-22
Investment management contracts - exchange traded notes	33.0	15
Investment management contracts - exchange traded funds	14.0	Indefinite
Trademarks	381.0	Indefinite
	<u>\$ 2,785.0</u>	

The following table presents movement in intangible assets during the period (in millions):

	<u>December 31, 2016</u>	<u>Merger</u>	<u>Amortization</u>	<u>Foreign currency translation</u>	<u>June 30, 2017</u>
Indefinite-lived intangible assets:					
Investment management agreements	\$ 334.8	\$ 2,169.0	\$ —	\$ 23.5	\$ 2,527.3
Trademarks	—	381.0	—	—	381.0
Definite-lived intangible assets:					
Client relationships	126.9	235.0	—	1.0	362.9
Accumulated amortization	(60.4)	—	(8.7)	—	(69.1)
Net intangible assets	<u>\$ 401.3</u>	<u>\$ 2,785.0</u>	<u>\$ (8.7)</u>	<u>\$ 24.5</u>	<u>\$ 3,202.1</u>

Amortization expense was \$5.1 million and \$8.7 million for the three and six months ended June 30, 2017, respectively, and \$3.7 million and \$7.4 million and for the same periods ended June, 2016. Expected future amortization expense is summarized below (in millions):

<u>Year ended December 31,</u>	<u>Amount</u>
2017 (remainder of year)	\$ 14.8
2018	29.6
2019	29.6
2020	29.6
2021	26.8
2022	18.3
Thereafter	144.6
Total	\$ 293.3

Debt

Debt was valued using quoted market prices, which are considered fair value Level 2 inputs.

The acquired 0.750% Convertible Senior Notes due 2018 ("2018 Convertible Notes") may be wholly or partially settled in cash, and thereby the liability and conversion feature components are accounted for separately. The \$115.2 million liability component was determined by discounting future contractual cash flows at a 1.9% rate, which is consistent with the estimated market interest rate for similar senior notes with no conversion option. The liability component will accrete up to the face value of \$116.6 million, through interest expense, over the

remaining term of the notes. The \$42.9 million equity component was determined as the difference between the liability component and the fair value of the notes at the Closing Date.

The 4.875% Senior Notes due 2025 ("2025 Senior Notes") were recorded at their fair value of \$323.7 million at the time of the Merger. The 2025 Senior Notes include unamortized debt premium at June 30, 2017, of \$27.9 million, which will be amortized over the remaining life of the notes through interest expense. The unamortized debt premium is recorded as a liability within long-term debt on JHG's Condensed Consolidated Balance Sheets.

Deferred Tax Liabilities, Net

Deferred income taxes primarily relate to deferred income tax balances acquired from JCG and the deferred tax impact of fair value adjustments of the assets and liabilities acquired from JCG, including intangible assets and long-term debt. Deferred income taxes were provisionally estimated based on statutory tax rates in the jurisdictions of the legal entities where the acquired assets and liabilities are taxed. Tax rates used are continually assessed, and updates to deferred income tax estimates are based on any changes to provisional valuations of the related assets and liabilities and refinement of the effective tax rates, which could result in changes to these provisional values.

Pro Forma Results of Operations

The following table presents summarized unaudited supplemental pro forma operating results as if the Merger had occurred at the beginning of each of the periods presented (in millions). The only material adjustment made was the inclusion of the JCG results for the periods.

	<u>Six months ended</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>

Revenues	\$	1,053.2	\$	1,011.9
Net income attributable to JHG	\$	133.4	\$	174.0

JCG Results of Operations

Revenue and net income of JCG from the Closing Date through the end of the second quarter 2017 included in JHG's Condensed Consolidated Statements of Comprehensive Income is presented in the following table (in millions):

	Closing Date - June 30, 2017	
Revenues	\$	105.2
Net income attributable to JCG	\$	15.7

Options

On the Closing Date of the Merger, JHG granted Dai-ichi Life Holdings Inc. ("Dai-ichi") 20 tranches of conditional options with each tranche allowing Dai-ichi to purchase 500,000 JHG ordinary shares at a strike price of £29.972 per share (the terms of such options having been adjusted in accordance with the terms of the Dai-ichi option agreement to take account of the effect of the share consolidation). The cash consideration of the options was £19.8 million (\$25.7 million). The options can be exercised by Dai-ichi for the period from the Closing Date of the Merger until October 3, 2018.

Contingent Consideration

Acquisitions prior to the Merger included contingent consideration. Refer to Note 5 — Fair Value Measurements for a detailed discussion of the terms of the contingent consideration.

Note 3 — Consolidation

Variable Interest Entities

Consolidated Variable Interest Entities

JHG's consolidated variable interest entities ("VIEs") as of June 30, 2017, include certain consolidated seeded investment products in which the Group has an investment and acts as the investment manager. The assets of these VIEs are not available to JHG or the creditors of JHG. JHG may not, under any circumstances, access cash and cash equivalents held by consolidated VIEs to use in its operating activities or otherwise. In addition, the investors in these VIEs have no recourse to the credit of the Group.

Consolidated VIE assets and liabilities, presented after intercompany eliminations, at June 30, 2017, and December 31, 2016, are as follows (in millions):

	June 30, 2017	December 31, 2016
Investment securities	\$ 384.4	\$ 313.7
Cash and cash equivalents	43.7	44.2
Other current assets	12.9	8.1
Accounts payable and accrued liabilities	(23.9)	(26.2)
Total	417.1	339.8
Redeemable noncontrolling interests in consolidated VIEs	(150.8)	(158.0)
Nonredeemable noncontrolling interests in consolidated VIEs	(27.9)	(44.8)
JHG's net interest in consolidated VIEs	\$ 238.4	\$ 137.0

Unconsolidated Variable Interest Entities

At June 30, 2017, and December 31, 2016, JHG's carrying values of investment securities included on the Condensed Consolidated Balance Sheets pertaining to unconsolidated VIEs was \$1.1 million and nil, respectively. JHG's total exposure to unconsolidated VIEs represents the value of its economic ownership interest in the investment securities.

Voting Rights Entities

Consolidated Voting Rights Entities

The following table presents the balances related to consolidated voting rights entities ("VREs") that were recorded on JHG's Condensed

Consolidated Balance Sheets, including JHG's net interest in these products (in millions):

	June 30, 2017	December 31, 2016
Investment securities	\$ 12.7	\$ 5.1
Redeemable noncontrolling interests in consolidated VREs	(1.4)	—
JHG's net interest in consolidated VREs	<u>\$ 11.3</u>	<u>\$ 5.1</u>

JHG's total exposure to consolidated VREs represents the value of its economic ownership interest in these seeded investment products. Valuation changes associated with investments held at fair value are reflected in investment gains (losses), net on the Group's Condensed Consolidated Statements of Comprehensive Income. Valuation changes are partially offset in net loss attributable to noncontrolling interests for the portion not attributable to JHG. Refer to Note 4 — Investment Securities.

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JHG may not, under any circumstances, access cash and cash equivalents held by consolidated VREs to use in its operating activities or for any other purpose.

Unconsolidated Voting Rights Entities

At June 30, 2017, and December 31, 2016, JHG's carrying value of investment securities included on the Condensed Consolidated Balance Sheets pertaining to unconsolidated VREs was \$52.0 million and \$4.9 million, respectively. JHG's total exposure to unconsolidated VREs represents the value of its economic ownership interest in the investment securities.

Note 4 — Investment Securities

JHG's investment securities as of June 30, 2017, and December 31, 2016, are summarized as follows (in millions):

	June 30, 2017	December 31, 2016
Trading securities:		
Seeded investment products:		
Consolidated VIEs	\$ 365.1	\$ 288.0
Consolidated VREs	12.7	5.1
Unconsolidated	43.2	4.5
Separate accounts	70.0	—
Pooled investment funds	26.5	—
Total seeded investment products	517.5	297.6
Investments related to deferred compensation plans	99.2	66.5
Other investments	12.6	3.1
Total trading securities	<u>629.3</u>	<u>367.2</u>
Available-for-sale securities:		
Seeded investment products:		
Consolidated VIEs	19.3	25.7
Unconsolidated	9.9	0.4
Total available-for-sale securities	29.2	26.1
Total investment securities	<u>\$ 658.5</u>	<u>\$ 393.3</u>

Trading Securities

Net unrealized gains (losses) on trading securities held as of June 30, 2017 and 2016, are summarized as follows (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Trading securities held at period end	\$ (7.0)	\$ 3.3	\$ (4.5)	\$ 10.2

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Available-for-Sale Securities

The following is a summary of available-for-sale securities as of June 30, 2017, and December 31, 2016 (in millions):

	Cost	Gross unrealized investment		Foreign currency translation	Fair value
		Gains	Losses		
June 30, 2017:					
Available-for-sale securities	\$ 24.7	\$ 3.0	\$ —	\$ 1.5	\$ 29.2
December 31, 2016:					
Available-for-sale securities	\$ 15.1	\$ 3.4	\$ —	\$ 7.6	\$ 26.1

Derivative Instruments

JHG maintains an economic hedge program that uses derivative instruments to mitigate against market volatility of certain seeded investments by using index and commodity futures (“futures”), index swaps, total return swaps (“TRSs”) and credit default swaps. Certain foreign currency exposures associated with the Group’s seeded investment products are also hedged by using foreign currency forward contracts.

JHG was party to the following derivative instruments as of June 30, 2017, and December 31, 2016 (in millions):

	Notional value	
	June 30, 2017	December 31, 2016
Futures	\$ 214.7	\$ 14.7
Credit default swaps	113.5	—
Index swaps	67.0	34.2
Total return swaps	68.1	59.5
Foreign currency forward contracts	82.3	170.1

The derivative instruments are not designated as hedges for accounting purposes, with the exception of certain foreign currency forward contracts used for net investment hedging. Changes in fair value of the futures, index swaps, TRSs and credit default swaps are recognized in investment gains (losses), net on JHG’s Condensed Consolidated Statements of Comprehensive Income. Changes in the fair value of the foreign currency forward contracts designated as hedges for accounting purposes are recognized in other comprehensive income, net of tax on JHG’s Condensed Consolidated Statements of Comprehensive Income.

The value of the individual derivative contracts are recognized on a gross basis and included in other current assets or accounts payable and accrued liabilities in the Condensed Consolidated Balance Sheet. The Group has entered into netting arrangements with certain counterparties. The impacts of any potential netting are shown below.

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The following tables illustrate the effect of offsetting derivative instruments on JHG’s Condensed Consolidated Balance Sheets as of June 30, 2017, and December 31, 2016 (in millions):

	June 30, 2017			
	Gross amounts	Gross amounts offset by derivative instruments	Gross amounts offset by cash collateral pledged	Net amounts
Assets:				
Futures	\$ 5.9	\$ (0.5)	\$ —	\$ 5.4
Total assets	\$ 5.9	\$ (0.5)	\$ —	\$ 5.4
Liabilities:				
Futures	\$ (0.5)	\$ 0.5	\$ —	\$ —
Index swaps	(1.1)	—	1.1	—
Credit default swaps	(2.3)	—	1.1	(1.2)
Foreign currency forward contracts	(1.8)	—	1.0	(0.8)
Total liabilities	\$ (5.7)	\$ 0.5	\$ 3.2	\$ (2.0)
December 31, 2016				
	Gross amounts	Gross amounts offset by derivative instruments	Gross amounts offset by cash collateral pledged	Net amounts
Liabilities:				
Total return swaps	\$ (1.1)	\$ —	\$ 1.1	\$ —
Index swaps	(0.8)	—	0.5	(0.3)
Foreign currency forward contracts	(3.2)	—	—	(3.2)

Total liabilities	\$	(5.1)	\$	—	\$	1.6	\$	(3.5)
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The Group recognized the following net foreign currency translation gains on hedged seed investments denominated in currencies other than the Group's functional currency and net losses associated with foreign currency forward contracts under net investment hedge accounting for the three and six months ended June 30, 2017 and 2016 (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Foreign currency translation	\$ 0.1	\$ 8.4	\$ 0.7	\$ 14.4
Foreign currency forward contracts	(0.1)	(8.4)	(0.7)	(14.4)
Total	\$ —	\$ —	\$ —	\$ —

The foreign currency translation gains and losses on foreign currency forward contracts associated with the net investment hedge are recognized in other comprehensive income, net on JHG's Condensed Consolidated Statements of Comprehensive Income.

Derivative Instruments in Consolidated Seeded Investment Products

Certain of the Group's consolidated seeded investment products utilize derivative instruments to contribute to the achievement of defined investment objectives. These derivative instruments are classified within other current assets or accounts payable and accrued liabilities on JHG's Condensed Consolidated Balance Sheets. Gains and losses on these derivative instruments are classified within investment gains (losses), net on JHG's Condensed Consolidated Statements of Comprehensive Income.

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JHG's consolidated seeded investment products were party to the following derivative instruments as of June 30, 2017, and December 31, 2016 (in millions):

	Notional value	
	June 30, 2017	December 31, 2016
Futures	\$ 164.6	\$ 22.3
Contracts for differences	—	9.2
Credit default swaps	7.4	1.8
Interest rate swaps	38.1	8.3
Options	0.2	184.8
Swaptions	2.4	1.7
Foreign currency forward contracts	89.1	120.0

The following table illustrates the effect of offsetting derivative instruments within consolidated seeded investment products on JHG's Condensed Consolidated Balance Sheets as of June 30, 2017 (in millions):

	June 30, 2017			
	Gross amounts	Gross amounts offset by derivative instruments	Gross amounts offset by cash collateral pledged	Net amounts
Assets:				
Futures	\$ 0.7	\$ (0.6)	\$ —	\$ 0.1
Contracts for differences	0.4	(0.1)	—	0.3
Interest rate swaps	0.2	(0.2)	—	—
Credit default swaps	0.1	—	—	0.1
Options	1.8	(0.6)	—	1.2
Foreign currency forward contracts	0.1	(0.1)	—	—
Total assets	\$ 3.3	\$ (1.6)	\$ —	\$ 1.7
Liabilities:				
Futures	\$ (1.0)	\$ 0.6	\$ —	\$ (0.4)
Contracts for differences	(0.7)	0.1	—	(0.6)
Interest rate swaps	(0.2)	0.2	—	—
Credit default swaps	(0.4)	—	—	(0.4)
Options	(0.6)	0.6	—	—
Foreign currency forward contracts	(0.3)	0.1	0.1	(0.1)
Total liabilities	\$ (3.2)	\$ 1.6	\$ 0.1	\$ (1.5)

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The following table illustrates the effect of offsetting derivative instruments within consolidated seeded investment products on JHG's Condensed Consolidated Balance Sheets as of December 31, 2016 (in millions):

	December 31, 2016			
	Gross amounts	Gross amounts offset by derivative instruments	Gross amounts offset by cash collateral	Net amounts
Assets:				
Futures	\$ 0.6	\$ (0.1)	\$ —	\$ 0.5
Contracts for differences	0.3	(0.1)	—	0.2
Interest rate swaps	0.1	(0.1)	—	—
Options	3.1	(1.2)	—	1.9
Foreign currency forward contracts	0.4	—	(0.4)	—
Total assets	\$ 4.5	\$ (1.5)	\$ (0.4)	\$ 2.6
Liabilities:				
Futures	\$ (0.1)	\$ 0.1	\$ —	\$ —
Contracts for differences	(0.1)	0.1	—	—
Interest rate swaps	(0.1)	0.1	—	—
Credit default swaps	(0.1)	—	—	(0.1)
Options	(1.2)	1.2	—	—
Foreign currency forward contracts	(2.4)	—	0.3	(2.1)
Total liabilities	\$ (4.0)	\$ 1.5	\$ 0.3	\$ (2.2)

As of June 30, 2017, certain consolidated seeded investment products sold credit protection through the use of credit default swap contracts. This type of arrangement did not exist as of December 31, 2016. The contracts provide alternative credit risk exposure to individual companies and countries outside of traditional bond markets. The terms of the credit default swap contracts range from one to five years.

As sellers in credit default swap contracts, the consolidated seeded investment products would be required to pay the notional value of a referenced debt obligation to the counterparty in the event of a default on the debt obligation by the issuer. The notional value represents the estimated maximum potential undiscounted amount of future payments required upon the occurrence of a credit default event. As of June 30, 2017, the notional values of the agreements totaled \$6.4 million. The credit default swap contracts include recourse provisions that allow for recovery of a certain percentage of amounts paid upon the occurrence of a credit default event. As of June 30, 2017, the fair value of the credit default swap contracts selling protection was \$0.4 million.

Investment Gains (Losses), Net

Investment gains (losses), net on JHG's Condensed Consolidated Statements of Comprehensive Income included the following for the three and six months ended June 30, 2017 and 2016 (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Seeded investment products	\$ (2.1)	\$ (3.8)	\$ (0.9)	\$ 4.3
Fair value movements on derivatives	1.8	(5.2)	(0.3)	(7.3)
Gain on sale of Volantis	10.2	—	10.2	—
Other	(0.1)	0.1	(0.1)	0.9
Investment gains (losses), net	\$ 9.8	\$ (8.9)	\$ 8.9	\$ (2.1)

On April 1, 2017, the Group completed the sale of its alternative UK small cap team ("Volantis"). Consideration for the sale was a 10% share of the management and performance fees generated by Volantis for a period of three years. A \$10.2 million gain was recognized in investment gains (losses), net on the Condensed Consolidated Statements of Comprehensive Income, representing the net present value of estimated future cash flows.

Cash Flows

Cash flows related to investment securities for the six months ended June 30, 2017 and 2016, are summarized as follows (in millions):

Six months ended June 30,

	2017		2016	
	Purchases and settlements	Sales, settlements and maturities	Purchases and settlements	Sales, settlements and maturities
Trading securities	\$ (45.6)	\$ 198.4	\$ (49.5)	\$ —
Available-for-sale securities	(0.1)	10.1	(0.7)	5.3
Total cash flows	\$ (45.7)	\$ 208.5	\$ (50.2)	\$ 5.3

Note 5 — Fair Value Measurements

The following table presents assets, liabilities and redeemable noncontrolling interests presented in the financial statements or disclosed in the notes to the financial statements at fair value on a recurring basis as of June 30, 2017 (in millions):

	Fair value measurements using:				Total
	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Assets:					
Cash equivalents	\$ 391.1	\$ —	\$ —	\$ 391.1	
Investment securities:					
Consolidated VIEs - trading	204.0	114.3	46.8	365.1	
Other - trading	162.8	101.4	—	264.2	
Consolidated VIEs - available-for-sale	19.3	—	—	19.3	
Other - available-for-sale	9.9	—	—	9.9	
Total investment securities	396.0	215.7	46.8	658.5	
Seed hedge derivatives	5.9	—	—	5.9	
Derivatives in consolidated seeded investment products	2.7	2.1	—	4.8	
Contingent consideration	—	—	10.6	10.6	
Total assets	\$ 795.7	\$ 217.8	\$ 57.4	\$ 1,070.9	
Liabilities:					
Derivatives in consolidated seeded investment products	\$ 2.2	\$ 2.5	\$ —	\$ 4.7	
Financial liabilities in consolidated seeded investment products	11.7	—	—	11.7	
Seed hedge derivatives	5.7	—	—	5.7	
Current portion of long-term debt(1)	—	171.4	—	171.4	
Long-term debt(1)	—	321.1	—	321.1	
Deferred bonuses	—	—	50.3	50.3	
Contingent consideration	—	—	76.0	76.0	
Dai-ichi option	—	—	26.9	26.9	
Total liabilities	\$ 19.6	\$ 495.0	\$ 153.2	\$ 667.8	
Redeemable noncontrolling interests:					
Consolidated seeded investment products	\$ —	\$ —	\$ 152.2	\$ 152.2	
INTECH	—	—	19.8	19.8	
Total redeemable noncontrolling interests	\$ —	\$ —	\$ 172.0	\$ 172.0	

(1) Carried at amortized cost and disclosed at fair value.

The following table presents assets, liabilities and redeemable noncontrolling interests presented in the financial statements or disclosed in the notes to the financial statements at fair value on a recurring basis as of December 31, 2016 (in millions):

	Fair value measurements using:				Total
	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		

Assets:								
Investment securities:								
Consolidated VIEs - trading	\$	128.2	\$	117.1	\$	42.7	\$	288.0
Other - trading		66.1		13.1		—		79.2
Consolidated VIEs - available-for-sale		20.3		5.4		—		25.7
Other - available-for-sale		0.4		—		—		0.4
Total investment securities		215.0		135.6		42.7		393.3
Derivatives in consolidated seeded investment products		3.4		0.6		—		4.0
Total assets	\$	218.4	\$	136.2	\$	42.7	\$	397.3
Liabilities:								
Derivatives in consolidated seeded investment products	\$	1.3	\$	2.2	\$	—	\$	3.5
Financial liabilities in consolidated seeded investment products		16.2		—		—		16.2
Contingent consideration		—		—		25.5		25.5
Deferred bonuses		—		—		42.9		42.9
Seed hedge derivatives		—		5.1		—		5.1
Total liabilities	\$	17.5	\$	7.3	\$	68.4	\$	93.2
Total redeemable noncontrolling interests	\$	—	\$	—	\$	158.0	\$	158.0

Level 1 Fair Value Measurements

JHG's Level 1 fair value measurements consist mostly of seeded investment products, investments in advised mutual funds, cash equivalents and investments related to deferred compensation plans with quoted market prices in active markets. The fair value level of consolidated seeded investment products is determined by the underlying securities of the product. The fair value level of unconsolidated seeded investment products is determined using the respective net asset value ("NAV") of each product.

Level 2 Fair Value Measurements

JHG's Level 2 fair value measurements consist mostly of consolidated seeded investment products and JHG's long-term debt. The fair value of consolidated seeded investment products is determined by the underlying securities of the product. The fair value of JHG's long-term debt is determined using broker quotes and recent trading activity, which are considered Level 2 inputs.

Level 3 Fair Value Measurements

Investment Products

As of June 30, 2017, certain securities within consolidated VIEs were valued using significant unobservable inputs, resulting in Level 3 classification.

Contingent Consideration

Acquisition of Geneva

The consideration payable on the acquisition of Geneva Capital Management LLC ("Geneva") in 2014 included two contingent tranches of up to \$45.0 million and \$25.0 million, payable over six years. No fair value adjustment was necessary in the period ended June 30, 2017. As of June 30, 2017 and December 31, 2016, the contingent

consideration had a fair value of \$21.2 million and \$20.3 million, respectively, and was included in other non-current liabilities on JHG's Condensed Consolidated Balance Sheets.

The fair value of the Geneva contingent consideration is estimated at each reporting date by forecasting revenue, as defined by the sale and purchase agreement, over the contingency period, and determining whether targets will be met. Significant unobservable inputs used in the valuation are limited to forecast revenues, which factor in expected growth in assets under management ("AUM") based on performance and industry trends.

Acquisition of Perennial

The consideration payable on the acquisition of Perennial Fixed Interest Partners Pty Ltd and Perennial Growth Management Pty Ltd

(together "Perennial") included contingent consideration payable in 2017 and 2019 if revenues of the Perennial equities business meet certain targets. The total maximum payment over the entire contingent consideration period is \$11.5 million as of June 30, 2017. In addition, there is a maximum amount of \$37.4 million payable in two tranches in 2019 and 2020, which have employee service conditions attached ("earn-out"). The earn-out is accrued over the service period as compensation expense and is based on net management fee revenue. As of June 30, 2017, and December 31, 2016, the contingent consideration and earn-out had a fair value of \$7.6 million and \$5.2 million, respectively, which is included on JHG's Condensed Consolidated Balance Sheet.

The fair value of the Perennial contingent consideration and earn-out is calculated at each reporting date by forecasting Perennial revenues over the contingency period and determining whether the forecasted amounts meet the defined targets. The significant unobservable input used in the valuation is forecasted revenue.

Acquisition of Kapstream

JCG's acquisition of Kapstream was a two-stage acquisition. The original acquisition of 51% in July 2015 had contingent consideration payable at 18 and 36 months after acquisition if certain Kapstream AUM reach defined targets.

The purchase of the remaining 49% had contingent consideration of up to \$42.5 million. Payment of the contingent consideration is subject to all Kapstream products and certain products advised by Janus, reaching defined revenue targets on the first, second and third anniversaries of January 31, 2017. The contingent consideration will be payable in three equal installments on the anniversary dates and is indexed to the performance of the Kapstream Absolute Return Income Fund. Upon achieving the defined revenue targets, the holders receive the value of the contingent consideration adjusted for gains or losses attributable to the mutual fund to which the contingent consideration is indexed, subject to tax withholding.

As of June 30, 2017, the contingent consideration had a fair value of \$40.9 million; \$17.3 million is included in accounts payable and accrued liabilities, and \$23.6 million is included in other non-current liabilities on JHG's Condensed Consolidated Balance Sheets. As of June 30, 2017, the total maximum payment over the remaining contingent consideration period is \$47.1 million.

The fair value of the Kapstream contingent consideration is calculated at each reporting date by forecasting certain Kapstream AUM or defined revenue over the contingency period and determining whether the forecasted amounts meet the defined targets. Significant unobservable inputs used in the valuation are limited to forecasted Kapstream AUM and defined revenue targets.

Acquisition of VelocityShares

JCG's acquisition of VelocityShares in 2014 included contingent consideration. The remaining contingent consideration is payable on the third and fourth anniversaries of the acquisition, in amounts up to \$8.0 million each. The payments are contingent on certain VelocityShares' ETPs reaching defined net revenue targets. As of June 30, 2017, the total maximum payment over the remaining contingent consideration period (third and fourth anniversaries of the acquisition) is \$16.0 million.

As of June 30, 2017, the contingent consideration had a fair value of \$6.3 million; \$5.2 million is included in accounts payable and accrued liabilities, and \$1.1 million is included in other non-current liabilities on JHG's Condensed Consolidated Balance Sheets.

The fair value of the VelocityShares contingent consideration is calculated at each reporting date by forecasting net ETP revenue, as defined by the purchase agreement, over the contingency period and determining whether net forecasted ETP revenue targets are achieved. Significant unobservable inputs used in the valuation are considered non-public data and limited to forecasted gross revenues and certain expense items, which are deducted from these revenues.

Disposal of Volantis

On April 1, 2017, the Group completed the sale of Volantis. Consideration for the sale was a 10% share of the management and performance fees generated by Volantis for a period of three years.

The fair value of the Volantis contingent consideration is estimated at each reporting date by forecasting revenues over the contingency period of three years. Significant unobservable inputs used in the valuation are limited to forecast revenues which factor in expected growth in AUM based on performance and industry trends. Increases in forecast revenue increase the fair value of the consideration, while decreases in forecast revenue would decrease the fair value. The forecasted share of revenues is then discounted back to the valuation date using an 11.8% discount rate. As of June 30, 2017, the fair value of the Volantis contingent consideration was \$10.6 million.

Deferred Bonuses

Deferred bonuses represent the liability to employees which will be settled by investments in JHG products.

Redeemable Noncontrolling Interests in INTECH

INTECH became a subsidiary of the Group as a result of the Merger. Redeemable noncontrolling interests in INTECH are measured at fair value on a quarterly basis or more frequently if events or circumstances indicate that a material change in the fair value of INTECH has occurred. The fair value of INTECH is determined using a valuation methodology that incorporates observable metrics from publicly traded peer companies as valuation comparables and adjustments related to investment performance and changes in AUM.

Redeemable Noncontrolling Interests in Consolidated Seeded Investment Products

Redeemable noncontrolling interests are measured at fair value. The fair value of redeemable noncontrolling interests is primarily driven by the fair value of the investments in consolidated funds. The fair value of redeemable noncontrolling interests may also fluctuate from period to period based on changes in the Group's relative ownership percentage of seed investments.

Changes in Fair Value

Changes in fair values of JHG's Level 3 assets for the three and six months ended June 30, 2017 and 2016, are as follows (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Beginning of period fair value	\$ 43.2	\$ 62.5	\$ 42.7	\$ 58.2
Balance acquired from the Merger	3.0	—	3.0	—
Additions	10.2	0.4	10.2	0.4
Movements recognized in net income	(0.8)	(3.3)	(0.8)	2.3
Movements recognized in other comprehensive income	1.8	(7.7)	2.3	(9.0)
End of period fair value	\$ 57.4	\$ 51.9	\$ 57.4	\$ 51.9

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Changes in fair value of JHG's individual Level 3 liabilities and redeemable noncontrolling interests for the three and six months ended June 30, 2017 and 2016, are as follows (in millions):

	Three months ended June 30,						
	2017				2016		
	Contingent consideration	Deferred bonuses	Redeemable noncontrolling interests	Dai-ichi option	Contingent consideration	Deferred bonuses	Redeemable noncontrolling interests
Beginning of period fair value	\$ 27.3	\$ 54.5	\$ 146.0	\$ —	\$ 20.6	\$ 43.7	\$ 114.2
Balances acquired from the Merger	45.4	—	42.9	25.7	—	—	—
Additions	—	—	—	—	2.9	—	—
Changes in ownership	—	—	0.3	—	—	—	16.8
Net movement in bonus deferrals	—	(6.1)	—	—	—	(2.6)	—
Fair value adjustments	1.8	—	0.3	1.2	—	—	—
Unrealized gains (losses)	—	—	(16.5)	—	—	—	13.3
Amortization of INTECH appreciation rights	—	—	0.4	—	—	—	—
Distributions	—	—	(0.1)	—	—	—	—
Foreign currency translation	1.5	1.9	(1.3)	—	(1.4)	(3.1)	(5.8)
End of period fair value	\$ 76.0	\$ 50.3	\$ 172.0	\$ 26.9	\$ 22.1	\$ 38.0	\$ 138.5

	Six months ended June 30,						
	2017				2016		
	Contingent consideration	Deferred bonuses	Redeemable noncontrolling interests	Dai-ichi option	Contingent consideration	Deferred bonuses	Redeemable noncontrolling interests
Beginning of period fair value	\$ 25.5	\$ 42.9	\$ 158.0	\$ —	\$ 19.5	\$ 35.7	\$ 82.9
Balances acquired from the Merger	45.4	—	42.9	25.7	—	—	—
Additions	—	—	—	—	4.4	—	—
Changes in ownership	—	—	(5.1)	—	—	—	44.9
Net movement in bonus deferrals	—	5.0	—	—	—	5.6	—

Fair value adjustments	3.3	—	0.3	1.2	—	—	—
Unrealized gains (losses)	—	—	(23.8)	—	—	—	18.5
Amortization of INTECH appreciation rights	—	—	0.4	—	—	—	—
Distributions	—	—	(0.1)	—	—	—	—
Foreign currency translation	1.8	2.4	(0.6)	—	(1.8)	(3.3)	(7.8)
End of period fair value	\$ 76.0	\$ 50.3	\$ 172.0	\$ 26.9	\$ 22.1	\$ 38.0	\$ 138.5

Significant Unobservable Inputs

Valuation techniques and significant unobservable inputs used in the valuation of JHG's material Level 3 asset, the Group's private equity investment within consolidated VIEs as of June 30, 2017, and December 31, 2016, were as follows (in millions):

As of June 30, 2017	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)
Investment securities of consolidated VIEs - trading	\$ 43.8	Discounted cash flow	Discount rate	12%-30% (16.3)%
			EBITDA multiple	8.7%-11.0% (9.1)%
			Price-earnings ratio	17.2%-24.0% (18.4)%

As of December 31, 2016	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)
Investment securities of consolidated VIEs - trading	\$ 42.7	Discounted cash flow	Discount rate	12%-30% (16.3)%
			EBITDA multiple	8.7%-11.0% (9.1)%
			Price-earnings ratio	17.2%-24.0% (18.4)%

Nonrecurring Fair Value Measurements

Nonrecurring Level 3 fair value measurements include goodwill and intangible assets. The Group measures the fair value of goodwill and intangible assets on initial recognition using discounted cash flow analysis that requires assumptions regarding projected future earnings and discount rates. Because of the significance of the unobservable inputs in the fair value measurements of these assets, such measurements are classified as Level 3. Goodwill and intangible assets were part of the preliminary allocation of the consideration transferred to the assets acquired and liabilities assumed from the Merger. Refer to Note 2 — Acquisitions for additional information.

Transfers Between Fair Value Levels

The underlying securities of funds and separate accounts may trade on a foreign stock exchange. In some cases, the closing price of such securities may be adjusted to capture the effects of any post-closing activity affecting the markets in which they trade. Security prices are adjusted based upon historical impacts for similar post-close activity. These adjustments result in the securities being classified as Level 2 and may also result in movement of securities between Level 1 and Level 2.

Transfers are recognized at the end of each reporting period. Transfers between Level 1, Level 2 and Level 3 classifications for the six months ended June 30, 2017 and 2016, were immaterial.

Note 6 — Debt

Debt as of June 30, 2017, and December 31, 2016, consisted of the following (in millions):

	June 30, 2017		December 31, 2016	
	Carrying value	Fair value	Carrying value	Fair value
4.875% Senior Notes due 2025	\$ 323.5	\$ 321.1	\$ —	\$ —
0.750% Convertible Senior Notes due 2018	115.4	171.4	—	—
Total debt	438.9	492.5	—	—
Less: Current portion of long-term debt	115.4	171.4	—	—
Total long-term debt	\$ 323.5	\$ 321.1	\$ —	\$ —

4.875% Senior Notes Due 2025

As a result of the Merger, the Group recognized nominal value of \$300.0 million of 2025 Senior Notes, which pay interest at 4.875% semiannually on February 1 and August 1 of each year and mature on August 1, 2025. The 2025 Senior Notes were recorded at their

fair value of \$323.7 million at the time of the Merger. The 2025 Senior Notes include unamortized debt premium at June 30, 2017, of \$27.9 million, which will be amortized over the remaining life of the notes. The unamortized debt premium is recorded as a liability within long-term debt on JHG's Condensed Consolidated Balance Sheets.

0.750% Convertible Senior Notes Due 2018

As a result of the Merger, the Group recognized nominal value of \$116.6 million of 2018 Convertible Notes. The 2018 Convertible Notes had a fair value of \$158.1 million at the time of the Merger. The notes may be wholly or partially settled in cash and thereby the liability and conversion feature components of the notes are accounted for separately. The initial \$115.2 million liability component was determined by discounting future contractual cash flows at a 1.9% rate, which is consistent with the estimated market interest rate for similar senior notes with no conversion option. The liability component will accrete up to the face value of \$116.6 million, through interest expense, over the remaining term of the notes. The \$42.9 million equity component was determined as the difference between the liability component and the fair value of the notes at the Merger Closing Date. The fair value as of June 30, 2017, in the table above represents the total fair value of the 2018 Convertible Notes, including the component allocated to equity at the Merger Closing Date.

The 2018 Convertible Notes pay interest at 0.750% semiannually on January 15 and July 15 of each year and mature on July 15, 2018.

As a result of the Merger, the conversion rate of the 2018 Convertible Notes was adjusted to 44.47 shares of JHG common stock per \$1,000 principal amount of the 2018 Convertible Notes, which is equivalent to a conversion price of approximately \$22.49 per share of common stock.

Holders of the 2018 Convertible Notes may convert the notes during a particular calendar quarter if the last reported sale price of JHG's common stock is greater than or equal to 130% of the applicable conversion price for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the preceding quarter. The 2018 Convertible Notes may also be converted, regardless of whether or not the conversion criteria have been satisfied, for a period of 35 trading days in advance of and 35 trading days following the Closing Date of the Merger. Due to this provision associated with the Merger, the 2018 Convertible Notes are classified as current portion of long-term debt on JHG's Condensed Consolidated Balance Sheets. As of August 4, 2017, conversion notices amounting to \$32.6 million in principal had been received. JHG intends to settle the conversion notices in cash during the third quarter 2017.

Upon closing of the Merger, JHG fully and unconditionally guarantee the obligations of JCG in relation to the 2018 Convertible Notes and 2025 Senior Notes.

Convertible Note Hedge and Warrants

Prior to the Merger, JCG entered into convertible note hedge and warrant transactions. The instruments were intended to reduce the potential for future dilution to shareholders by effectively increasing the initial conversion price of the 2018 Convertible Notes. The convertible note hedge and warrants were terminated in June 2017, and JHG received \$59.3 million and paid \$47.8 million to settle the contracts. The net proceeds from the settlement were recorded in additional paid-in-capital on the Group's Condensed Consolidated Balance Sheets.

Credit Facility

At June 30, 2017, JHG had a \$200 million, unsecured, revolving credit facility ("Credit Facility") with Bank of America Merrill Lynch International Limited, as coordinator, book runner and mandated lead arranger. JHG and its subsidiaries can use the Credit Facility for general corporate purposes. The rate of interest for each interest period is the aggregate of the applicable margin, which is based on JHG's long-term credit rating and the London Interbank Offered Rate ("LIBOR"), or the Euro Interbank Offered Rate ("EURIBOR") in relation to any loan in EUR, or in relation to any loan in AUD, the benchmark rate for that currency. JHG is required to pay a quarterly commitment fee on any unused portion of the Credit Facility, which is also based on JHG's long-term credit rating. Under the Credit Facility, the financing leverage ratio cannot exceed 3.0x. At June 30, 2017, JHG was in compliance with all covenants, and there were no borrowings under the Credit Facility at June 30, 2017, or during the six months ended June 30, 2017. The Credit Facility has a maturity date of February 16, 2022.

Note 7 — Income Taxes

The Group's effective tax rates for the three and six months ended June 30, 2017 and 2016, are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Effective tax rate	33.6%	6.3%	25.4%	15.1%

The increase in the effective tax rate for the three and six months ended June 30, 2017, versus the same periods in 2016 is primarily due to the non-tax deductible deal costs in connection with the Merger and the inclusion of JCG in the tax calculation of JHG. In addition, the three and six months ended June 30, 2016, included a significant tax benefit relating to the exercise of stock-based compensation.

As of June 30, 2017, and December 31, 2016, JHG had \$6.5 million and \$2.5 million, respectively, of unrecognized tax benefits held for uncertain tax positions. The increase in the unrecognized tax benefits was primarily a result of the inclusion of a \$5.1 million tax reserve acquired in the Merger offset by \$1.1 million as a result of settlements with the relevant authorities. Management estimates that the existing liability for uncertain tax positions could decrease by up to \$1.1 million within the next 12 months, ignoring changes due to foreign currency translation.

Note 8 — Noncontrolling Interests

Redeemable Noncontrolling Interests

Redeemable noncontrolling interests as of June 30, 2017, and December 31, 2016, consisted of the following (in millions):

	June 30, 2017	December 31, 2016
Consolidated seeded investment products	\$ 152.2	\$ 158.0
INTECH:		
Appreciation rights	17.0	—
Founding member ownership interests	3.9	—
Undistributed earnings	(1.1)	—
Total redeemable noncontrolling interests	<u>\$ 172.0</u>	<u>\$ 158.0</u>

Consolidated Seeded Investment Products

As of June 30, 2017, and December 31, 2016, redeemable noncontrolling interests of \$152.2 million and \$158.0 million, respectively, represented noncontrolling interests in consolidated seeded investment products. Noncontrolling interests in consolidated seeded investment products are classified as redeemable noncontrolling interests when there is an obligation to repurchase units at the investor's request.

Redeemable noncontrolling interests in consolidated seed investment products may fluctuate from period to period and are impacted by changes in JHG's relative ownership percentage, changes in the amount of third-party investment in seeded products and volatility in the market value of the seeded products' underlying securities. Third-party redemption of investments are redeemed from the respective product's net assets and cannot be redeemed from the assets of other seeded products or from the assets of JHG.

The following table presents the movement in redeemable noncontrolling interests in consolidated seeded investment products for the three and six months ended June 30, 2017, and 2016 (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Opening balance	\$ 146.0	\$ 114.2	\$ 158.0	\$ 82.9
Balance acquired from the Merger	23.2	—	23.2	—
Changes in market value	(16.2)	13.3	(23.5)	18.5
Changes in ownership	0.3	16.8	(5.1)	44.9
Foreign currency translation	(1.1)	(5.8)	(0.4)	(7.8)
Closing balance	<u>\$ 152.2</u>	<u>\$ 138.5</u>	<u>\$ 152.2</u>	<u>\$ 138.5</u>

Changes in ownership reflect third-party investment in consolidated seeded investment products, additional seed capital investment or seed capital redemptions.

INTECH

INTECH became a subsidiary of the Group as a result of the Merger. INTECH ownership interests held by a founding member had an estimated fair value of \$3.9 million as of June 30, 2017, representing an approximate 1.1% ownership of INTECH. This founding member is entitled to retain his remaining INTECH interests until his death and has the option to require JHG to purchase from him, his ownership interests of INTECH at fair value.

INTECH appreciation rights are being amortized on a graded vesting method over the respective vesting period. The appreciation rights

(loss)	—	51.2	—	51.2	0.4	(95.5)	0.1	(95.0)
Less: Other comprehensive loss (income) attributable to noncontrolling interests	—	15.9	—	15.9	—	(8.3)	—	(8.3)
Ending balance	\$ 4.3	\$ (380.5)	\$ 32.1	\$ (344.1)	\$ 4.6	\$ (353.6)	\$ 17.2	\$ (331.8)

Six months ended June 30,

	2017				2016			
	Available-for-sale securities	Foreign currency	Retirement benefit asset, net	Total	Available-for-sale securities	Foreign currency	Retirement benefit asset, net	Total
Beginning balance	\$ 4.7	\$ (471.3)	\$ 32.1	\$ (434.5)	\$ 5.1	\$ (211.8)	\$ 17.1	\$ (189.6)
Total other comprehensive income (loss)	(0.4)	74.5	—	74.1	(0.5)	(134.6)	0.1	(135.0)
Less: Other comprehensive loss (income) attributable to noncontrolling interests	—	16.3	—	16.3	—	(7.2)	—	(7.2)
Ending balance	\$ 4.3	\$ (380.5)	\$ 32.1	\$ (344.1)	\$ 4.6	\$ (353.6)	\$ 17.2	\$ (331.8)

The components of other comprehensive income (loss), net of tax for the three and six months ended June 30, 2017 and 2016, are as follows (in millions):

Three months ended June 30,

	2017			2016		
	Pre-tax amount	Tax benefit	Net amount	Pre-tax amount	Tax benefit	Net amount
Net unrealized gains on available-for-sale securities	\$ —	\$ —	\$ —	\$ 0.4	\$ —	\$ 0.4
Foreign currency translation adjustments	51.2	—	51.2	(95.6)	0.1	(95.5)
Retirement benefit asset, net	—	—	—	0.1	—	0.1
Total other comprehensive income (loss)	\$ 51.2	\$ —	\$ 51.2	\$ (95.1)	\$ 0.1	\$ (95.0)

Six months ended June 30,

	2017			2016		
	Pre-tax amount	Tax benefit	Net amount	Pre-tax amount	Tax benefit	Net amount
Net unrealized losses on available-for-sale securities	\$ (0.4)	\$ —	\$ (0.4)	\$ (0.5)	\$ —	\$ (0.5)
Foreign currency translation adjustments	74.5	—	74.5	(134.7)	0.1	(134.6)
Retirement benefit asset, net	—	—	—	0.1	—	0.1
Total other comprehensive income (loss)	\$ 74.1	\$ —	\$ 74.1	\$ (135.1)	\$ 0.1	\$ (135.0)

Note 12 — Earnings and Dividends Per Share

Earnings Per Share

The following is a summary of the earnings per share calculation for the three and six months ended June 30, 2017 and 2016 (in millions, except per share data):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net income attributable to JHG	\$ 41.7	\$ 46.3	\$ 84.3	\$ 97.8
Less: Allocation of earnings to participating stock-based awards	1.1	0.9	2.0	2.3

Net income attributable to JHG common shareholders	\$	40.6	\$	45.4	\$	82.3	\$	95.5
Weighted-average common shares outstanding - basic		140.2		109.3		124.6		108.9
Dilutive effect of:								
2018 Convertible Notes		1.6		—		1.6		—
Non-participating stock-based awards		2.0		0.9		1.9		2.4
Weighted-average common shares outstanding - diluted		143.8		110.2		128.1		111.3
Earnings per share:								
Basic earnings per share	\$	0.29	\$	0.42	\$	0.66	\$	0.88
Diluted earnings per share (two class)	\$	0.28	\$	0.41	\$	0.64	\$	0.86

The share numbers in the table above have been updated to reflect the share consolidation on April 26, 2017. Refer to Note 1 — Basis of Presentation, for additional information on the share consolidation.

The following unvested nonparticipating stock awards are anti-dilutive and have not been included in the weighted-average diluted shares outstanding calculation (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Unvested nonparticipating stock awards	2.3	—	1.7	—

Dividends Per Share

The payment of cash dividends is within the discretion of JHG's Board of Directors and depends on many factors, including, but not limited to the Group's results of operations, financial condition, capital requirements, and general business conditions and legal requirements. From the Closing date, the Group anticipates declaring dividends quarterly in US dollars; prior to this the Group declared dividends in GBP on a semi-annual basis, with an extraordinary first quarter 2017 dividend declared on April 19, 2017.

The following is a summary of cash dividends paid for the three and six months ended June 30, 2017 and 2016, in GBP:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Dividends paid per share	£ 0.0915	£ 0.0720	£ 0.0915	£ 0.0720

On August 7, 2017, JHG's Board of Directors declared a cash dividend of \$0.32 per share. The dividend will be paid on September 1, 2017, to shareholders of record at the close of business on August 18, 2017.

Note 13 — Commitments and Contingencies

Commitments and contingencies may arise in the normal course of business. As of June 30, 2017, there were no material changes in the commitments and contingencies as reported in Henderson's annual consolidated financial statements and notes included in the Prospectus, except as noted below. The rental commitments disclosed in the table below are in addition to the commitments disclosed in the Prospectus.

Operating and Capital Leases

As of June 30, 2017, future minimum rental commitments under non-cancelable operating and capital leases (in addition to the amounts reported in the Prospectus), are as follows (in millions):

Year ended December 31,	Amount
2017	\$ 8.4
2018	15.2
2019	11.9
2020	9.5
2021	8.4
Thereafter	27.5
Total	\$ 80.9

Litigation and Other Regulatory Matters

JHG is periodically involved in various legal proceedings and other regulatory matters. Although there can be no assurances, based on information currently available, management believes that it is probable that the ultimate outcome of matters that are pending or threatened will not have a material effect on JHG's consolidated financial statements.

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Report of Independent Registered Public Accounting Firm

To the Directors of Janus Henderson Group plc

We have reviewed the accompanying condensed consolidated balance sheet of Janus Henderson Group plc and its subsidiaries as of 30 June 2017, and the related condensed consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 30 June 2016 and the condensed consolidated statements of cash flows and condensed consolidated statements of changes in equity for the six month periods ended 30 June 2017 and 30 June 2016. This interim financial information is the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of 31 December 2016, and the consolidated statement of changes in equity, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the year then ended (not presented herein), and in our report dated 28 February 2017, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of 31 December 2016, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

This report is intended solely for the information and use of the Directors of Janus Henderson Group plc and is not intended to be and should not be used by anyone other than these specified parties.

/s/ PricewaterhouseCoopers LLP

London UK
8 August 2017

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF JANUS HENDERSON GROUP PLC

FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q contain "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of Janus Henderson Group plc (the "Company") and its consolidated subsidiaries (collectively the "Group" or "JHG") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and future results could differ materially from historical performance. Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "projects", "estimates", "plans", "may increase", "may fluctuate", "forecast", "seeks", "targets", "outlook" and similar words and expressions and future or conditional verbs such as "will", "should", "would", "may", "could" and variations or negatives of these words, are generally forward-looking in nature and not historical facts. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements. These statements are based on the beliefs and assumptions of Company management based on information currently available to management.

Various risks, uncertainties, assumptions and factors that could cause future results to differ materially from those expressed by the

forward-looking statements included in this Quarterly Report on Form 10-Q include, but are not limited to, risks, uncertainties, assumptions and factors specified in the Company's prospectus dated March 21, 2017, as filed with the SEC pursuant to Rule 454 (b) under the Securities Act of 1933, as amended (File No. 333-216824) (the "Prospectus") and this Quarterly Report on Form 10-Q included under headings such as "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", and in other filings and furnishings made by the Company with the SEC from time to time. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this Quarterly Report on Form 10-Q may not occur. In particular, any discussion of potential merger synergies is forward looking and uncertain. Forward-looking statements by their nature address matters that are, to different degrees, subject to numerous assumptions, known and unknown risks and uncertainties, which change over time and are beyond the control of the Company and its management. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this Quarterly Report on Form 10-Q. The Company does not assume any duty and does not undertake to update forward-looking statements, to report events or to report the occurrence of unanticipated events, whether as a result of new information, future developments or otherwise, should circumstances change, nor does the Company intend to do so, except as otherwise required by securities and other applicable laws and regulations.

AVAILABLE INFORMATION

Copies of JHG's filings with the SEC can be obtained from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information can be obtained about the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. The SEC also maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

JHG makes available free of charge its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments thereto as soon as reasonably practical after such filing has been made with the SEC. Reports may be obtained through the Investor Relations section of JHG's website (www.janushenderson.com) or by contacting JHG at +44 (0)207 818 5310. The contents of JHG's website are not incorporated herein for any purpose.

JHG's Officer Code of Ethics for the Principal Executive Officers and Senior Financial Officers (including its Co-Chief Executive Officers, Chief Financial Officer and Chief Accounting Officer) (the "Officer Code"); Corporate Code of Business Conduct for all employees; corporate governance guidelines; and the charters of key committees of the Board of Directors (including the Audit, Compensation, and Nominating and Governance committees) are available on the Investor Relations section of JHG's website (www.janushenderson.com). Any future amendments to or waivers of the Officer Code will be posted to the Investor Relations section of JHG's website.

Business Overview

JHG is an independent global asset manager, specializing in active investment across all major asset classes and actively manages a broad range of investment products for institutional and retail investors across five capabilities: Equities, Quantitative Equities, Fixed Income, Multi Asset and Alternatives.

On the Closing Date, JCG and Henderson completed a merger of equals. As a result of the Merger, JCG and its consolidated subsidiaries became subsidiaries of Henderson which was renamed to Janus Henderson Group plc. For purposes of this section, each reference to the "Group" or "JHG" refers to Janus Henderson Group plc and its consolidated subsidiaries.

Segment Considerations

JHG is a global asset manager and manages a range of investment products, operating across various product lines, distribution channels and geographic regions. However, information is reported to the chief operating decision-makers, the Co-Chief Executive Officers ("Co-CEOs"), on an aggregated basis. Strategic and financial management decisions are determined centrally by the Co-CEOs and, on this basis, the Group operates as a single segment investment management business.

Revenue

Revenue primarily consists of management fees and performance fees. Management fees are generally based upon a percentage of the market value of AUM and are calculated using either the daily, month end or quarter end average asset balance in accordance with contractual agreements. Accordingly, fluctuations in the financial markets have a direct effect on the Group's operating results. Additionally, AUM may outperform or underperform the financial markets and therefore may fluctuate in varying degrees from that of the general market.

Performance fees are specified in certain fund and client contracts and are based on investment performance either on an absolute basis or compared to an established index over a specified period of time. This is often subject to a hurdle rate. Performance fees are recognized at the end of the contractual period (typically monthly, quarterly or annually) if the stated performance criteria are achieved. Certain fund and client contracts allow for negative performance fees where there is underperformance against the relevant index.

SECOND QUARTER 2017 SUMMARY

Results are reported on a GAAP basis. Adjusted non-GAAP figures are presented in the Non-GAAP Financial Measures section.

In the second quarter of 2017, JHG achieved operating income of \$56.7 million, which is flat compared to the second quarter of 2016. JCG contributed \$22.7 million to operating income in June 2017 and there were increased performance fees (excluding JCG) of \$41.3 million. This was primarily offset by \$51.6 million of deal and integration expenses (excluding JCG).

Revenue in the second quarter of 2017 was \$384.8 million, up 50% from the second quarter of 2016. This increase was driven primarily by JCG revenues of \$105.2 million for June 2017 in addition to an increase in performance fees (excluding JCG) of \$41.3 million.

Total operating expenses in the second quarter of 2017 of \$328.1 million increased by 63% compared to the operating expenses in the second quarter of 2016. Total deal and integration costs of \$78.5 million were recognized in the period and JCG contributed \$82.6 million of operating expenses, which included \$26.9 million of the deal and integration costs in June 2017. As the Group has been focused on the Merger, spending in other areas has been lower than usual and it is expected that the adjusted operating margin is likely to be in the high thirties in the third and fourth quarters.

Net income attributable to JHG decreased by 10% to \$41.7 million in the second quarter of 2017 compared to the same period in 2016, reflecting JCG which contributed \$15.7 million and an increase in performance fee crystallizations for the three month period ended June 30, 2017 offset by deal and integration costs of \$51.6 million (excluding JCG).

The Group's ordinary dividend in respect of the second quarter of 2017 totaled \$0.32 per share.

Investment Performance of Assets Under Management

In the second quarter of 2017, investment performance improved significantly. On a three year basis, 71% of assets outperformed the relevant benchmark, demonstrating the Group's ability to deliver exceptional long-term investment performance for clients. On a one year basis, performance improved, with 69% of assets outperforming.

One year performance was weakest in the Quantitative Equities capability due to a period of underperformance in the second half of 2016.

The following table is a summary of investment performance as of June 30, 2017:

Percentage of assets under management outperforming benchmark (1)	1 year	3 years	5 years
Equities	68%	77%	84%
Fixed Income	93%	92%	91%
Quantitative Equities	6%	48%	91%
Multi Asset	97%	21%	100%
Alternatives	97%	67%	100%
Total	69%	71%	89%

Assets Under Management

The Group's AUM as of June 30, 2017 was \$344.9 billion, an increase of \$220.2 billion or 177% from December 31, 2016, driven primarily by net acquisitions of \$205.8 billion representing JCG's AUM of \$206.5 billion offset by disposals of \$0.7 billion. Positive market movements in the period contributed \$8.8 billion and the weakening of the USD resulted in favorable FX movements of \$6.5 billion. This has been partially offset by net outflows of \$0.8 billion, which includes flows from JCG from the Closing Date.

Group AUM increased \$216.0 billion or 167% since March 31, 2017, driven primarily by net acquisitions of \$205.8 billion during the period. Positive market and foreign exchange movements added \$4.1 billion and \$4.7 billion respectively, as well as net sales in the period of \$1.4 billion which includes flows from JCG from the Closing Date.

In the period, the USD weakened against all major currencies. As of June 30, 2017, approximately 37% of the Group's AUM was non-USD denominated, resulting in a favorable currency effect, particularly in products exposed to GBP.

JHG's exchange traded notes ("ETNs") are not included within AUM as JHG is not the named adviser or subadviser to ETNs. ETN assets totaled \$3.1 billion as of June 30, 2017.

(1) Includes JCG performance

Asset and flows by capability for the three and six months ended June 30, 2017 and 2016 (includes JCG activity from the Closing Date) are as follows (in millions):

(In \$ millions)	Closing AUM Dec. 31, 2016(1)	Sales	Redemptions(2)	Net Sales (Redemptions)	Markets	FX(3)	Acquisitions & Disposals	Closing AUM June 30, 2017
By capability								
Equities	63,614	12,194	(12,175)	19	7,205	2,854	99,683	173,375
Fixed Income	34,695	6,699	(5,762)	937	775	2,197	38,631	77,235
Quantitative Equities	—	161	(1,676)	(1,515)	51	28	47,991	46,555
Multi Asset	8,958	831	(1,280)	(449)	413	463	19,990	29,375
Alternatives	17,473	3,674	(3,498)	176	328	912	(500)	18,389
TOTAL	124,740	23,559	(24,391)	(832)	8,772	6,454	205,795	344,929

(In \$ millions)	Closing AUM March 31, 2017(1)	Sales	Redemptions(2)	Net Sales (Redemptions)	Markets	FX(3)	Acquisitions & Disposals	Closing AUM June 30, 2017
By capability								
Equities	66,205	8,301	(6,401)	1,900	3,515	2,072	99,683	173,375
Fixed Income	36,366	3,659	(3,200)	459	279	1,500	38,631	77,235
Quantitative Equities	—	161	(1,676)	(1,515)	51	28	47,991	46,555
Multi Asset	9,114	724	(984)	(260)	176	355	19,990	29,375
Alternatives	17,263	2,326	(1,504)	822	109	695	(500)	18,389
TOTAL	128,948	15,171	(13,765)	1,406	4,130	4,650	205,795	344,929

(In \$ millions)	Closing AUM Dec. 31, 2015(1)	Sales	Redemptions(2)	Net Sales (Redemptions)	Markets	FX(3)	Acquisitions & Disposals	Closing AUM June 30, 2016
By capability								
Equities	68,558	7,030	(9,964)	(2,934)	(2,103)	(1,680)	—	61,841
Fixed Income	36,549	5,582	(5,074)	508	1,933	(2,207)	—	36,783
Alternatives	20,110	5,044	(4,948)	96	(235)	(893)	—	19,078
Multi Asset	10,360	326	(816)	(490)	424	(948)	—	9,346
TOTAL	135,577	17,982	(20,802)	(2,820)	19	(5,728)	—	127,048

(In \$ millions)	Closing AUM March 31, 2016(1)	Sales	Redemptions(2)	Net Sales (Redemptions)	Markets	FX(3)	Acquisitions & Disposals	Closing AUM June 30, 2016
By capability								
Equities	65,637	3,423	(5,277)	(1,854)	98	(2,040)	—	61,841
Fixed Income	36,884	3,179	(2,261)	918	1,087	(2,106)	—	36,783
Alternatives	20,741	2,151	(2,793)	(642)	(96)	(925)	—	19,078
Multi Asset	10,018	178	(460)	(282)	301	(691)	—	9,346
TOTAL	133,280	8,931	(10,791)	(1,860)	1,390	(5,762)	—	127,048

(1) AUM as of December 31, 2016 and 2015 and as of March 31, 2016 and 2017, has been reclassified between capabilities following the completion of the Merger.

(2) Redemptions include the impact of client transfers which could cause a positive balance on occasion.

(3) FX reflects movements in AUM resulting from changes in foreign currency rates as non-USD denominated AUM is translated into USD.

Closing Assets Under Management

The following table presents the closing AUM, split by client type and client location as of June 30, 2017 (in millions):

(In \$ millions)	Closing AUM June 30, 2017

By client type	
Intermediary	\$ 150,314
Institutional	135,699
Self Directed	58,916
TOTAL	\$ 344,929

(In \$ millions)	Closing AUM June 30, 2017
By client location	
Americas	\$ 182,682
EMEA	109,819
Asia Pacific	52,428
TOTAL	\$ 344,929

Valuation of Assets Under Management

The fair value of AUM is based on the value of the underlying cash and investment securities of the funds, trusts and segregated mandates. A significant proportion of these securities are listed or quoted on a recognized securities exchange or market and are regularly traded thereon; these investments are valued based on unadjusted quoted market prices. Investments including, but not limited to, over-the-counter derivative contracts, which are dealt in or through a clearing firm, exchange or financial institution will be valued by reference to the most recent official settlement price quoted by the appointed market vendor and in the event no price is available from this source, a broker quotation may be used. Physical property held is valued monthly by a specialist independent appraiser.

When a readily ascertainable market value does not exist for an investment, the fair value is calculated based on the expected cash flows of its underlying net asset base, taking into account applicable discount rates and other factors. Judgement is used to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive. A Fair Value Pricing Committee is responsible for determining or approving these unquoted prices, which are reported to those charged with governance of the funds and trusts. For funds that invest in markets that are closed at their valuation point, an assessment is made daily to determine whether a fair value pricing adjustment is required to the fund's valuation. This may be due to significant market movements in other correlated open markets, scheduled market closures or unscheduled market closures as a result of natural disaster or government intervention.

Third party administrators hold a key role in the collection and validation of prices used in the valuation of the securities. Daily price validation is completed using techniques such as day on day tolerance movements, invariant prices, excessive movement checks and intra vendor tolerance checks. The JHG Data Management Team performs oversight of this process and completes annual due diligence on the processes of third parties.

JHG leverages the expertise of its fund management teams across the business to cross invest assets and create value for its clients. Where cross investment occurs, assets and flows are identified and the duplication is removed.

Financial Condition

The merger of JCG and Henderson had a significant impact on the Financial Condition of the Group. In exchange for 87.2 million shares of JCG common stock, the Group assumed net assets of \$2,600.7 million. Refer to Part I, Item 1., Note 2 – Acquisitions of this Form 10-Q for further information on net assets assumed.

Results of Operations

Revenue

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Revenue (in millions):				
Management fees	\$ 296.0	\$ 222.9	\$ 493.5	\$ 441.2
Performance fees	57.7	13.9	72.5	28.7
Shareowner servicing fees	9.9	—	9.9	—
Other revenue	21.2	20.3	38.4	41.6
Total revenue	<u>\$ 384.8</u>	<u>\$ 257.1</u>	<u>\$ 614.3</u>	<u>\$ 511.5</u>

Management fees

Management fees increased by \$73.1 million or 33% in the three months ended June 30, 2017, compared to the same period in 2016 with one month of JCG management fees of \$86.7 million being the largest driver. Adverse FX translation movements reduced management fees by \$9.2 million partially offsetting the increase from JCG. Average AUM (excluding the impact of JCG) increased 3% compared to the same period in 2016. However, average margins decreased 14%, with 8% of this decrease from the addition of one month of JCG fees, and the remaining decrease from a change in product mix (i.e. switch in share classes as a result of the Retail Distribution Review (“RDR”) within Europe to a lower fee share class which increases the visibility to the underlying client on the fees retained by Intermediaries) which is partially offset by a decrease in distribution expenses.

Management fees increased by \$52.3 million or 12% in the six months ended June 30, 2017, compared to the same period in 2016 with one month of JCG management fees of \$86.7 million being the primary drive of the increase. FX translation adversely impacted management fees due to unfavourable movements in exchange rates following the UK European Union referendum vote which had a \$28.1 million adverse impact. Average AUM increased compared to the same period in 2016 primarily due to one month of JCG AUM. Excluding the impact of JCG, average AUM was up 1% compared to the same period in the prior year. A change in product mix and an increase in institutional AUM have decreased management fee margins by \$3.8 million.

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Performance fees

Performance fees are derived across a number of product ranges, including both pooled funds and segregated mandates. Pooled fund and segregated mandate performance fees are recognized on a quarterly or annual basis, while mutual fund performance fees are recognized on a monthly basis. Performance fees by product type consisted of the following for the three and six month periods ended June 30, 2017 and 2016 (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Performance fees (in millions):				
SICAVs	\$ 29.6	\$ 1.8	\$ 38.0	\$ 9.6
UK OEICs & Unit Trusts	13.7	4.2	16.9	8.0
Offshore Absolute Return	2.0	2.1	4.0	4.2
Segregated Mandates	1.5	3.4	2.4	3.6
Private Accounts	4.9	—	4.9	—
Investment Trusts	8.4	1.9	8.4	1.9
Mutual Funds	(2.4)	—	(2.4)	—
Other	—	0.5	0.3	1.4
Total performance fees	\$ 57.7	\$ 13.9	\$ 72.5	\$ 28.7

For the three and six months ended June 30, 2017 performance fees increased \$43.8 million compared to the same period for 2016, primarily due to higher Société d’Investissement À Capital Variable (“SICAV”) fees. Key funds driving the increase included the UK Absolute Return SICAV fund, Pan European Smaller Companies and Pan European Alpha. UK Open Ended Investment Companies (“OEICs”) and Unit Trusts also increased in the period primarily due to the UK Absolute Return OEIC. Key contributions to this number were in relation to annual performance fee crystallizations, so these fees would not be expected to repeat in the third or fourth quarter of 2017. An additional \$2.5 million of net performance fees were contributed by JCG.

Shareowner servicing fees

Shareowner servicing fees is primarily comprised of mutual fund servicing fees. The activity in the three and six month periods ended June 30, 2017 relates to JCG.

Operating expenses

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Operating expenses (in millions):				
Employee compensation and benefits	\$ 123.6	\$ 67.2	\$ 194.0	\$ 134.6
Long-term incentive plans	47.3	30.2	63.7	51.3
Distribution expenses	60.7	57.3	107.8	111.9
Investment administration	9.7	12.8	19.9	24.5
Marketing	10.1	3.7	13.3	7.1
General, administrative and occupancy	67.3	23.9	92.4	48.9
Depreciation and amortization	9.4	5.6	15.7	11.2
Total operating expenses	\$ 328.1	\$ 200.7	\$ 506.8	\$ 389.5

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Employee compensation and benefits

During the three and six month periods ended June 30, 2017, employee compensation and benefits increased \$56.4 million and \$59.4 million respectively, compared to the equivalent periods in 2016. This increase was primarily driven by JCG which contributed \$32.7 million in the period from the Closing Date. There was also an increase in relation to deal and integration costs of \$12.1 million and \$14.1 million for the three and six month periods ended June 30, 2017, respectively.

Long-term incentive plans

Long-term incentive plans increased by \$17.1 million and \$12.4 million in the three and six month periods ended June 30, 2017, respectively, compared to the equivalent periods in 2016. The increases were primarily driven by JCG, which contributed \$19.5 million in the three and six month periods. In addition, deal and integration costs of \$3.7 million and \$4.0 million for the three and six month periods ended June 30, 2017, respectively, contributed to the year on year variance. These increases were offset by favorable changes in exchange rates of \$2.9 million and \$6.2 million for the three and six month periods ended June 30, 2017, respectively. Management anticipate that the compensation to revenue ratio, on an adjusted basis, for the second half of 2017 to be in the mid forties.

Distribution expenses

Distribution expenses are paid to financial intermediaries for the distribution of JHG's retail investment products and are typically calculated based on the amount of the intermediary sourced AUM. For the three month period ended June 30, 2017, distribution expenses increased by \$3.4 million and for the six month period ended June 30, 2017, distribution expenses decreased by \$4.1 million. JCG contributed \$13.3 million in the period from the Closing Date, which was partially offset by favorable changes in exchange rates of \$1.6 million and \$4.4 million for the three and six month periods ended June 30, 2017, respectively, together with a decrease as a result of the UK OEIC and SICAV product mix.

Investment administration

Investment administration costs for the three and six month periods ended June 30, 2017, decreased by \$3.1 million and \$4.6 million, respectively, compared to the equivalent periods in 2016. This was primarily due to favorable changes in exchange rates of \$1.2 million and \$3.0 million for the three and six month periods ended June 30, 2017, respectively.

Marketing

Marketing expenses for the three and six month periods ended June 30, 2017, have increased by \$6.4 million and \$6.2 million, respectively, compared to the equivalent periods in 2016. Expenses in relation to the Merger, primarily fund proxy costs, contributed \$5.2 million and \$5.4 million of costs for the three and six month periods ended June 30, 2017, respectively.

General, administrative and occupancy

General, administrative and occupancy expenses increased by \$43.4 million and \$43.5 million during the three and six month periods ended June 30, 2017, respectively, compared to the same periods in 2016. Deal and integration costs related to the Merger, including legal and advisory fees, contributed \$36.6 million and \$42.9 million in the three and six month periods ended June 30, 2017, respectively. JCG contributed \$7.2 million in the period from the Closing Date. These increases were partially offset by favorable changes in exchange rates of \$2.4 million and \$6.1 million for the three and six month periods ended June 30, 2017, respectively, together with a \$6.9 million credit in relation to a sales tax refund dating from April 2013.

Depreciation and amortization

Depreciation and amortization expense increased by \$3.8 million and \$4.5 million for the three and six month periods ended June 30, 2017, respectively, compared to the equivalent periods in 2016. This was primarily due to additional depreciation and amortization of \$3.4 million recognized in June as a result of the merger with JCG.

Non-operating income and expenses

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Non-operating income and expenses (in millions):				
Interest expense	\$ (2.0)	\$ (1.4)	\$ (3.1)	\$ (5.6)
Investment gains (losses), net	\$ 9.8	\$ (8.9)	\$ 8.9	\$ (2.1)
Other non-operating expenses, net	\$ (2.0)	\$ (3.2)	\$ (0.7)	\$ (2.6)

Interest expense

Interest expense increased by \$0.6 million for the three month period ended June 30, 2017 and decreased by \$2.5 million for the six month period ended June 30, 2017, compared to the equivalent periods in 2016. The decrease relating to the six month period was primarily due to \$3.6 million of interest expense recognized in the six month period ended June 30, 2016 in relation to the Group's loan notes, which was repaid in March 2016. JCG contributed interest expense of \$1.8 million in June 2017.

Investment gains (losses), net

The components of investment gains (losses), net for the three and six month periods ended June 30, 2017 and 2016, (in millions) were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Investment gains (losses), net (in millions):				
Loss on investment securities and derivatives	\$ (0.3)	\$ (9.0)	\$ (1.2)	\$ (3.0)
Gain on sale of Volantis	10.2	—	10.2	—
Other investment income	(0.1)	0.1	(0.1)	0.9
Investment gains (losses), net	\$ 9.8	\$ (8.9)	\$ 8.9	\$ (2.1)

Investment gains (losses), net increased by \$18.7 million and \$11.0 million in the three and six month periods ended June 30, 2017, respectively, compared to the equivalent periods in 2016. These increases were primarily due to the sale of Volantis which resulted in the recognition of a gain of \$10.2 million in the three months ended June 30, 2017, together with one month of investment gains contributed by JCG of \$0.8 million and lower losses in respect of investment securities and derivatives in each period in 2017 compared to the equivalent period in 2016.

Other non-operating expense, net

The components of other non-operating expense, net for the three and six month periods ended June 30, 2017 and 2016, (in millions), were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Other non-operating expenses, net (in millions):				
Loss from equity method investments	\$ —	\$ (3.3)	\$ —	\$ (3.3)
Foreign exchange (losses) gains	(0.7)	—	0.3	—
Fair value movements on option agreement	(1.2)	—	(1.2)	—
Interest income	(0.1)	0.1	0.2	0.7
Total other non-operating expenses, net	<u>\$ (2.0)</u>	<u>\$ (3.2)</u>	<u>\$ (0.7)</u>	<u>\$ (2.6)</u>

The loss from equity method investments was nil for the three and six month periods ended June 30, 2017, compared to a loss of \$3.3 million for the three and six month periods ended June 30, 2016. This was primarily due to an impairment of an equity method investment in the three months ended June 30, 2016.

The fair value loss on the option agreement of \$1.2 million in the three months ended June 30, 2017, represents fair value adjustments on the Dai-ichi options issued as part of the Merger Agreement with JCG.

Income Tax Provision

The Company's effective tax rates for the three and six months ended June 30, 2017 and 2016, are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Effective tax rate	33.6%	6.3%	25.4%	15.1%

The increase in the effective tax rate for the three and six month periods ended June 30, 2017 versus the same periods in 2016 is primarily due to the non-tax deductible deal costs in connection with the Merger and the inclusion of JCG in the tax calculation of JHG. In addition, the three and six months ended June 30, 2016 included a significant tax benefit relating to the exercise of stock based compensation.

Non-GAAP Financial Measures

JHG reports its financial results in accordance with GAAP. However, in the opinion of JHG management the profitability of the Group and its ongoing operations is best evaluated using additional non-GAAP financial measures. Management uses these performance measures to evaluate the business and adjusted values are consistent with internal management reporting.

Pro forma JHG results

The table below reflects the pro forma combined results for the three months ended June 30, 2017, as though the Merger had taken place on April 1, 2017 (in millions).

	Three months ended June 30, 2017		
	Statutory	JCG April & May	Pro Forma
Revenue:			
Management fees	\$ 296.0	\$ 158.3	\$ 454.3
Performance fees	57.7	(5.4)	52.3
Shareowner servicing fees	9.9	19.6	29.5
Other revenue	21.2	8.8	30.0
Total revenue	384.8	181.3	566.1
Operating expenses:			
Employee compensation and benefits	123.6	62.1	185.7
Long-term incentive plans	47.3	13.9	61.2
Distribution expenses	60.7	23.2	83.9
Investment administration	9.7	—	9.7
Marketing	10.1	13.1	23.2
General, administrative and occupancy	67.3	31.4	98.7
Depreciation and amortization	9.4	5.8	15.2
Total operating expenses	328.1	149.5	477.6
Operating income	56.7	31.8	88.5
Interest expense	(2.0)	(3.1)	(5.1)
Investment gains, net	9.8	0.1	9.9
Other non-operating (expense) income	(2.0)	0.4	(1.6)
Income before taxes	62.5	29.2	91.7
Income tax provision	(21.0)	(10.7)	(31.7)
Net income	41.5	18.5	60.0
Net loss (income) attributable to noncontrolling interests	0.2	(1.2)	(1.0)
Net income attributable to JHG	\$ 41.7	\$ 17.3	\$ 59.0

Alternative performance measures — pro forma basis

The following is a reconciliation of pro forma revenue, pro forma operating income, pro forma net income attributable to JHG and pro forma diluted earnings per share to pro forma adjusted revenue, pro forma adjusted operating income, pro forma adjusted net income attributable to JHG and pro forma adjusted diluted earnings per share based on the combined results of JCG and JHG on a pro forma basis for the three month period ended June 30, 2017:

	Three months ended June 30, 2017
	(dollars in millions, except per share data and operating data)
Reconciliation of pro forma revenue to pro forma adjusted revenue	
Pro forma revenue	\$ 566.1
Distribution expenses(1)	(83.9)
Adjusted pro forma revenue	\$ 482.2
Reconciliation of pro forma operating income to pro forma adjusted operating income	
Pro forma operating income	\$ 88.5
Employee compensation and benefits(2)	25.4

Long-term incentive plans(2)		13.2
Marketing(2)		14.4
Depreciation and amortization(3)		7.8
General, administration and occupancy(2)		50.2
Adjusted pro forma operating income	\$	199.5
Pro forma operating margin(7)		15.6%
Pro forma adjusted operating margin(8)		41.4%
Reconciliation of pro forma net income attributable to JHG to pro forma adjusted net income attributable to JHG		
Pro forma net income attributable to JHG	\$	59.0
Employee compensation and benefits(2)		25.4
Long-term incentive plans(2)		13.2
Marketing(2)		14.4
Depreciation and amortization(3)		7.8
General, administration and occupancy(2)		50.2
Investment gains(5)		(10.2)
Interest expense(4)		0.7
Other non-operating expense, net(4)		2.6
Income tax provision(6)		(23.3)
Pro forma adjusted net income attributable to JHG		139.8
Less: allocation of earnings to participating stock-based awards		(4.0)
Pro forma adjusted net income attributable to JHG common shareholders	\$	135.8
Weighted-average diluted common shares outstanding — diluted (two class)		200.0
Pro forma diluted earnings per share (two class)(9)	\$	0.29
Pro forma adjusted diluted earnings per share (two class)(10)	\$	0.68

- (1) Distribution expenses are paid to financial intermediaries for the distribution of JHG's investment products. JHG management believes that the deduction of third-party distribution, service and advisory expenses from revenue in the computation of net revenue reflects the nature of these expenses as

revenue-sharing activities, as these costs are passed through to external parties that perform functions on behalf of, and distribute, the Group's managed AUM.

- (2) Adjustments primarily represent deal and integration costs in relation to the Merger. JHG Management believes these costs do not represent the ongoing operations of the Group.
- (3) Investment management contracts have been identified as a separately identifiable intangible asset arising on the acquisition of subsidiaries and businesses. Such contracts are recognized at the net present value of the expected future cash flows arising from the contracts at the date of acquisition. For segregated mandate contracts, the intangible asset is amortized on a straight-line basis over the expected life of the contracts. JHG Management believes these non-cash and acquisition related costs do not represent the ongoing operations of the Group.
- (4) Adjustments represent fair value movements on options issued to Dai-ichi and deferred consideration costs associated with acquisitions prior to the Merger. JHG Management believes these costs do not represent the ongoing operations of the Group.
- (5) Adjustment relates to the gain recognized on disposal of Volantis on April 1, 2017. JHG Management believes this gain does not represent the ongoing operations of the Group.
- (6) The tax impact of the adjustments are calculated based on the U.S. or foreign statutory tax rate as they relate to each adjustment. Certain adjustments are either not taxable or not tax deductible.
- (7) Pro forma operating income divided by pro forma revenue.
- (8) Pro forma adjusted operating income divided by pro forma adjusted revenue.
- (9) Pro forma net income attributable to JHG divided by weighted-average diluted common shares outstanding.

(10) Pro forma adjusted net income attributable to JHG divided by weighted-average diluted common shares outstanding.

Liquidity and Capital Resources

JHG's capital structure, together with available cash balances, cash flows generated from operations, and further capital and credit market activities, if necessary, should provide the Group with sufficient resources to meet present and future cash needs, including operating and other obligations as they fall due and anticipated future capital requirements.

JHG is subject to regulatory oversight by the SEC, the Financial Industry Regulatory Authority ("FINRA"), the U.S. Commodity Futures Trading Commission, the Financial Conduct Authority ("FCA") and other international regulatory bodies. The Group ensures it is compliant with its regulatory obligations at all times. The Group's main capital requirement relates to the FCA supervised regulatory group (a sub-group of JHG), comprising Henderson Group Holdings Asset Management Limited, all of its subsidiaries and Janus Capital International Limited ("JCIL"), that are subject to the FCA consolidated capital requirements. JCIL is included on the basis of an Article 134 relationship under the Banking Consolidation Directive. The combined capital requirement is £270.7 million (\$351.6 million), resulting in capital above the regulatory group's regulatory requirement of £7.0 million (\$9.1 million) as of June 30, 2017, based upon internal calculations and excluding unaudited current period profits.

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Short-Term Liquidity and Capital Resources

The following table summarizes key balance sheet data relating to JHG's liquidity and capital resources as of June 30, 2017 and December 31, 2016 (in millions):

	June 30, 2017	December 31, 2016
Cash and cash equivalents held by the Group	\$ 640.0	\$ 279.0
Fees and other receivables	346.3	165.5
Investment securities held by the Group	274.1	79.6
Debt (including current portion)	\$ 438.9	\$ —

Cash and cash equivalents consist primarily of cash at banks. Cash and cash equivalents and investment securities held by consolidated VIEs are not available for general corporate purposes and have been excluded from the table above.

The Group believes that existing cash and cash from operations should be sufficient to satisfy its short-term capital requirements. Expected short-term uses of cash include ordinary operating expenditures, seed capital investments, principal, interest and conversion payments related to the 2018 Convertible Notes, dividend payments, income tax payments and integration costs in relation to the Merger. JHG may also use available cash for other general corporate purposes and acquisitions.

Convertible Notes

Upon closing of the Merger, JHG fully and unconditionally guaranteed the obligations of JCG under its 2018 Convertible Notes.

The 2018 Convertible Notes pay interest at 0.750% semiannually on January 15 and July 15 of each year and mature on July 15, 2018.

Holders of the 2018 Convertible Notes may convert the notes during a particular calendar quarter if the last reported sale price of JHG's common stock is greater than or equal to 130% of the applicable conversion price for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the preceding quarter. As a result of the Merger, the 2018 Convertible Notes could be converted, regardless of whether or not the conversion criteria were satisfied, for a period of 35 trading days in advance and 35 trading days following the Merger Closing Date. As the note holders had the option to convert as of June 30, 2017, the 2018 Convertible Notes were classified as current under current portion of long-term debt on the Group's Consolidated Balance Sheets as of June 30, 2017. As of August 4, 2017, conversion notices amounting to \$32.6 million of principal had been received. JHG intends to settle these conversion notices in cash during the third quarter of 2017.

Options

On the Closing Date of the Merger, JHG granted Dai-ichi 20 tranches of conditional options with each tranche allowing Dai-ichi to purchase 500,000 JHG ordinary shares at a strike price of £29.972 per share (the terms of such options having been adjusted in accordance with the terms of the Dai-ichi option agreement to take account of the effect of the share consolidation). The cash consideration of the options was £19.8 million (\$25.7 million). The options can be exercised by Dai-ichi for the period from the Closing Date of the Merger until October 3, 2018.

Common Stock Repurchases

There were no share repurchases during the six month period ended June 30, 2017 or the year ended December 31, 2016. The Group has no commitments to repurchase additional capital stock. Any future repurchases of ordinary shares, Chess Depository Interests (“CDIs”) or Depository Interests (“DIs”) will depend upon prevailing market conditions, the Group’s liquidity requirements, contractual and legal restrictions, and other factors.

Dividends

The payment of cash dividends is within the discretion of the JHG Management and depends on many factors, including, but not limited to the Group’s results of operations, financial condition, capital requirements, general business

conditions and legal requirements. From the Closing Date, the Group intends to declare dividends quarterly in USD. Prior to this the Group declared dividends in GBP on a semi-annual basis, with an extraordinary first quarter 2017 dividend declared on April 19, 2017.

Dividends declared and paid during the six months ended June 30, 2017, representing the final 2016 and extraordinary first quarter 2017 dividends respectively were:

<u>Dividend per share (£)</u>	<u>Date declared</u>	<u>Dividends paid (in US\$ millions)</u>	<u>Date paid</u>
0.0730	February 9, 2017	\$ 102.6	May 19, 2017
0.0185	April 19, 2017	\$ 26.0	May 19, 2017

On August 7, 2017, JHG’s Board of Directors declared a regular quarterly cash dividend of \$0.32 per share. The quarterly dividend will be paid on September 1, 2017, to shareholders of record at the close of business on August 18, 2017.

Long-Term Liquidity and Capital Resources

Expected long-term commitments as of June 30, 2017, include principal and interest payments related to the 2025 Senior Notes, operating and capital lease payments, Perkins and INTECH senior profits interests awards, INTECH appreciation rights and phantom interests, INTECH non-controlling interests and contingent consideration related to the acquisitions of Geneva, Perennial, VelocityShares and Kapstream. JHG expects to fund its long-term commitments with existing cash, cash generated from operations or by accessing capital and credit markets as necessary.

2025 Senior Notes

Upon closing of the Merger, JHG fully and unconditionally guaranteed JCG’s obligations under its 2025 Senior Notes. There are \$300.0 million of Senior Notes due 2025 in issue, which pay interest at 4.875% semiannually on February 1 and August 1 of each year, and mature on August 1, 2025.

Perkins Senior Profits Interests Awards

Perkins became a wholly owned subsidiary of the Group as a result of the Merger.

On November 18, 2013, Perkins granted senior profits interests awards designed to retain and incentivize key employees to grow the business. These awards fully vest on December 31, 2018, with the holders entitled to a total of 10% of Perkins’ annual taxable income. The entitlement to a percentage of Perkins’ annual taxable income over the vesting period is tiered and starts at 2% in 2015 and increases 2% each year thereafter until reaching 10% in 2019 after fully vesting on December 31, 2018. In addition, these awards have a formula-driven terminal value based on Perkins’ revenue. JHG can call and terminate any or all of the awards on December 31, 2018, and each year thereafter. Holders of such interests can require JHG to purchase the interests in exchange for the then-applicable formula price on December 31, 2018. The senior profits interests awards are also subject to termination at premiums or discounts to the formula at the option of JHG or certain employees, as applicable, upon certain corporate or employment-related events affecting Perkins or certain employees.

INTECH

INTECH became a subsidiary of the Group as a result of the Merger.

INTECH ownership interests held by a founding member, representing approximately 1.1% aggregate ownership of INTECH, provide this founding member with an entitlement to retain their remaining INTECH interest until their death and provide the option to require JHG to purchase the ownership interests of INTECH at fair value.

INTECH has granted long-term incentive awards to retain and incentivize employees. The awards consist of appreciation rights, profits interests and phantom interests and are designed to give recipients an equity-like stake in INTECH. The grant date fair value of the

appreciation rights is being amortized on a graded basis over the 10-year vesting period. The awards are exercisable upon termination of employment from INTECH to the extent

vested. The profits interests and phantom interests awards entitle recipients to 9.21% of INTECH's pre-incentive profits.

Contingent Consideration

For details of the contingent consideration in relation to the acquisition of Perennial and Geneva, please refer to the Group's Prospectus.

As a result of the Merger, the Group is also committed to contingent consideration payments in respect of the historic acquisitions of Kapstream and VelocityShares made by JCG.

The outstanding Kapstream contingent cash consideration in respect of the initial acquisition of a 51% controlling interest is payable in June 2018 if certain Kapstream AUM reach defined targets. As of June 30, 2017, the total maximum payment is \$4.0 million.

On January 31, 2017, JCG acquired the remaining 49% voting interest in Kapstream. The transaction included contingent consideration payable in the form of mutual fund share awards. The awards will be payable in three equal installments of \$14.3 million on the first, second and third anniversary dates of the acquisition if certain revenue targets are reached and are indexed to the performance of the Kapstream Absolute Return Income Fund.

Outstanding contingent cash payments in relation to the historic acquisition of VelocityShares are contingent on certain VelocityShares' ETPs reaching defined net revenue targets on the third and fourth anniversaries of the acquisition (in November 2017 and November 2018, respectively). These maximum contingent payments are for \$8.0 million each. As of June 30, 2017, the total maximum payment over the remaining contingent consideration period (third and fourth anniversaries of the acquisition) is \$16.0 million.

Defined benefit pension plan

The Group's latest triennial valuation of its defined benefit pension plan has resulted in a deficit on a technical provision's basis of \$37.7 million (£29.0 million). The Group has agreed with the trustees of the plan to make contributions of \$10.9 million (£8.4 million) per year for four years beginning in 2017 to recover the deficit.

The Group believes that it will have sufficient resources to satisfy its long-term liquidity requirements.

Off-Balance Sheet Arrangements

The contractual obligations relating to certain operating lease agreements outlined in Note 18—Commitments and Contingencies, on the Consolidated Financial Statements can be found in the Prospectus of Henderson Group plc for the year ended December 31, 2016 and the JCG contractual obligations outlined in Note 13—Commitments and Contingencies, of the Group's 10-Q for the quarter ended June 30, 2017. The Group is not party to any off-balance sheet arrangements that may provide, or require the Group to provide, financing, liquidity, market or credit risk support that is not reflected in the Group's Consolidated Financial Statements.

Other Sources of Liquidity

On February 10, 2016, a Group subsidiary entered into a one year revolving credit facility for £30.0 million to ensure that the Group had sufficient access to liquidity following repayment of the 2016 Senior Notes. On February 3, 2017, the Group subsidiary renewed this facility for an additional one year period. This facility terminated on May 30, 2017, on completion of the Merger. There were no amounts drawn down under the facility during its term and the subsidiary was in compliance with all covenants relating to the facility throughout, which included maintaining minimum equity of £150.0 million within the subsidiary and ensuring external borrowings did not exceed 30% of the subsidiary's net worth.

On February 16, 2017, the Group entered into a five-year, \$200.0 million unsecured, multi-currency revolving credit facility ("the JHG Facility"), with Bank of America Merrill Lynch International Limited as agent. The JHG Facility includes an option for JHG to request an increase to the overall amount of the JHG Facility of up to an additional \$50.0 million. The JHG Facility has a maturity date of February 16, 2022 with two one year extension

options which can be exercised at the discretion of JHG with the lender's consent on the first and second anniversary of the date of the agreement, respectively.

The JHG Facility became effective on the Merger Closing Date and may be used for general corporate purposes. The JHG Facility bears

interest on borrowings outstanding at the relevant interbank offer rate plus a spread, which is based on JCG's credit rating provided that if, following closing of the Merger, JHG obtains two or more credit ratings, then the credit rating in respect of JHG shall then be the relevant credit rating for the purposes of determining applicable margin.

The JHG Facility contains a financial covenant with respect to leverage. The financing leverage ratio cannot exceed 3.00x EBITDA. At the latest practicable date before the date of this report, JHG was in compliance with all covenants and there were no borrowings under the JHG Facility.

Cash Flows

A summary of cash flow data for the six months ended June 30, 2017 and 2016 is as follows (in millions):

	Six months ended June 30,	
	2017	2016
Cash flows provided by (used for):		
Operating activities	\$ 61.6	\$ 83.5
Investing activities	564.3	(70.7)
Financing activities	(277.8)	(327.8)
Effect of foreign exchange rate changes on cash and cash equivalents	12.4	(19.3)
Net change in cash and cash equivalents	360.5	(334.3)
Cash and cash equivalents at beginning of period	323.2	583.7
Cash and cash equivalents at end of period	<u>\$ 683.7</u>	<u>\$ 249.4</u>

Operating Activities

Fluctuations in operating cash flows are attributable to changes in net income and working capital items, which can vary from period to period based on the amount and timing of cash receipts and payments. Operating cash flows include the receipt of management fees and performance fees, offset by the payment of operating expenses and income taxes. Operating cash flows have decreased from \$83.5 million in the six months ended June 30, 2016, to \$61.6 million in the six months ended June 30, 2017, primarily due to changes in working capital items in the period including the payment of deal and integration costs in relation to the Merger.

Investing Activities

Cash provided by (used for) investing activities for the six months ended June 30, 2017 and June 30, 2016, is as follows (in millions):

	Six months ended June 30,	
	2017	2016
Proceeds from disposal of investment securities-seed capital, net	\$ 22.9	\$ 5.3
Proceeds from disposal of investment securities - VIEs, net	139.9	—
Cash acquired from acquisition	417.2	—
Dividends received from equity-method investments	—	0.3
Net cash paid on settled hedges	(7.3)	(16.5)
Purchases of:		
—investment securities-seed capital	—	(50.2)
—other purchases	(8.4)	(9.6)
Cash provided by (used for) investing activities	<u>\$ 564.3</u>	<u>\$ (70.7)</u>

Cash inflows from investing activities were \$564.3 million during the six months ended June 30, 2017 (six months ended June 30, 2016: cash outflows of \$70.7 million) primarily due to the Group acquiring cash of \$417.2 million in respect of the Merger on May 30, 2017, together with the Group receiving proceeds from disposal of investments within consolidated VIEs of \$139.9 million.

Financing Activities

Cash used for financing activities for the six months ended June 30, 2017 and 2016, is as follows (in millions):

	Six months ended June 30,	
	2017	2016
Dividends paid to shareholders	\$ (128.6)	\$ (115.9)
Repayment of long-term borrowings	—	(215.0)

Third party sales (redemptions) in consolidated seeded investment products	(148.8)	40.7
Purchase of common stock for stock-based compensation plans	(39.1)	(46.1)
Proceeds from issuance of option	25.7	—
Proceeds from settlement of convertible note hedge	59.3	—
Settlement of stock warrant	(47.8)	—
Other financing activities	1.5	8.5
Cash used for financing activities	<u>\$ (277.8)</u>	<u>\$ (327.8)</u>

Cash outflows from financing activities were \$277.8 million in the six months ended June 30, 2017 (six months ended June 30, 2016: \$327.8 million) primarily reflecting dividends paid of \$128.6 million and third party redemptions from consolidated seed investments of \$148.8 million.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A significant portion of the Group's revenue and expenses are denominated in currencies other than USD resulting in exposure to the consolidated financial statements. Currency exposure is primarily due to non-USD AUM and non-USD operations, which cause variability in revenue and operating expenses.

Item 4. Controls and Procedures

As of June 30, 2017, JHG's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Group in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Group's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Disclosure controls and procedures are designed by the Group to ensure that it records, processes, summarizes and reports in a timely manner the information it must disclose in reports that it files with or submits to the SEC. Richard M. Weil, Co-Chief Executive Officer, Andrew J. Formica Co-Chief Executive Officer and Roger Thompson, Executive Vice President and Chief Financial Officer, reviewed and participated in management's evaluation of the disclosure controls and procedures. Based on this evaluation, Mr. Weil, Mr. Formica and Mr. Thompson concluded that as of the date of their evaluation, JHG's disclosure controls and procedures were effective.

There has been no change in JHG's internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the second quarter 2017 that has materially affected, or is reasonably likely to materially affect, JHG's internal controls over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

See Part I, Item 1. Financial Statements, Note 13 — Commitments and Contingencies.

Item 1A. Risk Factors

The Company has had no material changes in its risk factors from those previously reported in the Registration Statement for the year ended December 31, 2016.

Items 2, 3 and 4.

Not applicable.

Item 5. Chief Operating and Strategy Officer Departure

On August 8, 2017, JHG announced that Jennifer McPeek, JHG's Chief Operating and Strategy Officer, has announced her intention to leave JHG to pursue personal projects. Ms. McPeek has been an outstanding contributor to JCG as Chief Financial Officer and for JHG as Chief Operating and Strategy Officer. Ms. McPeek will remain with the company until October 31, 2017.

Item 6. Exhibits

- 3.1 Memorandum of Association, incorporated herein by reference from Exhibit 3.1 to JHG's Current Report on Form 8-K, dated May 30, 2017
- 3.2 Articles of Association, incorporated herein by reference from Exhibit 3.2 to JHG's Current Report on Form 8-K, dated May 30, 2017
- 4.1 Indenture dated as of November 6, 2001 (the "Base Indenture"), between Janus Capital Group Inc. and The Bank of New York Trust Company N.A. (as successor to The Chase Manhattan Bank), incorporated herein by reference from Exhibit 4.1 to JCG's Current Report on Form 8-K, dated November 6, 2001 (File No. 001-15253)
- 4.2 Third Supplemental Indenture to the Base Indenture, dated June 19, 2013, between Janus Capital Group Inc. and The Bank of New York Mellon Trust Company N.A., incorporated herein by reference from Exhibit 4.5.4 to JCG's Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 001-15253)
- 4.3 Fourth Supplemental Indenture to the Base Indenture, dated as of May 30, 2017, among Janus Capital Group Inc., Henderson Group plc and The Bank of New York Mellon Trust Company N.A., incorporated herein by reference from Exhibit 4.3 to JHG's Current Report on Form 8-K, dated May 30, 2017
- 4.4 Officers' Certificate pursuant to the Base Indenture establishing the terms of the JCG 2018 Convertible Notes, incorporated herein by reference from Exhibit 4.10.1 to JCG's Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 001-15253)
- 4.5 Fifth Supplemental Indenture to the Base Indenture, dated as of May 30, 2017, among Janus Capital Group Inc., Henderson Group plc and The Bank of New York Mellon Trust Company N.A., incorporated herein by reference from Exhibit 4.5 to JHG's Current Report on Form 8-K, dated May 30, 2017
- 4.6 Form of JCG 2018 Convertible Notes, incorporated herein by reference from Exhibit 4.10.1 to JCG's Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 001-15253)
- 4.7 Form of Global Notes for the JCG 2025 Senior Notes, incorporated herein by reference from Exhibit 4.2 to JCG's Current Report on Form 8-K, dated July 31, 2015 (File No. 001-15253)
- 10.1 Facility Agreement, dated 16 February 2017, for US\$200,000,000 Revolving Credit Facility for Henderson Group plc arranged by Bank of America Merrill Lynch International Limited as Coordinator, Bookrunner and Mandated Lead Arranger with Bank of America Merrill Lynch International Limited as Facility Agent, incorporated herein by reference from Exhibit 1.1 to JHG's Current Report on Form 8-K, dated May 30, 2017
- 10.2 Instrument of Indemnity, incorporated herein by reference from Exhibit 10.16 to JHG's Registration Statement on Form F-4, filed on March 20, 2017 (File No. 333-216824)
- 10.3 Second Amended and Restated 2010 Long-Term Incentive Stock Plan, effective May 30, 2017, incorporated herein by reference from Exhibit 4.12 to JHG's Registration Statement on Form S-8, filed on May 31, 2017 (File No. 333-218365)
- 10.4 Second Amended and Restated 2005 Long Term Incentive Stock Plan, effective May 30, 2017, incorporated herein by reference from Exhibit 4.11 to JHG's Registration Statement on Form S-8, filed on May 31, 2017 (File No. 333-218365)
- 10.5 Second Amended and Restated 2012 Employment Inducement Award Plan, effective May 30, 2017 incorporated herein by reference from Exhibit 4.9 to JHG's Registration Statement on Form S-8, filed on May 31, 2017 (File No. 333-218365)
- 10.6 Second Amended and Restated Employee Stock Purchase Plan, effective May 30, 2017, incorporated herein by reference from Exhibit 4.13 to JHG's Registration Statement on Form S-8, filed on May 31, 2017 (File No. 333-218365)
- 10.7 Janus Henderson Group plc Fourth Amended and Restated Mutual Fund Share Investment Plan, effective May 30, 2017 is attached to this Form 10-Q as Exhibit 10.7
- 10.8 Janus Henderson Group plc Amended and Restated 2013 Management Incentive Compensation Plan, effective January 1, 2013 is attached to this Form 10-Q as Exhibit 10.8
- 10.9 Janus Henderson Group plc Second Amended and Restated Income Deferral Program, effective May 30, 2017 is attached to this Form 10-Q as Exhibit 10.9

- 10.10 Janus Henderson Group plc Fourth Amended and Restated Director Deferred Fee Plan, effective May 30, 2017 is attached to this Form 10-Q as Exhibit 10.10
- 15.1 Letter regarding unaudited interim financial information is attached to this Form 10-Q as Exhibit 15.1
- 31.1 Certification of Richard M. Weil, Co-Chief Executive Officer of Registrant
- 31.2 Certification of Andrew J. Formica Co-Chief Executive Officer of Registrant
- 31.3 Certification of Roger Thompson, Executive Vice President and Chief Financial Officer of Registrant
- 32.1 Certification of Richard M. Weil, Co-Chief Executive Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification of Andrew J. Formica, Co-Chief Executive Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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- 101.INS XBRL Insurance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 8, 2017

Janus Henderson Group plc

/s/ Richard M. Weil

Richard M. Weil,
Director and Co-Chief Executive Officer
(Co-Principal Executive Officer)

/s/ Andrew J. Formica

Andrew J. Formica,
Director and Co-Chief Executive Officer
(Co-Principal Executive Officer)

/s/ Roger Thompson

Roger Thompson,
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ Brennan A. Hughes

Brennan A. Hughes,
Senior Vice President,
Chief Accounting Officer and Treasurer

**JANUS HENDERSON GROUP INC.
INDEX TO EXHIBITS**

Exhibit No.	Document	Regulation S-K Item 601(b) Exhibit No.
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Section 2: EX-10.7 (EX-10.7)

JANUS HENDERSON GROUP PLC
FOURTH AMENDED AND RESTATED MUTUAL FUND SHARE INVESTMENT PLAN

(effective May 30, 2017)

Article 1. **History, Effective Date, Objectives**

1.1 The name of the plan is the Janus Henderson Group plc Fourth Amended and Restated Mutual Fund Share Investment Plan (as may be amended from time to time, the "Plan"). Janus Capital Group Inc. ("JCG") established the Plan effective January 20, 2005, amended and restated the Plan effective January 22, 2008, amended and restated the Plan effective January 1, 2012, and amended and restated the Plan effective July 22, 2013. The Plan is intended to align the interests of key personnel with shareholders through the use of phantom investments in the Company's (as defined below) retail mutual funds.

1.2 On October 3, 2016, JCG entered into an Agreement and Plan of Merger (the "Merger Agreement") by among JCG, Henderson Group plc ("Henderson" or the "Company") and Horizon Orbit Corp., pursuant to which, among other things, as of the Effective Time (as defined in the Merger Agreement) (i) Horizon Orbit Corp. will merge with and into JCG, with JCG being the surviving corporation and a wholly-owned subsidiary of Henderson (the "Merger"), and (ii) Henderson shall change its name to "Janus Henderson Group plc" and shall list its ordinary shares on the New York Stock Exchange. Following the Effective Time, (iii) Henderson has elected to assume sponsorship of the Plan, to be amended and restated as set forth herein, and (iv) each Award issued and outstanding under the Plan immediately prior to the Effective Time shall remain outstanding subject to the same terms and conditions as in effect immediately prior to the Effective Time, in each case, effective as of the Effective Time and contingent on the consummation of the Merger.

1.3 The Plan is hereby amended and restated in its entirety, as set forth herein, effective as of May 30, 2017 (the "Effective Date"), provided, however, the Plan as amended and restated herein is contingent on the consummation of the Merger, and shall automatically terminate and be of no force and effect (with the Plan as in effect as of immediately prior to the Effective Time remaining in full force and effect) upon the termination of the Merger Agreement.

Article 2. **Definitions**

2.1 Administrator means the Committee or the person or persons designated by the Committee to administer the Plan.

2.2 Award means an amount payable in cash by the Company to a Participant as determined by the Administrator.

2.3 Board means the Board of Directors of the Company.

2.4 Cause shall have the meaning assigned to such term in the Participant's Award Agreement, or if not defined therein, the meaning assigned to such term in the Participant's individual employment or severance agreement, or if the Participant is not a party to an such an agreement in which Cause is defined, the meaning assigned to such term in the Janus Henderson Group plc Second Amended and Restated 2010 Long-Term Incentive Stock Plan (or successor plan thereto).

2.5 Code means the Internal Revenue Code of 1986, as amended, and any regulations or guidance issued there under.

2.6 A Change in Control shall be deemed to have occurred (unless otherwise provided in an award agreement) if the event set forth in any one of the following paragraphs shall have occurred:

(a) a change in the composition of the Board such that the individuals who, as of the effective date of the this Agreement, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this definition, that any individual who becomes a member of the Board subsequent to the effective date hereof, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Securities Exchange Act of 1934, as modified) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(b) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of the assets or stock of another entity ("Business Combination"); excluding, however, such a Business Combination pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the outstanding Company Common Stock and outstanding Company voting securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined Voting Power, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all the Company's assets either directly or

through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the outstanding Company Common Stock and outstanding Company voting securities, as the case may be, (2) no Person (other than the Company or any employee benefit plan (or related trust) of the Company or the corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common

stock of the corporation resulting from such Business Combination or the combined Voting Power of such corporation except to the extent that such ownership existed prior to the Business Combination; and (3) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Business Combination; or

(c) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the above, for each Award subject to Section 409A of the Code, a Change in Control shall be deemed to have occurred under this Plan with respect to such Award only if a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company shall also be deemed to have occurred under Section 409A of the Code.

2.7 Common Stock means an ordinary share, \$1.50 par value, of the Company.

2.8 Company has the meaning set forth in Section 1.1(a), and shall include the Company's permitted successors and assigns.

2.9 Committee means the Compensation Committee of the Board, or a separate committee appointed by the Board to administer the Plan.

2.10 Disability shall mean (unless otherwise provided in an award agreement) that a Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company or a Subsidiary.

2.11 Eligible Employee means an employee or director of the Company or any Subsidiary that is eligible to participate in the Plan as designated by the Committee or the Administrator.

2.12 Good Reason shall have the meaning assigned to such term in the Participant's Award Agreement, or if not defined therein, the meaning assigned to such term in the Participant's individual employment or severance agreement, or if the Participant is not a party to such an agreement in which Good Reason is defined, Good Reason shall mean the occurrence of any of the events or conditions described below which are not cured by the Company (if susceptible to cure by the Company) within thirty (30) days after the Company has received written notice from the Participant (which notice must be provided by the Participant within ninety (90) days of the initial existence of the event or condition constituting Good Reason): (i) a material adverse alteration in the nature or status of the Participant's responsibilities from those in effect immediately prior to the Change in Control other than any such alteration primarily attributable to the fact that the Company may no longer be a public company or to other changes in the identity, nature

or structure of the Company; and provided, that a change in the Participant's title or reporting relationships shall not of itself constitute Good Reason (unless such change results in a material adverse alteration as described above), (ii) any material reduction in the Participant's base salary except for any across-the-board reduction similarly affecting similarly-situated employees of the Company, or (iii) the relocation of the Participant's principal place of employment to a location more than 40 miles from the Participant's principal place of employment immediately prior to the Change in Control, provided that such relocation results in a material negative change to the Participant's employment.

2.13 Grant Date means the effective date on which the Committee grants the Award.

2.14 Mutual Fund Share Investment Account means the book-keeping entry account maintained by the Company for each Participant that reflects such Participant's Award (including gains, losses and expenses) and adjustments thereto.

2.15 Participant means an Eligible Employee who has been selected by the Committee, in its sole discretion, to participate in the Plan.

2.16 Person shall have the meaning given in Section 3(a)(9) of the Securities Exchange Act of 1934, as modified and used in

Sections 13(d) and 14(d) thereof.

2.17 Plan has the meaning set forth in Section 1.1(a).

2.18 Retirement means (unless otherwise provided in an award agreement) a Participant's Termination of Affiliation following: (1) having both attained age fifty-five (55) and completed at least ten (10) years of service with the Company or a Subsidiary; or (2) having attained age sixty (60).

2.19 Subsidiary means a United States or foreign corporation or limited liability company, partnership or other similar entity with respect to which the Company owns, directly or indirectly, 50% or more of the Voting Power of such corporation, limited liability company, partnership or other similar entity.

2.20 Termination of Affiliation means the occurrence of the first day on which an individual is for any reason no longer an employee, director or consultant of the Company or any Subsidiary, or with respect to an individual who is an employee or director of, or consultant to, a corporation which is a Subsidiary, the first day on which such corporation ceases to be a Subsidiary; provided, however, that for each Award subject to Section 409A of the Code a Termination of Affiliation shall be deemed to have occurred under this Plan with respect to such Award on the first day on which an individual has experienced a "separation from service" within the meaning of Section 409A of the Code.

2.21 Valuation Date means the last business day of each month, or such other date specified by the Administrator.

2.22 Vested means a Participant has a nonforfeitable interest in a portion of his or her Mutual Fund Share Investment Account with respect to an Award.

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2.23 Voting Power means the combined voting power of the then-outstanding securities of a corporation entitled to vote generally in the election of directors.

Article 3. Eligibility

3.1 Eligibility. The Committee may grant Awards to any Eligible Employee, whether or not he or she has previously received an Award.

3.2 Award Agreement. To the extent not set forth in the Plan, the terms and conditions of each Award (which need not be the same for each Award or for each Participant) shall be set forth in an Award Agreement (an "Award Agreement").

Article 4. Vesting

4.1 Award Amount. Except as set forth in Section 4.2 below, a Participant will become Vested with respect to amounts credited to his or her Mutual Fund Share Investment Account in respect of an Award in accordance with the vesting schedule designated by the Committee and as set forth in the Award Agreement, provided that the Participant is employed by the Company or any Subsidiary on such date.

4.2 Vesting Upon Certain Events.

(a) The treatment of amounts credited to Participant's Mutual Fund Share Investment Account upon meeting the applicable Retirement requirement(s) shall be set forth in the Award Agreement.

(b) Except as otherwise provided in an Award Agreement or determined by the Committee at the time an Award is granted, following a Change in Control, each outstanding Award shall remain outstanding and shall continue to vest in accordance with its terms; provided, however, that, in the event of a termination of a Participant's employment or service without Cause or for Good Reason during the 24-month period following such Change in Control, on the date of such termination (i) such Award shall become fully and immediately Vested in all amounts credited to his or her Mutual Fund Share Investment Account, (ii) the restrictions, payment conditions, and forfeiture conditions applicable to any such Award granted shall lapse, and (iii) any performance conditions imposed with respect to Awards shall be deemed to be fully achieved at target levels. Where such acceleration would result in adverse tax consequences under Section 409A of the Code with respect to an Award, the Committee may, in its sole discretion, provide that such Award shall become Vested and non-forfeitable upon the occurrence of the Change in Control; provided, however, that the Award shall not become payable, except in accordance with the terms of such Award or until such earlier time as the payment complies with Section 409A of the Code.

4.3 Forfeiture. Except as otherwise set forth by the Committee or in the applicable Award Agreement, upon a Participant's Termination of Affiliation for any reason, the portion of the Participant's Mutual Fund Share Investment Account which is not Vested as of the date of such termination shall be forfeited and shall revert in its entirety to the Company.

Article 5. Phantom Investment of the Mutual Fund Share Investment Account

5.1 Crediting of Awards to Mutual Fund Share Investment Accounts. A Participant's Award shall be credited to his or her Mutual Fund Share Investment Account as soon as administratively practicable following the Grant Date.

5.2 Deemed Investment Fund Allocation. Except as otherwise provided in an Award Agreement or as determined by the Committee at the time an Award is granted, each Participant's Award shall be deemed invested in one of the phantom investment options set forth in Section 5.3 below.

5.3 Phantom Investment Options. The phantom investment options that are available under this Plan for a Participant's Mutual Fund Share Investment Account shall be designated by the Committee and shall initially include all of those Company mutual funds that are offered to participants under the JCG 401(k) and Employee Stock Ownership Plan, subject to applicable prospectus requirements. An amount transferred into one of these phantom investments is converted to phantom units of such phantom investments by dividing such amount by the value of a unit in the applicable fund on the date as of which the amount is treated as invested in this phantom investment by the Administrator. Thereafter, a Participant's interest in each such phantom investment is valued as of a Valuation Date by multiplying the number of phantom units credited to his or her Account on such date by the value of a unit in the applicable fund on such date. In the event the Participant does not make an election, the Participant shall be deemed to have directed that the undesignated portion of the Mutual Fund Share Investment Account be invested in a money market phantom investment option offered under the Plan (or if no money market investment option is offered, the investment option that most nearly resembles a money market investment option).

5.4 Administrator Discretion. The Administrator shall have the sole discretion to determine the phantom investment options available under the Plan and may change, limit or eliminate an investment fund provided hereunder from time to time. If any phantom investment option ceases to be available under the Plan, the Administrator shall have the authority to credit to any or all other then-available phantom investment options all amounts previously allocated to the terminated phantom investment option (along with deemed earnings, gains and losses relating thereto).

5.5 Phantom Investment Options Directions. In connection with a Participant's first deferral election form submitted under the Plan, the Participant shall specify in one (1) percent increments how the amounts in his or her Mutual Fund Share Investment Account with respect to an Award are to be invested in one or more of the phantom investment options offered under this Section; provided however all elections under this Section 5.5 must meet the applicable prospectus requirements. Thereafter, the Participant (i) may specify a different investment direction that shall apply to his or her future Awards, and (ii) may reallocate the investment of his or her Mutual Fund Share Investment Account attributable to an outstanding Award by specifying, in one (1) percent increments, how such amounts are to be invested among the phantom investment options then offered under the Plan. The Administrator may provide that such initial allocations or

reallocations are to be made in a different increment specified by the Administrator. A new investment direction for future Awards and a reallocation of a Participant's Mutual Fund Share Investment Account attributable to outstanding Awards shall be made using the investment procedures that are provided by the Administrator's delegate for this purpose. This procedure may include the use of written or electronic forms, as well as the use of a voice-response system, as determined by the Administrator's delegate.

5.6 Phantom Investment Options Reallocations. Any investment reallocation of a Participant's Mutual Fund Share Investment Account attributable to outstanding Awards shall be effective within five (5) business days after the date the investment reallocation is received by the Administrator's delegate. If more than one reallocation is received on a timely basis, the reallocation that the Administrator's delegate determines to be the most recent shall be followed.

5.7 Direction and Reallocation Default Rules. If the Administrator's delegate possesses at any time investment directions as to the phantom investment of less than all of a Participant's Mutual Fund Share Investment Account, the Participant shall be deemed to have directed that the undesignated portion of the Mutual Fund Share Investment Account be invested in a money market phantom investment option offered under the Plan (or if no money market investment option is offered, the investment option that most nearly resembles a money market investment option).

5.8 Earnings or Losses. As of each Valuation Date, a Participant's Mutual Fund Share Investment Account shall be credited with earnings and gains (and shall be debited for expenses and losses) determined as if the amounts credited to his or her Mutual Fund Share Investment Account had actually been invested as directed by the Participant in accordance with this Article. The Plan provides only for "phantom investments," and therefore such earnings, gains, expenses and losses are hypothetical and not actual. However, they shall be applied to measure the value of a Participant's Mutual Fund Share Investment Account and the amount of the Company's liability to make payments to or on behalf of the Participant.

Article 6. Distributions

6.1 General. Except as otherwise determined by the Committee in its sole discretion in a manner compliant with Section 409A of the Code, a Participant shall receive a lump sum cash distribution in respect of the Vested portion of his or her Mutual Fund Share Investment Account as soon as practicable following the date such portion becomes Vested, but subject to the provisions of Section 6.3, in no case later than 2.5 months following the end of the taxable year in which such portion becomes Vested.

6.2 Termination of Affiliation. If the Committee determines in the Award Agreement or otherwise that any portion of a Participant's Mutual Fund Share Investment Account shall become Vested upon a Participant's Termination of Affiliation, the portion of the Participant's Mutual Fund Share Investment Account which is Vested on Termination of Affiliation shall be distributed as soon as practicable following the date of such Termination of Affiliation, but subject to the provisions of Section 6.3, in no case later

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than 2.5 months following the end of the taxable year in which such Termination of Affiliation occurs.

6.3 Six-Month Delay. To the extent subject to Section 409A of the Code, if any distributions due to a Participant hereunder would cause the application of an accelerated or additional tax under Section 409A of the Code such distributions shall be restructured in a manner which does not cause such an accelerated or additional tax. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Award Agreement during the six-month period immediately following a Participant's separation from service shall instead be paid on the first business day after the date that is six months following the Participant's separation from service (or death, if earlier).

Article 7. Beneficiary Designation

7.1 Beneficiary Designation. Each Participant shall have the right, at any time, to designate any person or persons as beneficiary or beneficiaries (both principal as well as contingent) to whom a lump sum cash payment of the balance of the Participant's Mutual Fund Share Investment Account shall be made in the event of the Participant's death. In the event of multiple beneficiaries, such payment shall be apportioned among the beneficiaries in accordance with the designation forms. A beneficiary designation may be changed by a Participant by filing such change on a form prescribed by the Administrator. The receipt of a new beneficiary designation form will cancel all previously filed beneficiary designations.

7.2 Failure to Designate. If a Participant fails to designate a beneficiary as provided above, or if all designated beneficiaries predecease the Participant, then all payments hereunder in respect of the Participant shall be made to the Participant's estate.

Article 8. Plan Administration

8.1 Administrator. The Administrator is responsible for the administration of the Plan. The Administrator has the authority to name one or more delegates to carry out certain responsibilities hereunder. Any such delegation shall state the scope of responsibilities being delegated.

8.2 Action. Action by the Administrator may be taken in accordance with procedures that the Administrator adopts from time to time and that the Company's Legal Department determines are legally permissible.

8.3 Powers of the Administrator. The Administrator shall administer and manage the Plan and shall have (and shall be permitted to delegate) all powers necessary to accomplish that purpose, including (but not limited to) the following:

(a) To exercise its discretionary authority to construe, interpret, and administer this Plan;

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(b) To exercise its discretionary authority to make all decisions regarding eligibility, participation and deferrals, to make allocations and determinations required by this Plan, and to maintain records regarding Participants' Mutual Fund Share Investment Accounts;

(c) To compute and certify to the Company the amount and kinds of payments to Participants or their beneficiaries, and to determine the time and manner in which such payments are to be paid;

(d) To authorize all disbursements by the Company pursuant to this Plan;

(e) To maintain (or cause to be maintained) all the necessary records for administration of this Plan;

- (f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;
- (g) To authorize its delegates to delegate to other individuals or entities from time to time the performance of any of its delegates' duties or responsibilities hereunder;
- (h) To establish or to change the phantom investment options or arrangements under Article 5;
- (i) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan; and
- (j) Notwithstanding any other provision of this Plan, the Administrator may take any action it deems appropriate in furtherance of any policy of the Company or any Subsidiary respecting insider trading as may be in effect from time to time. Such actions may include, but are not limited to, altering the effective date of allocations or distributions of the Mutual Fund Share Investment Account.

The Administrator has the exclusive and discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits, to determine the amount and manner of payment of such benefits and to make any determinations that are contemplated by (or permissible under) the terms of this Plan, and its decisions on such matters will be final and conclusive on all parties. Any such decision or determination shall be made in the absolute and unrestricted discretion of the Administrator, even if (1) such discretion is not expressly granted by the Plan provisions in question, or (2) a determination is not expressly called for by the Plan provisions in question, and even though other Plan provisions expressly grant discretion or call for a determination. As a result, benefits under this Plan will be paid only if the Administrator decides in its discretion that the applicant is entitled to them. In the event of a review by a court, arbitrator or any other tribunal, any exercise of the Administrator's discretionary authority shall not be disturbed unless it is clearly shown to be arbitrary and capricious.

8.4 Compensation, Indemnity and Liability. The Administrator will serve without bond and without compensation for services hereunder. All expenses of the Plan and the Administrator will be paid by the Company. To the extent deemed appropriate by the

Administrator, any such expense may be charged against specific Participant Mutual Fund Share Investment Accounts, thereby reducing the obligation of the Company. No member of the Committee, and no individual acting as the delegate of the Committee, shall be liable for any act or omission of any other member or individual, nor for any act or omission on his or her own part, excepting his or her own willful misconduct. The Company will indemnify and hold harmless each member of the Committee and any employee of the Company (or an affiliate, if recognized as an affiliate for this purpose by the Administrator) acting as the delegate of the Committee against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his or her membership on the Committee (or his or her serving as the delegate of the Committee), excepting only expenses and liabilities arising out of his or her own willful misconduct.

8.5 Taxes. If the whole or any part of any Participant's Mutual Fund Share Investment Account becomes liable for the payment of any estate, inheritance, income, employment, or other tax which the Company or any Subsidiary may be required to pay or withhold, the Company or any Subsidiary will have the full power and authority to withhold and pay such tax out of any moneys or other property in its hand for the account of the Participant. To the extent practicable, the Company will provide the Participant notice of such withholding. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

Article 9. Claims Procedures

9.1 Claims for Benefits. If a Participant, beneficiary or other person (hereafter, "Claimant") does not receive timely payment of any benefits which he or she believes are due and payable under the Plan, he or she may make a claim for benefits to the Administrator. The claim for benefits must be in writing and addressed to the Administrator. If the claim for benefits is denied, the Administrator will notify the Claimant within 90 days after the Administrator initially received the benefit claim. However, if special circumstances require an extension of time for processing the claim, the Administrator will furnish notice of the extension to the Claimant prior to the termination of the initial 90-day period and such extension may not exceed one additional, consecutive 90-day period. Any notice of a denial of benefits should advise the Claimant of the basis for the denial, any additional material or information necessary for the Claimant to perfect his or her claim, and the steps which the Claimant must take to appeal his or her claim for benefits.

9.2 Appeals of Denied Claims. Each Claimant whose claim for benefits has been denied may file a written appeal for a review of his or her claim by the Administrator. The request for review must be filed by the Claimant within 60 days after he or she received the notice denying his or her claim. The decision of the Administrator will be communicated to the Claimant within 60 days after receipt of a request for appeal. The notice shall set forth the basis for the Administrator's decision. If there are special circumstances which require an extension of time for completing the review, the Administrator's decision may be rendered not later than 120 days after receipt of a request for appeal.

Article 10. Amendment and Termination

10.1 Amendments. The Committee has the right in its sole discretion to amend this Plan in whole or in part at any time and in any manner, including the manner of making deferral elections, the terms on which distributions are made, and the form and timing of distributions. Notwithstanding any other provision of the Plan to the contrary, except for clarifying amendments necessary to avoid an inappropriate windfall, no Plan amendment shall reduce the amount credited to the Mutual Fund Share Investment Account of any Participant as of the date such amendment is adopted or otherwise adversely affect in any material way any Award previously granted under the Plan, without the written consent of the such Participant. Any amendment shall be in writing and adopted by the Committee. All Participants and beneficiaries shall be bound by such amendment.

10.2 Termination of Plan. The Company expects to continue this Plan, but does not obligate itself to do so. The Company, acting by the Committee or through the Board, reserves the right to discontinue and terminate the Plan at any time, in whole or in part, for any reason (including a change, or an impending change, in the tax laws of the United States or any State). Termination of the Plan will be binding on all Participants (and a partial termination shall be binding upon all affected Participants) and their beneficiaries, but in no event may such termination reduce the amounts credited at that time to any Participant's Mutual Fund Share Investment Account or otherwise adversely affect in any way any Award previously granted under the Plan, without the written consent of the such Participant. If this Plan is terminated (in whole or in part), the termination resolution shall provide for how amounts theretofore credited to affected Participants' Mutual Fund Share Investment Accounts will be distributed. In accordance with these restrictions, the Company intends to have the maximum discretionary authority to terminate the Plan and make distributions in connection with a Change in Control, and the maximum flexibility with respect to how and to what extent to carry this out following a Change in Control.

10.3 Awards Previously Granted. Without limiting the generality of Sections 10.1 and 10.2, the Plan as amended and restated as set forth herein as of the Effective Time shall not adversely impact in any way any Award previously granted under the Plan prior to the Effective Time, including without limitation, the full vesting, lapse of restrictions and deemed achievement of performance conditions of such Award in the event of a termination of a Participant's employment or service by the Company without Cause or for Good Reason during the 24-month period following the Effective Date, and the Merger shall constitute a Change of Control with respect to any such previously granted Award, unless otherwise explicitly stated in the applicable Award Agreement.

10.4 409A Compliance. Notwithstanding anything to the contrary contained in the Plan or in any Award Agreement, to the extent that the Committee determines that the Plan or any Award is subject to Section 409A of the Code and fails to comply with the requirements of Section 409A of the Code, the Committee reserves the right to amend or terminate the Plan and/or amend, restructure, terminate or replace the Award in order to cause the Award to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such section.

Article 11. Miscellaneous

11.1 Limitation on Participant's Rights. No employee shall have any claim to receive any Award under the Plan, and there is no obligation for uniformity of treatment of employees under the Plan. Participation in this Plan does not give any Participant the right to be employed by the Company or any Subsidiary (or any right or interest in this Plan or any assets of the Company or any Subsidiary other than as herein provided). The Company or any Subsidiary reserves the right to terminate the employment of any Participant without any liability for any claim against the Company or any Subsidiary under this Plan, except for a claim for payment of deferrals as provided herein.

11.2 Unfunded Obligation of Company. The benefits provided by this Plan are unfunded. All amounts payable under this Plan to Participants are paid from the general assets of the Company. Nothing contained in this Plan requires the Company to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. Neither a Participant, beneficiary, nor any other person shall have any property interest, legal or equitable, in any specific Company asset. This Plan creates only a contractual obligation on the part of the Company, and the Participant has the status of a general unsecured creditor of this Company with respect to amounts of compensation deferred hereunder. Such a Participant shall not have any preference or priority over, the rights of any other unsecured general creditor of the Company. No other entity guarantees or shares such obligation, and no other entity shall have any liability to the Participant or his or her beneficiary.

11.3 Offset. Amounts due to or in respect of Participants under the Plan shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company or any Subsidiary may have against a Participant or others.

11.4 Other Plans. This Plan shall not affect the right of any Eligible Employee or Participant to participate in and receive benefits under and in accordance with the provisions of any other benefit plans which are now or hereafter maintained by the Company or any Subsidiary, unless the terms of such other benefit plan or plans specifically provide otherwise or it would cause such other plan to violate a requirement for tax favored treatment.

11.5 Receipt or Release. Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Administrator and the Company and any Subsidiary, and the Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect.

11.6 Governing Law. This Plan shall be construed, administered, and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Delaware (other than its laws relating to choice of law). If any provisions of this instrument shall be held by a court of competent

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jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

11.7 Status a Foreign Private Issuer. As of the Effective Date and for a certain period of time thereafter, Henderson will qualify as a "foreign private issuer" (as defined in Rule 405 of the Securities Act of 1933, as modified, and Rule 3b-4 of the Securities Exchange Act of 1934, as modified), which permits the Company to operate the Plan and to grant Awards under the Plan under different laws, rules or regulations than those that may be expressly referenced herein. Notwithstanding any provision of the Plan or an Award Agreement to the contrary, the Plan shall only be required to be administered in compliance with applicable laws, rules and regulations. However, the Committee, if it deems it necessary or advisable, may decide in its discretion to administer the Plan in compliance with such laws, rules and regulations as may become applicable upon Henderson ceasing to qualify as a foreign private issuer.

11.8 Gender, Tense and Examples. In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Whenever an example is provided or the text uses the term "including" followed by a specific item or items, or there is a passage having a similar effect, such passage of the Plan shall be construed as if the phrase "without limitation" followed such example or term (or otherwise applied to such passage in a manner that avoids limitation on its breadth of application).

11.9 Successors and Assigns; Nonalienation of Benefits. This Plan inures to the benefit of and is binding upon the parties hereto and their successors, heirs and assigns; provided, however, that the amounts credited to the Mutual Fund Share Investment Account of a Participant are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to any benefits payable hereunder, including, any assignment or alienation in connection with a separation, divorce, child support or similar arrangement, will be null and void and not binding on the Plan or the Company. Notwithstanding the foregoing, the Administrator reserves the right to make payments in accordance with a divorce decree, judgment or other court order as and when cash payments are made in accordance with the terms of this Plan from the Mutual Fund Share Investment Account of a Participant. Any such payment shall be charged against and reduce the Participant's account.

11.10 Facility of Payment. Whenever, in the Administrator's opinion, a Participant or beneficiary entitled to receive any payment hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his or her financial affairs, the Administrator may direct the Company to make payments to such person or to the legal representative of such person for his or her benefit, or to apply the payment for the benefit of such person in such manner as the Administrator considers advisable. Any payment in accordance with the provisions of this Section shall be a complete discharge of any liability for the making of such payment to the Participant or beneficiary under the Plan.

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Section 3: EX-10.8 (EX-10.8)

Exhibit 10.8

JANUS HENDERSON GROUP PLC AMENDED AND RESTATED 2013 MANAGEMENT INCENTIVE COMPENSATION PLAN

I. HISTORY; PURPOSE

The name of the plan is the Janus Henderson Group plc Amended and Restated 2013 Management Incentive Compensation Plan (as may be amended from time to time, the "Plan"). Janus Capital Group Inc. ("JCG") established the Plan, and the stockholders of JCG approved the Plan, effective as of January 1, 2013. The Plan is designed to provide a significant and variable economic opportunity to selected officers and employees of Janus Henderson Group plc and its subsidiaries. The awards under the Plan are intended to qualify under Section 162(m)(4)(C) of the Code (as defined below) as excluded from the term "applicable employee remuneration".

On October 3, 2016, JCG entered into an Agreement and Plan of Merger (the "Merger Agreement") by among JCG, Henderson Group

plc (the "Company" or "Henderson") and Horizon Orbit Corp., pursuant to which, among other things, as of the Effective Time (as defined in the Merger Agreement), Horizon Orbit Corp. will merge with and into JCG, with JCG being the surviving corporation and a wholly-owned subsidiary of Henderson (the "Merger").

Pursuant to the Merger Agreement, as of the Effective Time, (i) Henderson shall change its name to "Janus Henderson Group plc" and shall list its ordinary shares on the New York Stock Exchange, (ii) each Share-Based Award granted under the Plan that is issued and outstanding immediately prior to the Effective Time shall be converted into a Share-Based Award covering or relating to a number of Shares, giving effect to the Exchange Ratio (as defined in the Merger Agreement), and with respect to any Share-Based award that is an option, with an option price giving effect to the Exchange Ratio, and shall otherwise continue to remain outstanding and subject to the same terms and conditions as in effect immediately prior to the Effective Time, (iii) each Cash-Based Award granted under the Plan that is outstanding immediately prior to the Effective Time shall continue to remain outstanding and subject to the same terms and conditions as in effect immediately prior to the Effective Time, and (iv) Henderson shall assume the Awards, and has elected to assume sponsorship of the Plan (and the Equity Plans (as defined below), to be amended and restated as set forth herein, effective as of the Effective Time and contingent on the consummation of the Merger.

The Plan is hereby amended and restated in its entirety, as set forth herein, effective as of May [•], 2017 (the "Effective Date"), provided, however, the Plan as amended and restated herein is contingent on the consummation of the Merger, and shall automatically terminate and be of no force and effect (with the Plan as in effect as of immediately prior to the Effective Time remaining in full force and effect) upon the termination of the Merger Agreement.

II. DEFINITIONS

- (a) "Award" shall mean a Cash-Based Award or a Share-Based Award granted by the Committee pursuant to the Plan and contingent upon the attainment of Performance Goals with respect to a Measurement Period.
- (b) "Board" shall mean the Board of Directors of the Company.
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- (c) "Cash-Based Award" shall mean an Award expressed as a dollar amount or otherwise as determined by the Committee (including, without limitation, a mutual fund share award).
- (d) "Cause" means (i) "Cause" as defined in any Individual Agreement to which the Participant is a party that is then in effect, or (ii) if there is no such Individual Agreement or if it does not define "cause", termination of the Participant's employment by the Company or any of its subsidiaries or affiliates because of (A) the willful and continued failure of the Participant to perform substantially the Participant's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant by the Board or its representative, which specifically identifies the manner in which the Board believes that the Participant has not substantially performed the Participant's duties; or (B) the willful engaging by the Participant in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company; or (C) conviction of a felony (other than a traffic related felony) or guilty or nolo contendere plea by the Participant with respect thereto. The Committee shall, unless otherwise provided in an Individual Agreement with the Participant, have the sole discretion to determine whether "Cause" exists, and its determination shall be final.
- (e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations thereunder.
- (f) "Committee" shall have the meaning set forth in Article III hereof.
- (g) "Company" shall have the meaning set forth in Article I hereof, and shall include its permitted successors and assigns.
- (h) "Determination Date" shall mean the date following the conclusion of a particular Measurement Period on which the Committee certifies whether and to what extent the applicable Performance Goals have been satisfied and determines and approves the amount of a Participant's Award under the Plan.
- (i) "Disinterested Director" shall mean a director who qualifies as an "outside director" for purposes of Section 162(m) of the Code.
- (j) "Equity Plans" shall mean the Janus Henderson Group plc Second Amended and Restated 2010 Long-Term Incentive Stock Plan, Janus Henderson Group plc Second Amended and Restated 2012 Employee Inducement Award Plan, and any other similar then-effective equity plans.
- (k) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time. References to a particular section of the Exchange Act include references to successor provisions.
- (l) "Fair Market Value" shall have the meaning assigned to such term in the Janus Henderson Group plc Second Amended and Restated 2010 Long-Term Incentive Stock Plan or similar then-effective equity plan.
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- (m) "Individual Agreement" shall mean a written employment, change in control, consulting or similar agreement between a Participant and the Company or one of its subsidiaries that is in full force and effect as of a relevant date.
- (n) "Measurement Period" shall have the meaning set forth in Article V hereof.
- (o) "Participant" shall mean an employee of the Company or any of its subsidiaries who is designated by the Committee and who is or is expected to be a "covered employee" within the meaning of Section 162(m)(3) of the Code in the year in which the Company is expected to be entitled to a federal income tax deduction with respect to the Award payable hereunder and any other key employee who may be designated by the Committee as a Participant from time to time.
- (p) "Payment Date" shall mean the date or dates on or following the Determination Date on which all or a portion of a Participant's Award is paid or settled, as selected by the Committee.
- (q) "Performance Goals" shall have the meaning set forth in Article V hereof.
- (r) "Share-Based Award" shall mean an Award of or based on Shares pursuant to this Plan. Any Shares issued pursuant to any Share-Based Award shall be granted under and subject to the terms and conditions of the Company's Equity Plans.
- (s) "Shares" shall mean shares of Company ordinary shares, par value \$1.50 per share.

III. ADMINISTRATION

The Plan shall be administered by the Board, or a committee appointed by the Board to administer the Plan (the "Plan Committee"). To the extent the Board considers it desirable to comply with or qualify under Rule 16b-3 of the Exchange Act or meet the performance-based exception from the tax deductibility limitations of Section 162(m) of the Code, the Plan Committee shall consist of two or more persons each of whom is a Disinterested Director and a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act. The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, in each case as the Board deems appropriate to permit transactions in Shares pursuant to the Plan to satisfy such conditions of Rule 16b-3 of the Exchange Act and the performance-based exception from the tax deductibility limitations of Section 162(m) of the Code as then in effect.

The Board or the Committee may appoint and delegate to another committee consisting of one or more persons ("Management Committee") any or all of the authority of the Board or the Plan Committee, as applicable, with respect to Awards, provided, however, that such delegation (i) shall not be made to any Participant who is a person who is subject to potential liability under Section 16(b) of the Exchange Act with respect to transactions involving equity securities of the Company at the time any such delegated authority is exercised, and (ii) shall not include any authority, which if exercised by the Management Committee rather than by the Plan Committee, would cause the Participant's Award to fail to meet the performance-based exception from the tax deductibility limitations of Section 162(m) of the Code. Any references herein to "Committee" are references to the Board, or the Plan Committee or the Management Committee, as applicable.

The Plan is intended to be administered so as to qualify incentive pay as "performance based compensation" under Section 162(m) of the Code. The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards; to determine the persons to whom and the time or times at which Awards shall be granted; to determine the terms, conditions, restrictions and performance criteria, including Performance Goals, relating to any Award; to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, or surrendered; to the extent permitted by 162(m) of the Code, to make adjustments in the Performance Goals in recognition of unusual or non-recurring events affecting any Company or the financial statements of any Company, or in response to changes in applicable laws, regulations, or accounting principles; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of Awards; and to make all other determinations deemed necessary or advisable for the administration of the Plan.

With respect to Share-Based Awards, in the event any dividend or other distribution (whether in the form of cash, Shares, or other property), recapitalization, Share split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, the Committee shall make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (i) the number and kind of Shares or other property (including cash) that may thereafter be issued in connection with Share-Based Awards or the number of Shares that may be issued pursuant to Section V(f), (ii) the number and kind of Shares issued or issuable in respect of outstanding Share-Based Awards, (iii) the exercise price, grant price or purchase price relating to any Share-Based Award, and (iv) any individual limitations or Plan limitations applicable to Share-Based Awards; provided that, no such adjustment shall cause any Share-Based Award which is or becomes subject to Section 409A of the

Code to fail to comply with the requirements of such section.

IV. ELIGIBILITY

The Committee shall, in its sole discretion, determine for each Measurement Period those officers and other key employees of the Company and its subsidiaries who shall be Participants in the Plan for such Measurement Period. Nothing contained in the Plan shall be construed as or be evidence of any contract of employment with any Participant for a term of any length, nor shall participation in the Plan by any Participant during any Measurement Period entitle such Participant to continued participation in the Plan during any subsequent Measurement Period.

V. DETERMINATION OF AWARDS

(a) *Establishment of Performance Goals.* Not later than 90 days after the commencement of each Measurement Period (but in no case after 25 percent of the Measurement Period has elapsed), the Committee shall specify in writing, by resolution of the Committee or other appropriate action, with respect to a Measurement Period, the Performance Goals applicable to

each Award. Performance Goals may include a threshold level of performance below which no payment or settlement shall be made, levels of performance at which specified percentages of the Award shall be paid or settled and a maximum level of performance above which no additional payment or settlement shall be made; provided, however, the Committee shall have the authority to make appropriate adjustments in the achievement of Performance Goals under an Award to reflect the impact of extraordinary items not reflected in such goals. Unless otherwise provided by the Committee (or its designee) in connection with specified terminations of employment, payment in respect of Awards shall be made only if and to the extent the Performance Goals with respect to such Measurement Period are attained.

(b) *Measurement Period.* The "Measurement Period" shall be the fiscal year of the Company, unless another period is selected and established in writing by the Committee at the time the Performance Goals are established with respect to a particular Award or a particular Participant.

(c) *Performance Goals.* The "Performance Goals" established by the Committee shall be based on one or more of the following criteria, in no particular order: stock price, market share, sales (gross or net, including flows into Company products), asset quality, non-performing assets, earnings per share, return on equity, costs, operating income, net income, earnings, earnings before interest, taxes, depreciation and amortization, marketing-spending efficiency, return on operating assets, return on assets, core non-interest income, fund performance, pre-tax margin (including operating margin), pre-tax income, improvements in productivity, objective operating goals, and/or levels of cost savings. Performance Goals may be established in respect of the Company or any of its subsidiaries, affiliates, business units or divisions and/or the Company's or any of its subsidiaries, affiliates, business units or divisions worldwide, regional or country specific operations (or any combination of the foregoing). Performance Goals shall specify whether they are to be measured relative to budgeted or other internal goals, operations, performance or results of the Company and/or any of its subsidiaries, affiliates, business units or divisions, or relative to the performance of one or more peer groups of the Company and/or any of its subsidiaries, affiliates, business units or divisions, with the composition of any such peer groups to be determined by the Committee at the time the Performance Goal is established. Performance Goals may be stated in the alternative or in combination. To the extent permitted under Section 162(m) of the Code, the Committee shall make appropriate adjustments to the relevant Performance Goals to reflect the impact of extraordinary items not reflected in such goals, including but not limited to: profits or losses attributable to acquisitions or dispositions of stock or assets, changes in accounting standards or treatments that may be required or permitted by the Financial Accounting Standards Board or adopted by the Company, items of gain, loss or expense related to restructuring charges, items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or discontinued operations, the impact of capital expenditures, the impact of share repurchases and other changes in the number of outstanding shares, fees and expenses associated with a business transaction such as investment banking fees and/or legal, accounting or tax planning fees, and such other items as may be prescribed by Section 162(m) of the Code and the treasury regulations thereunder.

(d) *Determination of Award.* Cash-Based Awards, if any, shall consist of a dollar amount determined by the Committee based upon the degree of attainment of the Performance Goal(s) during the relevant Measurement Period, as established in accordance with the following

paragraph. Share-Based Awards, if any, shall consist of the number, or Fair Market Value, of Shares determined by the Committee based upon the degree of attainment of the Performance Goal(s) during the relevant Measurement Period.

Performance Goal(s) and the relevant Measurement Period shall be established by the Committee for a Participant, and subject to written certification by the Committee that the Performance Goals have been satisfied to a particular extent and any other material terms and conditions for the earning and payment or settlement of the Award have been satisfied and the Committee's right, in its sole discretion, to reduce the Award amount as so determined (under which circumstances the Participant shall have no right to receive the

amount of such reduction even if the Performance Goals are met). Notwithstanding the foregoing sentence, the Committee may not alter the terms or conditions of any Award set forth in any Individual Agreement, provided that such terms and conditions have been approved by the Committee and are otherwise consistent with the provisions of Section 162(m) of the Code and the terms of the Plan. In no event shall an Award be paid or settled unless and until the Plan has been approved by the Company's stockholders. In addition, the exercise of negative discretion with respect to one Participant is not permitted to result in an increase in the amount payable to or receivable by another Participant. If the amount payable to or receivable by each Participant is stated in terms of a percentage of the pool, the portion of the pool allocated to each Participant shall be established by the Committee within the period prescribed in subsection (a) above and the sum of these individual percentages of the pool is not permitted to exceed 100 percent of the designated pool.

(e) *Payment or Settlement of an Award.* On the Determination Date of an Award under the Plan, the Committee shall establish the Payment Date (which shall in no event be later than March 15 of the year following the year in which the relevant Measurement Period ends) for all or a portion of such Award. Award under the Plan shall be payable in cash, stock or in such other form as determined by the Committee. The Committee may at its option establish procedures pursuant to which Participants are permitted to defer the receipt of Awards payable hereunder or to elect to accept payment for some or all of such Participant's Award in a different form (including cash or equity award, including restricted shares) provided that such procedures conform to the requirements of Section 409A of the Code.

(f) *Maximum Award Payable.* The maximum Cash-Based Award payable to a Participant under the Plan for any 12 month Measurement Period shall be \$25,000,000. The maximum Share-Based Award granted to a participant under the Plan shall be that number of Shares which has a Fair Market Value of \$25,000,000 on the date that such Share-Based Award is granted to the Participant, subject to the terms of the Equity Plans. In no event shall the sum of the Cash-Based Awards and the Fair Market Value of the Share-Based Awards granted to any Participant in any calendar year exceed \$25,000,000 in the aggregate.

VI. TERMINATION OF EMPLOYMENT

A Participant shall not be entitled to receive an Award hereunder for a particular Measurement Period unless he or she is employed by the Company or a subsidiary thereof as of the last day of the Measurement Period. A Participant who remains employed through the last day of the Measurement Period but whose employment is terminated by the Company and its subsidiaries

prior to the Payment Date shall be entitled to receive an Award with respect to such Measurement Period as determined by the Committee in its sole discretion in accordance with the terms of the Plan; provided, that in no event shall a Participant whose employment is terminated by the Company or a subsidiary thereof for Cause be eligible to receive an Award under the Plan; and provided further, that in no event shall a Participant whose employment is terminated by the Company or a subsidiary thereof prior to the Payment Date be eligible to receive an Award under the Plan unless the Performance Goals for the relevant Measurement Period are achieved.

VII. AMENDMENT AND TERMINATION

The Committee shall have the right to amend, modify, suspend or terminate the Plan from time to time; provided, that no such amendment, modification, suspension or termination shall, without prior approval of the Company's stockholders, alter the business criteria on which the Performance Goals are based, increase the amount set forth in Section (f) of Article V or materially modify the requirements regarding eligibility for participation in the Plan; provided further that no such amendment, modification or termination shall, without the consent of the Participant affected, adversely affect in any material way any Award that has been certified and approved by the Committee (i) prior to the effective date of such amendment, modification, suspension or termination or (ii) prior to the Effective Time.

VIII. MISCELLANEOUS

Award payments or settlements shall be made from the general assets of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment or settlement. Awards paid or settled under the Plan shall be subject to all applicable employment and income tax withholding. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company or its subsidiaries. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its principles of conflict of laws.

As of the Effective Date and for a certain period of time thereafter, the Company will qualify as a "foreign private issuer" (as defined in Rule 405 of the Securities Act of 1933, as amended, and Rule 3b-4 of the Exchange Act), which permits the Company to operate the Plan and the Equity Plans, and to grant Awards and issue Shares under the Plan and the Equity Plans, under different laws, rules or regulations than those that may be expressly referenced herein, including, without limitation, Section 162(m) of the Code. Notwithstanding any provision of the Plan or an Award to the contrary, the Plan shall only be required to be administered in compliance with applicable laws, rules and regulations. However, the Committee, if it deems it necessary or advisable, may decide in its discretion to administer the Plan in compliance with such laws, rules and regulations as may become applicable upon the Company ceasing to qualify as a foreign private issuer.

Section 4: EX-10.9 (EX-10.9)

Exhibit 10.9

JANUS HENDERSON GROUP PLC SECOND AMENDED AND RESTATED INCOME DEFERRAL PROGRAM

(effective May 30, 2017)

ARTICLE I — INTRODUCTION

The name of the Plan is Janus Henderson Group plc Second Amended and Restated Income Deferral Program (as may be amended from time to time, the “Plan”). Janus Capital Group Inc. (“JCG”) established the Plan effective November 9, 2004. The Plan was subsequently amended effective each of December 7, 2004, December 15, 2006 and April 30, 2007, amended and restated in its entirety effective January 22, 2008, and amended effective each of July 19, 2010 and December 12, 2016.

On October 3, 2016, JCG entered into an Agreement and Plan of Merger (the “Merger Agreement”) by among JCG, Henderson Group plc (the “Company” or “Henderson”) and Horizon Orbit Corp., pursuant to which, among other things, as of the Effective Time (as defined in the Merger Agreement), Horizon Orbit Corp. will merge with and into JCG, with JCG being the surviving corporation and a wholly-owned subsidiary of Henderson (the “Merger”). Pursuant to the Merger Agreement, as of the Effective Time, (i) Henderson shall change its name to “Janus Henderson Group plc” and shall list its ordinary shares on the New York Stock Exchange, (ii) Henderson has elected to assume sponsorship of the Plan, to be amended and restated as set forth herein, effective as of the Effective Time and contingent on the consummation of the Merger.

The Plan is hereby amended and restated in its entirety, as set forth herein, effective as of May 30, 2017 (the “Effective Date”), provided, however, the Plan as amended and restated herein is contingent on the consummation of the Merger, and shall automatically terminate and be of no force and effect (with the Plan as in effect as of immediately prior to the Effective Time remaining in full force and effect) upon the termination of the Merger Agreement.

The Plan is intended to permit eligible employees to defer base pay, periodic incentive compensation and certain awards made under its compensation programs. This document sets forth the terms of the Plan, specifying the group of employees of the Company and certain affiliated employers who are eligible to make deferrals, the procedures for electing to defer compensation and the Plan’s provisions for maintaining and paying out amounts that have been deferred.

ARTICLE II — DEFINITIONS

When used in this Plan, the following underlined terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

2.01 Account:

The account maintained for a Participant on the books of his or her Employer to determine, from time to time, the Participant’s interest under this Plan. The balance in such Account shall be determined by the Plan Administrator. Each Participant’s Account shall consist

of at least one Deferral Subaccount for each separate deferral under Section 4.02. The Plan Administrator may also establish such additional Deferral Subaccounts as it deems necessary for the proper administration of the Plan. The Plan Administrator may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping. Where appropriate, a reference to a Participant’s Account shall include a reference to each applicable Deferral Subaccount that has been established thereunder.

2.02 Base Compensation:

An Eligible Employee’s annual rate of base salary as of the first day of the Plan Year, to the extent paid in U.S. dollars from an Employer’s U.S. payroll, determined before reduction for compensation deferred pursuant to the Plan or any other plan of deferred compensation maintained by an Employer, including, without limitation, any such plan maintained in accordance with Code section 401 (k), 125, or 132(f), as determined by the Plan Administrator; provided, however, that no such amount shall be treated as Base Compensation if it is paid or payable in respect of services to any “non-qualified entity” within the meaning of Section 457A of the Code.

2.03 Beneficiary:

The person or persons properly designated by a Participant, as determined by the Plan Administrator, to receive the amounts in one or more of the Participant's Deferral Subaccounts in the event of the Participant's death. To be effective, any Beneficiary designation must be in writing, signed by the Participant, and filed with the Plan Administrator prior to the Participant's death. In the case of a Participant who has a spouse on the date of his or her death, a designation of a Beneficiary other than such spouse shall only be effective if such spouse has provided written consent to the designation that is witnessed by a notary public. In addition, the designation must meet such other standards as the Plan Administrator shall require from time to time. If no designation is validly in effect at the time of a Participant's death or if all designated Beneficiaries have predeceased the Participant, then the Participant's Beneficiary shall be his or her spouse. If the Participant has no spouse or if the Participant's spouse has predeceased the Participant, then the Participant's Beneficiary shall be his or her children (paid on a per stirpes basis). If the Participant has no children or if the Participant's children have predeceased the Participant, then the Participant's Beneficiary shall be his or her estate. A Beneficiary designation of an individual by name (or name and relationship) remains in effect regardless of any change in the designated individual's relationship to the Participant. A Beneficiary designation solely by relationship (for example, a designation of "spouse," that does not give the name of the spouse) shall designate whoever is the person in that relationship to the Participant at his or her death. An individual who is otherwise a Beneficiary with respect to a Participant's Account ceases to be a Beneficiary when all payments have been made from the Account.

2.04 Bonus Compensation:

An Eligible Employee's adjusted annual cash incentive award under his or her Employer's annual incentive or performance plan, to the extent paid in U.S. dollars from an Employer's U.S. payroll; provided, however, that no such amount shall be treated as Bonus Compensation if it is paid or payable in respect of services to any "non-qualified entity" within

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the meaning of Section 457A of the Code. An Eligible Employee's annual incentive or performance awards shall be adjusted to reduce them for applicable tax withholdings, authorized deductions (including deductions for a qualified retirement plan under Code section 401 (a), a cafeteria plan under Code section 125 and charitable donations), tax levies, garnishments and such other amounts as the Plan Administrator recognizes as reducing the amount of such awards available for deferral.

2.05 Change in Ownership:

A change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company as defined in Reg. 1.409A-3(i)(5).

2.06 Code:

The Internal Revenue Code of 1986, as amended from time to time.

2.07 Common Stock:

The ordinary shares, \$1.50 par value, of the Company.

2.08 Company:

Term the Company shall have the meaning given to it in Article 1, and shall include the Company's permitted successors and assigns.

2.09 Deferral Subaccount:

A subaccount of a Participant's Account maintained to reflect his or her interest in the Plan attributable to each deferral (or separately tracked portion of a deferral) of Base Compensation, Periodic Incentive Compensation, Bonus Compensation, and Equity Compensation respectively and, as applicable, earnings or losses credited to such subaccount in accordance with Section 5.01(b).

2.10 Disability:

A Participant shall be considered to suffer from a Disability if, in the judgment of the Plan Administrator, the Participant:

(a) Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or

(b) Is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's Employer.

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2.11 Distribution Date:

Distribution Date shall have the same meaning as Valuation Date; provided, however, if the Valuation Date is more frequent than once per month, the Distribution Date shall mean the first day of each month.

2.12 Election Form:

The form prescribed by the Plan Administrator on which a Participant specifies the amount of his or her Base Compensation, Periodic Incentive Compensation, Bonus Compensation and Equity Compensation to be deferred pursuant to the provisions of Article IV. An Election Form need not exist in a paper format, and it is expressly contemplated that the Plan Administrator may adopt such technologies, including voice response systems, emails, electronic forms and internet or intranet sites, as it deems appropriate from time to time.

2.13 Eligible Employee:

The term, Eligible Employee, shall have the meaning given to it in Section 3.01(b).

2.14 Employee:

Any person who is: (a) classified by his or her Employer as a common-law employee, and (b) receiving remuneration that is paid in U.S. dollars from an Employer's U.S. payroll for personal services rendered in the employment of an Employer.

2.15 Employer:

Each division of the Company and each of the Company's subsidiaries and affiliates (if any) that is currently designated by the Plan Administrator as an employer that is participating in the Plan for the benefit of its Employees.

2.16 Equity Compensation:

An Eligible Employee's annual equity award under his or her Employer's annual incentive or performance plan, to the extent designated to be paid in restricted shares of Common Stock or Restricted Stock Units denominated in Company Common Stock.

2.17 ERISA:

Public Law 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.18 Key Employee:

Any Eligible Employee or former Eligible Employee who, as of December 31st of the Plan Year preceding the Plan Year in which the employee incurs a Separation from Service, is: (a) an officer of the Employer or an Affiliate of the Employer who maintains a "Vice

President 4" or higher office (or equivalent designation) as defined by the Human Resources Department of the Company; (b) a 5 percent owner of the Employer; (c) 1-percent owner of the Employer having annual compensation of more than \$150,000; or (d) otherwise a "specified employee" within the meaning of Section 409A(a)(2)(B) of the Code.

2.19 Long-Term Incentive Plan:

The Janus Henderson Group plc Second Amended and Restated 2010 Long-Term Incentive Plan, as may be amended from time to time, or any successor plan that is recognized by the Plan Administrator as eligible for deferral for purposes of this Plan.

2.20 Misconduct:

(a) Before the occurrence of a Change of Control (as defined below), unless otherwise provided through specific terms included in an Election Form by authorization of the Plan Administrator, any one or more of the following, as determined by the Plan Administrator:

(1) A Participant's commission of a crime which, in the judgment of the Plan Administrator, resulted or is likely to result in damage or injury to the Company or a Subsidiary;

(2) The material violation by the Participant of written policies of the Company or a Subsidiary;

(3) The habitual neglect or failure by the Participant in the performance of his or her duties to the Company or a Subsidiary (but only if such neglect or failure is not remedied within a reasonable remedial period after Participant's receipt of written notice from the Company which describes such neglect or failure in reasonable detail and specifies the remedial period); or

(4) Action or inaction by the Participant in connection with his or her duties to the Company or a Subsidiary resulting, in the judgment of the Plan Administrator, in material injury to the Company or a Subsidiary; and

For purposes of this subsection and subsection (b) below, the term "Change of Control" shall have the meaning that is assigned to such term under the Long-Term Incentive Plan.

(b) From and after the occurrence of a Change of Control, unless otherwise provided through specific terms included in an Election Form by the Plan Administrator, the occurrence of any one or more of the following, as determined in the good faith and reasonable judgment of the Plan Administrator:

(1) Participant's conviction for committing an act of fraud, embezzlement, theft, or any other act constituting a felony involving moral turpitude or causing material damage or injury, financial or otherwise, to the Company;

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(2) A demonstrably willful and deliberate act or failure to act which is committed in bad faith, without reasonable belief that such action or inaction is in the best interests of the Company, which causes material damage or injury, financial or otherwise, to the Company (but only if such act or inaction is not remedied within 15 business days of Participant's receipt of written notice from the Company which describes the act or inaction in reasonable detail); or

(3) The consistent gross neglect of duties or consistent wanton negligence by the Participant in the performance of the Participant's duties (but only if such neglect or negligence is not remedied within a reasonable remedial period after Participant's receipt of written notice from the Company which describes such neglect or negligence in reasonable detail and specifies the remedial period).

2.21 Participant:

Any Eligible Employee who is qualified to participate in this Plan in accordance with Section 3.01 and who has an Account (including, as applicable, any former Employee who has an Account at the time the Employee terminated employment). An active Participant is one who is currently deferring under Section 4.01.

2.22 Performance-Based Compensation:

Any performance-based compensation (within the meaning of Reg. 1.409A(a)-1(4d)3ii)) based on services performed over a period of at least 12 months; provided, however, that no such amount shall be treated as Performance-Based Compensation if it is paid or payable in respect of services to any "non-qualified entity" within the meaning of Section 457A of the Code.

2.23 Periodic Incentive Compensation:

An Eligible Employee's adjusted periodic cash incentive, commission or performance award under his or her Employer's incentive, commission or performance plan, to the extent paid in U.S. dollars from an Employer's U.S. payroll; provided, however, that no such amount shall be treated as Periodic Incentive Compensation if it is paid or payable in respect of services to any "non-qualified entity" within the meaning of Section 457A of the Code. An Eligible Employee's periodic incentive, commission or performance awards shall be adjusted to reduce them for applicable tax withholdings, authorized deductions (including deductions for a qualified retirement plan under Code section 401(a), a cafeteria plan under Code section 125 and charitable donations), tax levies, garnishments and such other amounts as the Plan Administrator recognizes as reducing the amount of such payments or awards available for deferral.

2.24 Permissible Events:

The events that may be selected by a Participant to terminate a period of deferral and to trigger a Plan distribution (i.e., a Separation from Service); provided that the event is a permissible payment event under Section 409A of the Code.

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2.25 Plan:

The term, Plan, shall have the meaning given to it in Article I.

2.26 Plan Administrator:

The term, Plan Administrator, means the Plan Committee or its permitted delegates.

2.27 Plan Committee:

The Board or a committee appointed by the Board to administer the Plan ("Plan Committee"). To the extent the Board considers it desirable to comply with or qualify under Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or meet the performance-based exception from the tax deductibility limitations of Section 162(m) of the Code, the Plan Committee shall consist of two or more directors of the Company, all of whom qualify as "non-employee directors" within the meaning of Rule 16b-3 of the Exchange Act and as "outside directors" for purposes of Section 162(m) of the Code. The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, in each case as the Board deems appropriate to permit transactions in securities (including derivative securities) of the Company pursuant to the Plan to satisfy such conditions of Rule 16b-3 of the Exchange Act as then in effect. The Board or the Plan Committee may appoint and delegate to another committee consisting of one or more persons any or all of the authority of the Board or the Plan Committee, as applicable, with respect to Accounts, other than to Participants who are subject to potential liability under Section 16(b) of the Exchange Act with respect to transactions involving equity securities of the Company at the time any such delegated authority is exercised.

2.28 Plan Year:

The 12-consecutive month period beginning on January 1 and ending on December 31.

2.29 Restricted Stock Unit:

A bookkeeping entry representing the equivalent of one share of Common Stock that is payable in the form of Common Stock, cash, or any combination of the foregoing. Restricted Stock Units shall be granted under the Long-Term Incentive Plan and shall be subject to the terms thereof.

2.30 Retirement:

Separation from Service with the Company and all affiliates (other than for Misconduct) after attaining eligibility for retirement. A Participant attains eligibility for retirement when he or she attains: (i) at least age 55 with 10 or more years of service, or (ii) at least age 65.

2.31 Section 409A:

Section 409A of the Code and the applicable regulations and other guidance of general applicability that is issued thereunder.

2.32 Separation from Service:

A Participant's separation from service with the Company, all Employers and all other Company subsidiaries and affiliates, and which meets the requirements of Section 409A(a)(2)(A)(i).

2.33 Unforeseeable Emergency:

A severe financial hardship to the Participant resulting from —

- (a) An illness or accident of the Participant, the Participant's spouse or a dependent (as defined in Code section 152(a)) of the Participant;
- (b) Loss of the Participant's property due to casualty; or
- (c) Any other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

The Plan Administrator shall determine the occurrence of an Unforeseeable Emergency in accordance with Section 409A(a)(2)(B)(ii).

2.34 Valuation Date:

Each date as specified by the Plan Administrator from time to time as of which Participant Accounts are valued in accordance with Plan procedures that are currently in effect. As of the Effective Date, the Valuation Dates are March 31, June 30, September 30 and December 31. In accordance with procedures that may be adopted by the Plan Administrator, any current Valuation Date may be changed. Values are determined as of the close of a Valuation Date or, if such date is not a business day, as of the close of the immediately preceding business day.

ARTICLE III — ELIGIBILITY AND PARTICIPATION

3.01 Eligibility to Participate.

(a) Only Eligible Employees shall be eligible to defer compensation under this Plan. During the period an individual satisfies all of the eligibility requirements of this Section, he or she shall be referred to as an Eligible Employee.

(b) An “Eligible Employee” shall mean any Employee who is currently classified by the Plan Administrator as satisfying one or more of the following eligibility criteria:

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(1) an officer of the Employer who maintains a “Vice President 4” or higher office (or equivalent designation) as defined by the Human Resources Department of the Company;

(2) a portfolio manager of a Company mutual fund, private account, or commingled fund;

(3) a senior sales representative having annual compensation greater than \$1,000,000; and

(4) a senior officer of a Company subsidiary that is specifically designated to be eligible by the Plan Administrator.

Notwithstanding the preceding sentence, from time to time the Plan Administrator may modify, limit or expand the class of Eligible Employees eligible to defer hereunder, pursuant to criteria for eligibility that need not be uniform among all or any group of Eligible Employees.

(c) Each Eligible Employee becomes an active Participant on the date an amount is first withheld from his or her compensation pursuant to an Election Form submitted by the Eligible Employee to the Plan Administrator in accordance with Section 4.01.

3.02 Termination of Eligibility to Defer.

A Participant’s eligibility to make future deferrals under Section 4.01 shall terminate upon the date he or she ceases to be an Eligible Employee who is described in either the first or second sentence of Section 3.01(b). After termination of an individual’s eligibility to make future deferrals under the Plan, the individual shall be an inactive Participant in this Plan.

3.03 Termination of Participation.

An individual, who is a Participant (whether active or inactive) under the Plan, ceases to be a Participant on the date his or her Account is fully paid out.

ARTICLE IV — DEFERRAL OF COMPENSATION

4.01 Deferral Elections.

(a) Each Eligible Employee may make an election to defer under the Plan any whole percentage of his or her Base Compensation (up to 70%), Periodic Incentive Compensation (up to 100%), Bonus Compensation (up to 100%), and Equity Compensation (up to 100%) in the manner described in Section 4.02. With respect to Periodic Incentive Compensation and Bonus Compensation, the Participant may specify two alternative deferral percentages that will be applicable to Periodic Incentive Compensation, Bonus Compensation, and/or Equity Compensation; one deferral percentage will apply to a Participant’s Periodic Incentive Compensation, Bonus Compensation, and/or Equity Compensation if his or her bonus is equal to or greater than

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a specified target amount, and the other deferral percentage (including 0%) will apply to a Participant’s Periodic Incentive Compensation, Bonus Compensation, and/or Equity Compensation if his or her bonus is less than that specified target amount. Any percentage of Base Compensation deferred by an Eligible Employee for a Plan Year will be deducted each pay period during the Plan Year for which he or she has Base Compensation and is an employee of the Company. The percentage of Periodic Incentive Compensation and Bonus Compensation deferred by an Eligible Employee for a Plan Year will be deducted from his or her payment under the applicable compensation program at the time it would otherwise be made, provided he or she remains an employee of the Company at such time. The percentage of Equity Compensation deferred by an Eligible Employee for a Plan Year will be granted in the form of Restricted Stock Units with payment dates in accordance with the Eligible Employee’s election under the terms of the Plan and will be granted in lieu of shares of restricted Common Stock or other equity awards that would have otherwise been granted to the Eligible Employee; provided that the restrictions on such Restricted Stock Units shall lapse on such dates and under such

circumstances as the restrictions would have lapsed absent the deferral.

(b) Notwithstanding subsection (a) above, the Plan Administrator in its discretion may implement rules and procedures from time to time that allow Participants: (1) to elect to defer Base Compensation, Periodic Incentive Compensation, Bonus Compensation, and/or Equity Compensation in amounts other than whole percentages, such as in whole dollar amounts or whole shares of Company Common Stock, or (2) to specify a dollar maximum that would limit their percentage deferral elections of Base Compensation, Periodic Incentive Compensation, Bonus Compensation and/or Equity Compensation.

(c) To be effective, an Eligible Employee's Election Form must set forth the percentage of Base Compensation, Periodic Incentive Compensation, Bonus Compensation, and Equity Compensation to be deferred in accordance with subsection (a) above (or amount in accordance with subsection (b)), the deferral period under Section 4.03, the form of payment under Section 4.04, the initial phantom investment option or options under Section 5.02 to which the deferred amount will be credited initially (other than for Equity Compensation which shall be deemed to be invested in shares of Common Stock), the Eligible Employee's Beneficiary designation, and any other information that may be required by the Plan Administrator from time to time. In addition, the Election Form must meet the requirements of Section 4.02 below.

4.02 Time and Manner of Deferral Election.

(a) Deferrals of Base Compensation. Subject to the next two sentences, an Eligible Employee must make a deferral election for a Plan Year with respect to Base Compensation by December 31st of the year prior to the beginning of the Plan Year in which the Base Compensation would otherwise be paid. An individual who newly becomes an Eligible Employee (and who was not previously an Eligible Employee during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1(c)), will have 30 days from the date the individual becomes an Eligible Employee to make an election with respect to

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compensation earned for payroll cycles that begin after the election is received (if this 30-day period ends later than the deadline under the preceding sentence).

(b) Deferrals of Bonus Compensation and Equity Compensation. Bonus Compensation and Equity Compensation shall be subject to the deferral rules set forth in the following three paragraphs:

(1) Regular Bonus Compensation and Equity Compensation. Subject to Paragraphs (2) and (3) below and the next sentence, an Eligible Employee must make a deferral election with respect to his or her Bonus Compensation and/or Equity Compensation no later than the close of the Plan Year preceding the Plan Year in which the services are performed for which the Bonus Compensation and/or Equity Compensation is paid.

(2) Performance-Based Compensation. To the extent permitted by Reg. 1.409A-2(a)(8), if an Eligible Employee's Bonus Compensation and/or Equity Compensation for a particular Plan Year will qualify as Performance-Based Compensation, the Eligible Employee may make a deferral election for such Bonus Compensation and/or Equity Compensation no later than six months prior to the end of the performance period to which such Bonus Compensation and/or Equity Compensation relates.

(3) Newly Eligible Participants. An individual who newly becomes an Eligible Employee during a Plan Year (and who was not previously an Eligible Employee during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1(c)), may make a deferral election with respect to his or her Bonus Compensation and/or Equity Compensation that is payable for services performed in such Plan Year following the date on which the election is received so long as the deferral election: (i) is made within 30 days of the date the individual becomes an Eligible Employee (or, with respect to Performance-Based Compensation, such longer period as is permitted by Section 409A), and (ii) is limited to the maximum portion of such Plan Year's Bonus Compensation and/or Equity Compensation as may be deferred under Section 409A.

(c) Deferrals of Periodic Incentive Compensation. Periodic Incentive Compensation shall be subject to the deferral rules set forth in the following three paragraphs:

(1) Regular Periodic Incentive Compensation. Subject to Paragraphs (2) and (3) below and the next sentence, an Eligible Employee must make a deferral election for a Plan Year with respect to Periodic Incentive Compensation by November 30th of the year prior to the beginning of the Plan Year in which the Periodic Incentive Compensation would otherwise be paid.

(2) Performance-Based Compensation. To the extent permitted by Reg. 1.409A-2(a)(8), if an Eligible Employee's Periodic Incentive Compensation

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for a particular Plan Year will qualify as Performance-Based Compensation, the Eligible Employee may make a deferral election for such Periodic Incentive Compensation no later than six months prior to the end of the performance period to which such Periodic Incentive Compensation relates.

(3) Newly Eligible Participants. An individual who newly becomes an Eligible Employee during a Plan Year (and who was not previously an Eligible Employee during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1(c)), may make a deferral election with respect to his or her Periodic Incentive Compensation that is payable for services performed in such Plan Year following the date on which the election is received so long as the deferral election: (i) is made within 30 days of the date the individual becomes an Eligible Employee (or, with respect to Performance-Based Compensation, such longer period as is permitted by Section 409A), and (ii) is limited to the maximum portion of such Plan Year's Periodic Incentive Compensation as may be deferred under Section 409A.

(d) General Provisions. A separate deferral election must be made by an Eligible Employee for each category of compensation that is eligible for deferral. If an Eligible Employee fails to file a properly completed and executed Election Form with the Plan Administrator by the prescribed time, he or she will be deemed to have elected not to defer any Base Compensation, Periodic Incentive Compensation, Bonus Compensation or Equity Compensation, as the case may be, for the applicable Plan Year. An election is irrevocable once received and determined by the Plan Administrator to be properly completed. Increases or decreases in the amount or percentage a Participant elects to defer shall not be permitted once an election has become irrevocable. Notwithstanding the preceding provisions of this Section, to the extent necessary because of circumstances beyond the control of the Eligible Employee and in the interests of orderly Plan administration (or to avoid undue hardship to an Eligible Employee), the Plan Administrator may grant an extension of any election period or may permit the complete revocation of an election, but such extension or revocation shall not permit an election or revocation to be made after the latest time permissible for initial elections under Section 409A.

(e) Beneficiaries. To be considered complete, the first Election Form filed by a Participant shall designate the Beneficiary to receive payment, in the event of his or her death, of the amounts credited to his or her applicable Deferral Subaccounts. Any Beneficiary designation made on a subsequent Election Form or through a separate Beneficiary designation shall apply on an aggregate basis to all of a Participant's Deferral Subaccounts. However, a Participant's Beneficiary designation shall only be effective if it is signed by the Participant and filed with the Plan Administrator prior to the Participant's death, and if it meets such other standards as the Plan Administrator shall require from time to time. A Beneficiary is paid in accordance with the terms of a Participant's Election Form, as interpreted by the Plan Administrator in accordance with the terms of this Plan.

4.03 Initial Period of Deferral.

An Eligible Employee making a deferral election shall specify a deferral period on his or her Election Form by designating a specific payout date, a specific Permissible Event for payout, or both a specific payout date and a Permissible Event. Any Eligible Employee who specifies Retirement as his or her Permissible Event must also designate a payout date. If an Eligible Employee has designated both a specific payout date and a Permissible Event, the Eligible Employee's deferral period shall terminate on the earlier of the specific payout date and the Permissible Event. Any Eligible Employee who designates a payout date shall be deemed to have elected a payout date that would occur not earlier than:

- (a) For Base Compensation, at least until January 1 of the third Plan Year following the Plan Year during which the Base Compensation would have been paid absent the deferral;
- (b) For Periodic Incentive Compensation, at least until January 1 of the third Plan Year following the Plan Year during which the Periodic Incentive Compensation would have been paid absent the deferral;
- (c) For Bonus Compensation, at least 2 years after the date the Bonus Compensation would have been paid absent the deferral; and
- (d) For Equity Compensation, at least 2 years after the date the equity awards would have no longer been subject to forfeiture absent the deferral.

In addition, notwithstanding an Eligible Employee's actual election, if a Participant has elected a specific payout date that would be after his or her 80th birthday, the Participant shall be deemed to have elected his or her 80th birthday as his or her specific payout date.

4.04 Initial Form of Payment.

An Eligible Employee making a deferral election may specify a form of payment on his or her Election Form by designating either a lump sum payment or installment payments for 5, 10, 15 or 20 years. If an Eligible Employee elects installment payments, the Eligible Employee shall also specify whether installments should be paid semi-annually or annually. However, installment payments shall only be made for a period beyond 5 years (regardless of the Eligible Employee's election) if the Eligible Employee continues in employment with an Employer through his or her eligibility for Retirement (and in all other cases an election of installments for more than 5 years

shall be deemed to be an election of installments for 5 years). If an Eligible Employee fails to make a form of payment election on the Election Form, his or her form of payment shall be a lump sum payment.

4.05 Subsequent Revisions to Deferral Period or Form of Payment.

A Participant may make an election to revise the deferral period or form of payment (or both) that applies to a Deferral Subaccount in accordance with this section. An election made under this section must be made at least 12 months prior to the date of the first

scheduled payment and the election shall not be effective for 12 months after it is made. This requirement shall be applied in accordance with Section 409A to bar, as necessary, an election under this section from being effective if it occurs too soon before the time a distribution would be made in connection with a Permissible Event designated by the Participant. In addition, if a Participant has specified a date as the end of his or her deferral period, an election under this section shall not be effective unless it is made at least 12 months prior to the date the first scheduled payment would be made in connection with such specified date. If an election is made under this section, the first payment pursuant to such election must be deferred at least 5 years from the date such payment would otherwise have been made. However, an election under this section may not provide for payments beyond a Participant's 80th birthday, and if this requirement conflicts with the minimum 5 years of additional deferral required under the preceding sentence, then no election under this section shall be permitted. So long as a Participant qualifies under this section to change his or her period of deferral and/or form of payment, there is no limit on the number of elections that may be made under this section. Any form of payment elected under this section must be authorized and available to the Participant under the terms of Section 4.04. This section shall not apply to a Beneficiary. In the case of a Participant who is an officer within the meaning of Section 16 of the Exchange Act, an election under this section shall not be effective unless approved by the Plan Administrator.

ARTICLE V — INTERESTS OF PARTICIPANTS

5.01 Accounting for Participants' Interests.

(a) Deferral Subaccounts. Each Participant shall have at least one separate Deferral Subaccount for each separate deferral of Base Compensation, Periodic Incentive Compensation, Bonus Compensation, and Equity Compensation made by the Participant under this Plan. However, the Plan Administrator may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping. A Participant's deferral shall be credited to his or her Account as soon as practicable following the date when the compensation would have been paid to the Participant in the absence of its deferral. A Participant's Account is a bookkeeping device to track the value of his or her deferrals (and his or her Employer's liability therefor). No assets shall be reserved or segregated in connection with any Account, and no Account shall be insured or otherwise secured.

(b) Account Earnings or Losses. As of each Valuation Date, a Participant's Account shall be credited with earnings and gains (and shall be debited for expenses and losses) determined as if the amounts credited to his or her Account had actually been invested as directed by the Participant in accordance with this Article. The Plan provides only for "phantom investments," and therefore such earnings, gains, expenses and losses are hypothetical and not actual. However, they shall be applied to measure the value of a Participant's Account and the amount of his or her Employer's liability to make deferred payments to or on behalf of the Participant. Notwithstanding anything to the contrary in this Article V, Equity Compensation shall be deferred in the form of Restricted Stock Units which shall track the value of an equivalent number of shares of Common Stock.

5.02 Phantom Investment Options.

The phantom investment options that are available under this Plan shall be those retail mutual funds that are offered to participants under the JCG 401(k) and Employee Stock Ownership Plan (as may be amended from time to time, the "JCG 401(k) Plan"). Participant Accounts invested in these phantom investment options are adjusted to reflect an investment in the corresponding investment options under the JCG 401(k) Plan. An amount deferred or transferred into one of these options is converted to phantom units in the applicable JCG 401(k) Plan fund of equivalent value by dividing such amount by the value of a unit in such fund on the date as of which the amount is treated as invested in this option by the Plan Administrator. Thereafter, a Participant's interest in each such phantom option is valued as of a Valuation Date by multiplying the number of phantom units credited to his or her Account on such date by the value of a unit in the applicable fund on such date. The Plan Administrator may discontinue any phantom investment option with respect to some or all Accounts, and it may provide rules for transferring a Participant's phantom investment from the discontinued option to a specified replacement option (unless the Participant selects another replacement option in accordance with such requirements as the Plan Administrator may apply). In the absence of a specific direction by the Plan Administrator, the discontinuance and replacement of phantom investment options under this Plan shall mirror what occurs in this regard under the JCG 401(k) Plan.

5.03 Phantom Investment Option Directions and Reallocations.

(a) In connection with an Eligible Employee's first deferral Election Form submitted under the Plan, the Eligible Employee shall specify in one percent (1%) increments how his or her deferrals are to be invested in one or more of the phantom investment options offered under Section 5.02. Thereafter, the Eligible Employee — (i) may specify a different investment direction that shall apply to his or her future deferrals, and (ii) may reallocate the investment of his or her existing Account by specifying, in one percent (1%) increments, how such amounts are to be invested among the phantom investment options then offered under the Plan. The Plan Administrator may provide that such initial allocations or reallocations are to be made in a different increment specified by the Plan Administrator. A new investment direction for future deferrals shall be made on the Election Form that relates to such deferrals. A reallocation of a Participant's existing Account shall be made using an investment change procedure that is provided by the Plan Administrator for this purpose. This procedure may include the use of written or electronic forms, as well as the use of a voice-response system, as determined by the Plan Administrator. A reallocation election is considered effective within five (5) business days after the date the investment reallocation is received by the Plan Administrator.

(b) Any investment reallocation of a Participant's existing Account that is permitted by subsection (a) shall be effective as of the next Valuation Date that occurs at least date 30 days after the date the investment reallocation is received by the Plan Administrator. If more than one reallocation is received on a timely basis, the reallocation that the Plan Administrator determines to be the most recent shall be followed.

(c) If the Plan Administrator possesses at any time investment directions as to the phantom investment of less than all of a Participant's Account, the Participant shall be

deemed to have directed that the undesignated portion of the Account be invested in a money market phantom investment option offered under the Plan (or if no money market investment option is offered, the investment option that most nearly resembles a money market investment option).

5.04 Vesting of a Participant's Account.

Other than in respect of Restricted Stock Units, which shall vest in accordance with the same schedule as a Participant's Equity Compensation would have vested absent the deferral, a Participant's interest in the value of his or her Account shall at all times be 100 percent vested, which means that it will not forfeit as a result of his or her Separation from Service. However, a Participant's right to be paid by the Participant's Employer remains subject to the claims of the general creditors of the Employer.

ARTICLE VI — DISTRIBUTIONS

6.01 General.

A Participant's Account shall be distributed as provided in this Article. In no event shall any portion of a Participant's Account be distributed earlier than is allowed under Section 409A.

6.02 Distribution Pursuant to Deferral Election.

(a) Scheduled Payout Date. Subject to subsection (b), with respect to a specific deferral, such deferral shall be paid (in accordance with the provisions of Section 6.05) to the Participant as soon as practicable after the occurrence of the Participant's "Scheduled Payout Date" (but in no event later than the later of December 31st of the year that includes the Scheduled Payout Date and 2.5 months following the Scheduled Payment Date). A Participant's "Scheduled Payout Date" shall be the earlier of:

(1) The first Distribution Date that follows the date selected by the Participant for such deferral in accordance with Sections 4.03 and 4.05, or

(2) The first Distribution Date that follows the earliest to occur Permissible Event that has been selected and is in effect for such deferral in accordance with Sections 4.03 and 4.05.

(b) Special Rule for Separation from Service Events. If the Participant's Scheduled Payout Date is the result of the Participant's Separation from Service and such Participant is a Key Employee as of December 31st of the year prior to the year in which the Separation from Service occurs, then no distribution may be made before the date which is 6 months after the date of the Separation from Service (or, if earlier, the date of death of the Participant).

(c) Special Rule for Section 16 Officers. This subsection shall apply if a distribution would occur in accordance with the preceding provisions of this section at a time when the Participant is an officer who is subject to the restrictions of Section 16 of

the Exchange Act, and if the distribution will result in a disposition of phantom Company stock by the Participant. In this event, then to the extent permitted by Section 409A, the actual distribution to the Participant shall be delayed to the extent necessary, if any, in order to allow time for the Plan Administrator to approve the distribution in accordance with Rule 16b-3(e) of the Exchange Act.

6.03 Distributions on Account of Death.

Upon a Participant's death, his or her Beneficiary shall be paid each Deferral Subaccount still standing to the Participant's credit under the Plan as soon as practicable after the first Distribution Date to occur after the Plan Administrator receives notification of the Participant's death. Any claim to be paid any amounts standing to the credit of a Participant in connection with the Participant's death must be received by the Plan Administrator at least 14 days before any such amount is paid out by the Plan Administrator. Any claim received thereafter is untimely, and it shall not lie against the Plan, the Company, any Employer, the Plan Administrator or any other party acting for one or more of them.

6.04 Acceleration of Payments.

Pursuant to the rules and provisions of this Section 6.04, payment of one or more specific deferrals may be made earlier than specified in Section 6.02.

(a) Disability Payments. If the Plan Administrator determines that a Participant is suffering from a Disability, the Participant's Account shall be distributed in a lump sum as soon as practicable after the first Distribution Date following such determination.

(b) Change in Ownership Payments. Each Participant's Account shall be distributed in a lump sum payment as soon as practicable following the occurrence of a Change in Ownership.

(c) Unforeseeable Emergency. If a Participant believes an Unforeseeable Emergency has occurred, the Participant or Beneficiary may file a written request with the Plan Administrator for accelerated payment of all or a portion of the amount credited to his or her Account. After a Participant has filed a written request pursuant to this subsection, along with all supporting material, the Plan Administrator shall determine within 60 days (or such other number of days if special circumstances warrant additional time) whether the Participant meets the criteria for an Unforeseeable Emergency. If the Plan Administrator determines that an Unforeseeable Emergency has occurred, the Participant or Beneficiary shall receive a distribution from his or her Account as soon as administratively practicable. However, such distribution shall not exceed the dollar amount necessary to satisfy the Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which the Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

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(d) Cashouts of Small Amounts. Subject to the remaining sentences of this subsection and subsections (b) and (c) of Section 6.02, if the total value of all of the Participant's Deferral Subaccounts, as of any distribution date, is less than the applicable dollar amount under Section 402(g)(1)(B) of the Code, the Employer reserves the right to distribute all of the Participant's Deferral Subaccounts to the Participant as a single lump sum as soon as practicable after the first Distribution Date that next follows the Participant's Deferral Subaccounts falling below such threshold amount. To the extent required under Section 409A, a Deferral Subaccount shall not be distributed under this subsection before the end of the minimum period of additional deferral that is applicable to the Deferral Subaccount under Section 4.05. If the preceding sentence delays payout of a distribution, payout shall be made as soon as practicable after the minimum period of deferral. By no later than the date payment is made, the Employer must specify in writing that it is exercising its discretion to make the payment in form of a single lump sum payment under this subsection 4.06. In addition, if (1) a Participant has a Separation from Service, and (2) the total value of all of the Participant's Deferral Subaccounts, as of any distribution date, is less than \$50,000, all of the Participant's Deferral Subaccounts shall be distributed to the Participant as a single lump sum as soon as practicable after the Distribution Date that next follows the Participant's Deferral Subaccounts falling below such threshold amount.

6.05 Form of Payments.

Unless otherwise provided in this Article VI, payments made under Section 6.02 shall be made pursuant to the form of payment elected by the Participant under Section 4.04 or 4.05. Other than with respect to Restricted Stock Units which may be settled in shares of Common Stock or cash or a combination of both in the discretion of the Plan Administrator, payments under Sections 6.02, 6.03 and 6.04 shall be made in cash, unless the Plan Administrator makes an advance determination, in its discretion, to settle deferrals in units of the mutual funds in which the Participant was invested on a phantom basis at the time such distribution is processed. No in-kind distributions shall be made with respect to deferrals of Base Compensation, Periodic Incentive Compensation or Bonus Compensation that are invested in a phantom Company stock fund.

6.06 Valuation.

In determining the amount of any individual distribution pursuant to this Article, the Participant's Deferral Subaccount shall continue to

be credited with earnings and gains (and debited for expenses and losses) as specified in Section 5.01 until the Valuation Date preceding the distribution. In determining the value of a Participant's remaining Deferral Subaccount following an installment distribution, such installment distribution (determined without application of the last sentence of this section) shall reduce the value of the Participant's Deferral Subaccount as of the close of the Valuation Date preceding the payment date for such installment. The amount to be distributed in connection with any installment payment shall be determined by dividing the value of a Participant's Deferral Subaccount as of such preceding Valuation Date by the remaining number of installments to be paid with respect to such Deferral Subaccount.

ARTICLE VII — PLAN ADMINISTRATION

7.01 Plan Administrator.

The Plan Administrator is responsible for the administration of the Plan. The Plan Administrator has the authority to name one or more delegates to carry out certain responsibilities hereunder. Any such delegation shall state the scope of responsibilities being delegated.

7.02 Action.

Action by the Plan Administrator may be taken in accordance with procedures that the Plan Administrator adopts from time to time or that the Company's Law Department determines are legally permissible.

7.03 Powers of the Plan Administrator.

The Plan Administrator shall administer and manage the Plan and shall have (and shall be permitted to delegate) all powers necessary to accomplish that purpose, including (but not limited to) the following:

- (a) To exercise its discretionary authority to construe, interpret, and administer this Plan;
- (b) To exercise its discretionary authority to make all decisions regarding eligibility, participation and deferrals, to make allocations and determinations required by this Plan, and to maintain records regarding Participants' Accounts;
- (c) To compute and certify to the Employer the amount and kinds of payments to Participants or their Beneficiaries, and to determine the time and manner in which such payments are to be paid;
- (d) To authorize all disbursements by the Employer pursuant to this Plan;
- (e) To maintain (or cause to be maintained) all the necessary records for administration of this Plan;
- (f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;
- (g) To authorize its delegates to delegate to other individuals or entities from time to time the performance of any of its delegates' duties or responsibilities hereunder;
- (h) To establish or to change the phantom investment options or arrangements under Article V;
- (i) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan; and

(j) Notwithstanding any other provision of this Plan, the Plan Administrator may take any action it deems appropriate in furtherance of any policy of the Company respecting insider trading as may be in effect from time to time. Such actions may include, but are not limited to, altering the effective date of allocations or distributions of Accounts or Deferral Subaccounts.

The Plan Administrator has the exclusive and discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits, to determine the amount and manner of payment of such benefits and to make any determinations that are contemplated by (or permissible under) the terms of this Plan, and its decisions on such matters will be final and conclusive on all parties. Any such decision or determination shall be made in the absolute and unrestricted discretion of the Plan Administrator, even if (1) such discretion is not expressly granted by the Plan provisions in question, or (2) a determination is not expressly called for by the Plan provisions in question, and even though other Plan provisions expressly grant discretion or call for a determination. As a result, benefits under this Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them. In the event of a review by a court, arbitrator or any other tribunal, any exercise of the Plan Administrator's discretionary authority shall not be disturbed unless it is clearly shown to be arbitrary and capricious.

7.04 Compensation, Indemnity and Liability.

The Plan Administrator will serve without bond and without compensation for services hereunder. All expenses of the Plan and the Plan Administrator will be paid by the Employer. To the extent deemed appropriate by the Plan Administrator, any such expense may be charged against specific Participant Accounts, thereby reducing the obligation of the Employer. No member of the Committee, and no individual acting as the delegate of the Committee, shall be liable for any act or omission of any other member or individual, nor for any act or omission on his or her own part, excepting his or her own willful Misconduct. The Employer will indemnify and hold harmless each member of the Committee and any employee of the Company (or an affiliate, if recognized as an affiliate for this purpose by the Plan Administrator) acting as the delegate of the Committee against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his or her membership on the Committee (or his or her serving as the delegate of the Committee), excepting only expenses and liabilities arising out of his or her own willful Misconduct.

7.05 Taxes.

If the whole or any part of any Participant's Account becomes liable for the payment of any estate, inheritance, income, employment, or other tax which the Employer may be required to pay or withhold, the Employer will have the full power and authority to withhold and pay such tax out of any moneys or other property in its hand for the account of the Participant. To the extent practicable, the Employer will provide the Participant notice of such withholding. Prior to making any payment, the Employer may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

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7.06 Conformance with Section 409A.

At all times during each Plan Year, this Plan shall be operated in accordance with the requirements of Section 409A. Any action that may be taken (and, to the extent possible, any action actually taken) by the Plan Administrator or the Company shall not be taken (or shall be void and without effect), if such action violates the requirements of Section 409A. Any provision in this Plan document that is determined to violate the requirements of Section 409A shall be void and without effect. In addition, any provision that is required to appear in this Plan document that is not expressly set forth shall be deemed to be set forth herein, and the Plan shall be administered in all respects as if such provision were expressly set forth.

ARTICLE VIII — CLAIMS PROCEDURES

8.01 Claims for Benefits.

If a Participant, Beneficiary or other person (hereafter, "Claimant") does not receive timely payment of any benefits which he or she believes are due and payable under the Plan, he or she may make a claim for benefits to the Plan Administrator. The claim for benefits must be in writing and addressed to the Plan Administrator. If the claim for benefits is denied, the Plan Administrator will notify the Claimant within 90 days after the Plan Administrator initially received the benefit claim. However, if special circumstances require an extension of time for processing the claim, the Plan Administrator will furnish notice of the extension to the Claimant prior to the termination of the initial 90-day period and such extension may not exceed one additional, consecutive 90-day period. Any notice of a denial of benefits should advise the Claimant of the basis for the denial, any additional material or information necessary for the Claimant to perfect his or her claim, and the steps which the Claimant must take to appeal his or her claim for benefits.

8.02 Appeals of Denied Claims.

Each Claimant whose claim for benefits has been denied may file a written appeal for a review of his or her claim by the Plan Administrator. The request for review must be filed by the Claimant within 60 days after he or she received the notice denying his or her claim. The decision of the Plan Administrator will be communicated to the Claimant within 60 days after receipt of a request for appeal. The notice shall set forth the basis for the Plan Administrator's decision. If there are special circumstances which require an extension of time for completing the review, the Plan Administrator's decision may be rendered not later than 120 days after receipt of a request for appeal.

8.03 Special Claims Procedures for Disability Determinations.

If the claim or appeal of the Claimant relates to Disability benefits, such claim or appeal shall be processed pursuant to the applicable provisions of Department of Labor Regulation section 2560.503-1 relating to Disability benefits, including sections 2560.503-1(d), 2560.503-1(f)(3), 2560.503-1(h)(4) and 2560.503-1(i)(3).

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ARTICLE IX — AMENDMENT AND TERMINATION

9.01 Amendments.

The applicable Committee of the Board of Directors of the Company has the right in its sole discretion to amend this Plan in whole or in part at any time and in any manner, including the manner of making deferral elections, the terms on which distributions are made, and the form and timing of distributions, provided that such amendments do not cause the Plan to fail to comply with Section 409A. However, except for mere clarifying amendments necessary to avoid an inappropriate windfall, no Plan amendment shall reduce the amount credited to the Account of any Participant as of the date such amendment is adopted. Any amendment shall be in writing and adopted by the Committee. All Participants and Beneficiaries shall be bound by such amendment. Without limiting the generality of the foregoing, the Plan as amended and restated as set forth herein as of the Effective Time shall not adversely impact in any way any Account of any Participant under the Plan existing prior to the Effective Time, and the Merger shall constitute a Change in Ownership and a Change of Control with respect to any such then-existing Account.

9.02 Termination of Plan.

The Company expects to continue this Plan, but does not obligate itself to do so. The Company, acting by the Committee specified in Section 9.01 or through its Board of Directors, reserves the right to discontinue and terminate the Plan at any time, in whole or in part, for any reason (including a change, or an impending change, in the tax laws of the United States or any State), provided that such termination is done in compliance with Section 409A. Termination of the Plan will be binding on all Participants and their Beneficiaries, but in no event may such termination reduce the amounts credited at that time to any Participant's Account. If this Plan is terminated (in whole or in part), the termination resolution shall provide for how amounts theretofore credited to affected Participants' Accounts will be distributed.

ARTICLE X — MISCELLANEOUS

10.01 Limitation on Participant's Rights.

Participation in this Plan does not give any Participant the right to be retained in the Employer's or Company's employ (or any right or interest in this Plan or any assets of the Company or Employer other than as herein provided). The Company and Employer reserve the right to terminate the employment of any Participant without any liability for any claim against the Company or Employer under this Plan, except for a claim for payment of deferrals as provided herein.

10.02 Unfunded Obligation of Individual Employer.

The benefits provided by this Plan are unfunded. All amounts payable under this Plan to Participants are paid from the general assets of the Participant's individual Employer. Nothing contained in this Plan requires the Company or Employer to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. Neither a Participant, Beneficiary, nor any other person shall have any property interest, legal or equitable, in any

specific Employer asset. This Plan creates only a contractual obligation on the part of a Participant's individual Employer, and the Participant has the status of a general unsecured creditor of this Employer with respect to amounts of compensation deferred hereunder. Such a Participant shall not have any preference or priority over, the rights of any other unsecured general creditor of the Employer. No other Employer guarantees or shares such obligation, and no other Employer shall have any liability to the Participant or his or her Beneficiary. In the event, a Participant transfers from the employment of one Employer to another, the former Employer shall transfer the liability for deferrals made while the Participant was employed by that Employer to the new Employer (and the books of both Employers shall be adjusted appropriately).

10.03 Other Plans.

This Plan shall not affect the right of any Eligible Employee or Participant to participate in and receive benefits under and in accordance with the provisions of any other employee benefit plans which are now or hereafter maintained by any Employer, unless the terms of such other employee benefit plan or plans specifically provide otherwise or it would cause such other plan to violate a requirement for tax favored treatment.

10.04 Receipt or Release.

Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator, the Employer and the Company, and the Plan Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect (provided that, to the extent the Employer, the Company, or the Plan Administrator require a Participant to execute a release, the release requirement shall be structured in a manner that complies with Section 409A).

10.05 Governing Law.

This Plan shall be construed, administered, and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Delaware (other than its laws relating to choice of law). If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

10.06 Status as a Foreign Private Issuer.

Exchange Act

10.07 Adoption of Plan by Related Employers.

The Plan Administrator may select as an Employer any division of the Company, as well as any corporation related to the Company by stock ownership, and permit or cause such division or corporation to adopt the Plan. The selection by the Plan Administrator shall govern the effective date of the adoption of the Plan by such related Employer. The requirements for Plan adoption are entirely within the discretion of the Plan Administrator and, in any case where

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the status of an entity as an Employer is at issue, the determination of the Plan Administrator shall be absolutely conclusive.

10.08 Gender, Tense and Examples.

In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Whenever an example is provided or the text uses the term "including" followed by a specific item or items, or there is a passage having a similar effect, such passage of the Plan shall be construed as if the phrase "without limitation" followed such example or term (or otherwise applied to such passage in a manner that avoids limitation on its breadth of application).

10.09 Successors and Assigns; Nonalienation of Benefits.

This Plan inures to the benefit of and is binding upon the parties hereto and their successors, heirs and assigns; provided, however, that the amounts credited to the Account of a Participant are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to any benefits payable hereunder, including, any assignment or alienation in connection with a separation, divorce, child support or similar arrangement, will be null and void and not binding on the Plan or the Company or Employer. Notwithstanding the foregoing, the Plan Administrator reserves the right to make payments in accordance with a divorce decree, judgment or other court order as and when cash payments are made in accordance with the terms of this Plan from the Deferral Subaccount of a Participant. Any such payment shall be charged against and reduce the Participant's Account.

10.10 Facility of Payment.

Whenever, in the Plan Administrator's opinion, a Participant or Beneficiary entitled to receive any payment hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his or her financial affairs, the Plan Administrator may direct the Employer to make payments to such person or to the legal representative of such person for his or her benefit, or to apply the payment for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment in accordance with the provisions of this Section shall be a complete discharge of any liability for the making of such payment to the Participant or Beneficiary under the Plan.

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Section 5: EX-10.10 (EX-10.10)

Exhibit 10.10

**JANUS HENDERSON GROUP PLC
FOURTH AMENDED AND RESTATED DIRECTOR DEFERRED FEE PLAN**

(effective May 30, 2017)

ARTICLE I - INTRODUCTION

The name of the plan is the Janus Henderson Group plc Fourth Amended and Restated Director Deferred Fee Plan (as may be amended from time to time, the "Plan"). Janus Capital Group Inc. ("JCG") has established the Plan to permit eligible members of the Board (as defined below) to defer their fees and certain stock awards made under its director compensation programs. The Plan was originally adopted June 12, 2000, was subsequently amended and restated on May 12, 2004, January 1, 2005 and January 22, 2008, and was subsequently amended on October 20, 2008, December 19, 2013, and December 12, 2016.

On October 3, 2016, JCG entered into an Agreement and Plan of Merger (the "Merger Agreement") by among JCG, Henderson Group plc (the "Company" or "Henderson") and Horizon Orbit Corp., pursuant to which, among other things, as of the Effective Time (as defined in the Merger Agreement), Horizon Orbit Corp. will merge with and into JCG, with JCG being the surviving corporation and a wholly-owned subsidiary of Henderson (the "Merger"). Pursuant to the Merger Agreement, as of the Effective Time, (i) Henderson shall change its name to "Janus Henderson Group plc" and shall list its ordinary shares on the New York Stock Exchange, and (ii) Henderson has elected to assume sponsorship of the Plan, to be amended and restated as set forth herein, effective as of the Effective Time and contingent on the consummation of the Merger.

This document, which is a complete restatement of the Plan, is effective as of May 30, 2017 (the "Effective Date"), provided, however, the Plan as amended and restated herein is contingent on the consummation of the Merger, and shall automatically terminate and be of no force and effect (with the Plan as in effect as of immediately prior to the Effective Time remaining in full force and effect) upon the termination of the Merger Agreement.

This document sets forth the terms of the Plan for applicable deferrals, specifying the group of Directors of the Company's board of directors who are eligible to make deferrals, the procedures for electing to defer compensation and the Plan's provisions for maintaining and paying out amounts that have been deferred.

The Plan shall be unfunded and unsecured, and amounts deferred by an Eligible Director are an obligation of the Company.

ARTICLE II - DEFINITIONS

When used in this Plan, the following underlined terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

2.01 Account:

The account maintained for a Participant on the books of the Company to determine, from time to time, the Participant's interest under this Plan. The balance in such Account shall be determined by the Plan Administrator. Each Participant's Account shall consist of at least one Deferral Subaccount for each separate deferral of Monetary Fees or Stock Fees under Section 4.02. The Plan Administrator may also establish such additional Deferral Subaccounts as it deems necessary for the proper administration of the Plan. The Plan Administrator may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping; provided, that a Monetary Fee Subaccount may not be combined with a Stock Fee Subaccount and a Stock Fee Subaccount may not be combined with a Monetary Fee Subaccount. Where appropriate, a reference to a Participant's Account shall include a reference to each applicable Deferral Subaccount that has been established thereunder.

2.02 Beneficiary:

The person or persons (including a trust or trusts) properly designated by a Participant, as determined by the Plan Administrator, to receive the amounts in one or more of the Participant's Deferral Subaccounts in the event of the Participant's death. To be effective, any Beneficiary designation must be in writing, signed by the Participant, and filed with the Plan Administrator prior to the Participant's death. In addition, the designation must meet such other standards as the Plan Administrator shall require from time to time. If no designation is validly in effect at the time of a Participant's death or if all designated Beneficiaries have predeceased the Participant, then the Participant's Beneficiary shall be his or her spouse. If the Participant has no spouse or if the Participant's spouse has predeceased the Participant, then the Participant's Beneficiary shall be his or her children (paid on a per stirpes basis). If the Participant has no children or if the Participant's children have predeceased the Participant, then the Participant's Beneficiary shall be his or her estate. A Beneficiary designation of an individual by name (or name and relationship) remains in effect regardless of any change in the designated individual's relationship to the Participant. A Beneficiary designation solely by relationship (for example, a designation of "spouse," that does not give the name of the spouse) shall designate whoever is the person in that relationship to the Participant at his or her death. An individual who is otherwise a Beneficiary with respect to a Participant's Account ceases to be a Beneficiary when all payments have been made from the Account.

2.03 Board:

The Board of Directors of the Company.

2.04 Change in Ownership:

A change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as defined in Reg. 1.409A-3(i)(5).

2.05 Code:

The Internal Revenue Code of 1986, as amended from time to time.

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2.06 Company:

The term, Company, shall have the meaning given to it in Article I, and shall include its permitted successors and assigns.

2.07 Compensation:

With respect to a Participant, for any period the sum of such Participant's Monetary Fees and the Stock Fees; provided, however, that no such amount shall be treated as Compensation if it is paid or payable in respect of services to any "non-qualified entity" within the meaning of Section 457A of the Code.

2.08 Deferral Subaccount:

A subaccount of a Participant's Account maintained to reflect his or her interest in the Plan attributable to each deferral (or separately tracked portion of a deferral) of Monetary Fees and Stock Fees, respectively, and earnings or losses credited to such subaccount in accordance with Article V. Each Deferral Subaccount shall be classified as either a Monetary Fee Subaccount or a Stock Fee Subaccount.

2.09 Disability:

A Participant shall be considered to suffer from a Disability if, in the judgment of the Plan Administrator, the Participant: (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company.

2.10 Distribution Date:

Distribution Date, shall have the same meaning as Valuation Date; provided, however, if the Valuation Date is more frequent than once per month, the Distribution Date shall mean the first day of each month.

2.11 Dividend Equivalent:

The amount provided to reflect the cash, Stock or other property dividends paid on actual shares of Stock. The amount and character of the Dividend Equivalent shall be determined by the Plan Administrator, to the extent possible, based on the dividends the Participant's Stock Fee Subaccount would receive if it held actual shares equal in number to the phantom units existing in the Participant's Stock Fee Subaccount on the record date of the actual dividend.

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2.12 Election Form:

The form prescribed by the Plan Administrator on which a Participant specifies the amount of his or her Monetary Fees and Stock Fees to be deferred pursuant to the provisions of Article IV. An Election Form need not exist in a paper format, and it is expressly contemplated that the Plan Administrator may adopt such technologies, including voice response systems, emails, electronic forms and internet or intranet sites, as it deems appropriate from time to time.

2.13 Eligible Director:

The term, Eligible Director, shall have the meaning given to it in Section 3.01(b).

2.14 ERISA:

Public Law 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.15 Fair Market Value:

The term, Fair Market Value, shall have the meaning given to it in the Long-Term Incentive Plan.

2.16 Key Employee:

Any Eligible Director or former Eligible Director who, as of December 31st of the Plan Year preceding the Plan Year in which the Director incurs a Separation from Service, is: (a) an officer of the Company that maintains a "Vice President" or higher office (or equivalent designation) as defined by the Human Resources Department of the Company; (b) a 5-percent owner of the Company; (c) a 1-percent owner of the Company having annual compensation of more than \$150,000; or (d) otherwise a "specified employee" within the meaning of Section 409A(a)(2)(B) of the Code.

2.17 Long-Term Incentive Plan:

The Janus Henderson Group plc Second Amended and Restated 2010 Long-Term Incentive Plan, as may be amended from time to time, or any successor plan that is recognized by the Plan Administrator as eligible for deferral for purposes of this Plan.

2.18 Monetary Fees:

Direct monetary remuneration, determined in U.S. dollars, paid to the Eligible Director by the Company, provided, however, that no such amount shall be treated as Monetary Fees if it is paid or payable in respect of services to any "non-qualified entity" within the meaning of Section 457A of the Code. Monetary Fees shall be limited to the amount due an Eligible Director for the discharge of his or her duties as a member of the Board, and shall be reduced for any amounts that the Plan Administrator recognizes as reducing the amount of Monetary Fees available for deferral. Monetary Fees shall not include the amount of any reimbursement by the Company for expenses incurred by the Eligible Director in the discharge of his or her duties as a member of the Board.

2.19 Monetary Fee Subaccount:

The one or more Deferral Subaccounts that track the Participant's deferrals of Monetary Fees and the earnings and losses applicable thereto.

2.20 Participant:

Any Eligible Director who is qualified to participate in this Plan in accordance with Section 3.01 and who has an Account. An active Participant is one who is currently deferring under Section 4.01.

2.21 Plan:

The term, Plan, shall have the meaning given to it in Article I.

2.22 Plan Administrator:

The term, Plan Administrator, means the Plan Committee or its permitted delegates.

2.23 Plan Committee:

The Board or a committee appointed by the Board to administer the Plan. The Plan Committee shall consist of two or more directors of the Company, all of whom qualify as "non-employee directors" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act"). The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, in each case as the Board deems appropriate to permit transactions in securities (including derivative securities) of the Company pursuant to the Plan to satisfy such conditions of Rule 16b-3 of the Exchange Act as then in effect. The Board or the Plan Committee may appoint and delegate to another committee consisting of one or more persons any or all of the authority of the Board or the Plan Committee, as applicable, with respect to Accounts, other than to Participants who are subject to potential liability under Section 16(b) of the Exchange Act with respect to transactions involving equity securities of the Company at the time any such delegated authority is exercised.

2.24 Plan Year:

The 12-consecutive month period beginning on January 1 and ending on December 31.

2.25 Section 409A:

Section 409A of the Code and the applicable regulations and other guidance of general applicability that is issued thereunder.

2.26 Separation from Service:

A Participant's separation from service with the Company and all other Company subsidiaries and affiliates, which meets the requirements of Section 409A(a)(2)(A)(i).

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2.27 Stock:

The Company's ordinary shares, \$1.50 par value per share.

2.28 Stock Fees:

Restricted Stock awarded to an Eligible Director pursuant to the Long Term Incentive Plan; provided, however, that no such amount shall be treated as Stock Fees if it is paid or payable in respect of services to any "non-qualified entity" within the meaning of Section 457A of the Code.

2.29 Stock Fee Subaccount:

The one or more Deferral Subaccounts that track the Participant's deferrals of Stock Fees and the earnings and losses applicable thereto.

2.30 Unforeseeable Emergency:

A severe financial hardship to the Participant resulting from: (a) an illness or accident of the Participant, the Participant's spouse or a dependent (as defined in Code section 152(a)) of the Participant; (b) loss of the Participant's property due to casualty; or (c) any other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The Plan Administrator shall determine the occurrence of an Unforeseeable Emergency in accordance with Section 409A(a)(2)(B)(ii).

2.31 Valuation Date:

Each date as specified by the Plan Administrator from time to time as of which Participant Accounts are valued in accordance with Plan procedures that are currently in effect. As of the Effective Date, the Valuation Dates are March 31, June 30, September 30 and December 31. In accordance with procedures that may be adopted by the Plan Administrator, any current Valuation Date may be changed. Values are determined as of the close of a Valuation Date or, if such date is not a business day, as of the close of the immediately preceding business day.

ARTICLE III - ELIGIBILITY AND PARTICIPATION

3.01 *Eligibility to Participate.*

(a) Only Eligible Directors, as defined below, shall be eligible to make an initial deferral of compensation under this Plan. During the period an individual satisfies all of the eligibility requirements of this Section, he or she shall be referred to as an Eligible Director.

(b) An Eligible Director shall mean any individual who is currently a member of the Board and who is not currently an employee of the Company or one of its affiliates, as determined by the Plan Administrator.

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(c) Each Eligible Director becomes an active Participant on the date an amount is first withheld from his or her Compensation pursuant to an Election Form submitted by the Eligible Director to the delegate of the Plan Administrator in accordance with Section 4.01.

3.02 *Termination of Eligibility to Defer.* A Participant's eligibility to make future deferrals under Section 4.01 shall terminate upon the date he or she ceases to be an Eligible Director. After termination of an individual's eligibility to make deferrals under the Plan and until termination of participation in accordance with Section 3.03, the individual shall be an inactive Participant in this Plan.

3.03 *Termination of Participation.* An individual, who is a Participant (whether active or inactive) under the Plan, ceases to be a

Participant on the date his or her Account is fully paid out.

ARTICLE IV - DEFERRAL OF COMPENSATION

4.01 *Deferral Elections.*

(a) Each Eligible Director may make an election to defer under the Plan any whole percentage of his or her Monetary Fees (up to 100%) in the manner described in Section 4.02. Any percentage of Monetary Fees deferred by an Eligible Director for a Plan Year shall be deducted in each payment period during the Plan Year for which he or she has Monetary Fees and is an Eligible Director. In addition, each Eligible Director may make an election to defer under the Plan any whole number of shares included in his or her Stock Fees (up to the entire award). Any portion of Stock Fees elected for deferral by an Eligible Director for a Plan Year shall reduce the shares of Stock Fees otherwise payable to the Eligible Director and shall be deemed deferred at the time these Stock Fees would otherwise be issued to the Director, provided he or she remains an Eligible Director at such time.

(b) Notwithstanding subsection (a) above, the Plan Administrator in its discretion may implement rules and procedures from time to time that allow Eligible Directors to (1) to elect to defer Monetary Fees and/or Stock Fees using other measures, such as deferring Monetary Fees in whole dollar amounts and Stock Fees in percentages, or (2) to specify a dollar maximum that would limit their deferral elections of Monetary Fees and/or Stock Fees.

(c) To be effective, an Eligible Director's Election Form must set forth (i) the portion of Monetary Fees and/or Stock Fees to be deferred in accordance with subsection (a) above (or based on an alternative measure in accordance with subsection (b)), (ii) in the case of deferrals of Monetary Fees, the initial phantom investment option or options under Section 5.02 to which the will be credited initially, (iii) the Eligible Director's Beneficiary designation (in accordance with Section 4.02(e)), and (iv) any other information that may be required by the Plan Administrator from time to time. In addition, the Election Form may, but is not required to, include a form of payment

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election as provided by Section 4.03 below. All Election Forms must also meet the requirements of Section 4.02 below.

4.02 *Time and Manner of Deferral Election.*

(a) *Deferrals of Monetary Fees.* Except as set forth below, an Eligible Director must make a deferral election for a Plan Year with respect to Monetary Fees by December 31st of the Plan Year preceding the Plan Year in which the services are performed for which the Monetary Fees would otherwise be paid. An individual who newly becomes an Eligible Director (and who was not previously an Eligible Director during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1(c)) will have 30 days from the date the individual becomes an Eligible Director to make an election with respect to compensation earned for payment periods that begin after the election is received (if this 30-day period ends later than the deadline under the preceding sentence).

(b) *Deferrals of Stock Fees.* Except as set forth below, an Eligible Director must make a deferral election for a Plan Year with respect to Stock Fees by December 31st of the Plan Year preceding the Plan Year in which the services are performed for which the Stock Fees are granted. To the extent it results in a later deferral deadline than applicable under the preceding two sentences, an individual who newly becomes an Eligible Director during a Plan Year (and who was not previously an Eligible Director during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1(c)) may make a deferral election with respect to his or her Stock Fees that relate to services to be performed after the date of the election so long as the deferral election is made within 30 days of the date the individual becomes an Eligible Director.

(c) *General Provisions.* A separate deferral election must be made by an Eligible Director for each category of Compensation that is eligible for deferral. If an Eligible Director fails to file a properly completed and executed Election Form with the Plan Administrator by the prescribed time, he or she will be deemed to have elected not to defer any Compensation for the applicable Plan Year. An election is irrevocable once received and determined by the Plan Administrator to be properly completed. Increases or decreases in the amount or percentage a Participant elects to defer shall not be permitted once an election has become irrevocable. Notwithstanding the preceding provisions of this Section, to the extent necessary because of circumstances beyond the control of the Eligible Director and in the interests of orderly Plan administration (or to avoid undue hardship to an Eligible Director), the Plan Administrator may grant an extension of any election period or may permit the complete revocation of an election, but such extension or revocation shall not permit an election or revocation to be made after the latest time permissible for initial elections under Section 409A.

(d) *Beneficiaries.* To be considered complete, the first Election Form filed by a Participant shall designate the Beneficiary to receive payment, in the event of his or her death, of the amounts credited to his or her applicable Deferral Subaccounts. Any Beneficiary designation made on a subsequent Election Form or through a separate

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Beneficiary designation shall apply on an aggregate basis to all of a Participant's Deferral Subaccounts. However, a Participant's Beneficiary designation shall only be effective if it is signed by the Participant and filed with the Plan Administrator prior to the Participant's death, and if it meets such other standards as the Plan Administrator shall require from time to time. A Beneficiary is paid in accordance with the terms of a Participant's Election Form, as interpreted by the Plan Administrator in accordance with the terms of this Plan.

4.03 *Form of Payment Election.* An Eligible Director making a deferral election of Monetary Fees and/or Stock Fees may (but is not required to) specify a form of payment on his or her Election Form by designating either a lump sum payment or installment payments for 5, 10, 15 or 20 years. Such form of payment election shall be applicable to the amounts deferred in the related Monetary Fee and/or Stock Fees deferral election. If an Eligible Director elects installment payments, the Eligible Director shall also specify on his or her Election Form whether installments should be paid quarterly, semi-annually or annually. If an Eligible Director fails to make a form of payment election for Monetary Fees and/or Stock Fees under this Section 4.03, his or her form of payment shall be as provided in Section 6.02.

4.04 *Subsequent Revisions to Form of Payment.* An Eligible Director may make an election to revise the form of payment that applies to previously deferred Monetary Fees and Stock Fees in accordance with this section. An election made under this section must be made at least 12 months prior to the date of the first scheduled payment and the election shall not be effective for 12 months after it is made. So long as a Participant qualifies under this section to change his or her form of payment, there is no limit on the number of elections that may be made under this section. Any form of payment elected under this section must be authorized and available to the Participant under the terms of Section 4.03. This section shall not apply to a Beneficiary.

ARTICLE V - INTERESTS OF PARTICIPANTS

5.01 *Accounting for Participants' Interests.* Each Participant shall have at least one separate Deferral Subaccount for each separate deferral of Monetary Fees and/or Stock Fees made by the Participant under this Plan. However, the Plan Administrator may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping. A Participant's deferral of Monetary Fees shall be credited to his or her Account as soon as practicable following the date when the compensation would have been paid or considered paid to the Participant in the absence of its deferral. A Participant's deferral of Stock Fees shall be credited to his or her Account as soon as practicable following the date when the related stock would be issued (if the deferral occurs prior to issuance) or when the related stock is no longer issued as a result of the deferral (if the deferral occurs after issuance in accordance with Section 4.02(b)(2)). A Participant's Account is a bookkeeping device to track the value of his or her deferrals (and the Company's liability therefor). No assets shall be reserved or segregated in connection with any Account, and no Account shall be insured or otherwise secured.

5.02 *Phantom Investment of the Monetary Fee Subaccount.*

(a) *Phantom Investment Options.* The phantom investment options that are available under this Plan for a Participant's Monetary Fee Subaccount shall be the Company's retail mutual funds designated as phantom investment options under the Plan by the Plan Administrator from time to time. An amount deferred or transferred into one of these options is converted to phantom units of equivalent value by dividing such amount by the value of a unit in such fund on the date as of which the amount is treated as invested in this option by the Plan Administrator. Thereafter, a Participant's interest in each such phantom option is valued as of a Valuation Date by multiplying the number of phantom units credited to his or her Account on such date by the value of a unit in the applicable fund on such date. The Plan Administrator may discontinue any phantom investment option with respect to some or all Monetary Fee Subaccount, and it may provide rules for transferring a Participant's phantom investment from the discontinued option to a specified replacement option (unless the Participant selects another replacement option in accordance with such requirements as the Plan Administrator may apply). The addition of any new phantom investment option by the Plan Administrator shall comply with Section 409A.

(b) *Phantom Investment Options Directions.* In connection with an Eligible Director's first deferral Election Form submitted under the Plan, the Eligible Director shall specify in one percent (1%) increments how his or her Monetary Fee deferrals are to be invested in one or more of the phantom investment options offered under this section. Thereafter, the Eligible Director (i) may specify a different investment direction that shall apply to his or her future Monetary Fee deferrals, and (ii) may reallocate the investment of his or her existing Monetary Fee Subaccount by specifying, in one percent (1%) increments, how such amounts are to be invested among the phantom investment options then offered under the Plan. The Plan Administrator may provide that such initial allocations or reallocations are to be made in a different increment specified by the Plan Administrator. A new investment direction for future Monetary Fee deferrals and a reallocation of a Participant's existing Monetary Fee Subaccount shall be made using the investment procedures that are provided by the Plan Administrator for this purpose. This procedure may include the use of written or electronic forms, as well as the use of a voice-response system, as determined by the Plan Administrator.

(c) *Phantom Investment Options Reallocations.* Any investment reallocation of a Participant's existing Monetary Fee Subaccount that is permitted by subsection (b) shall be effective as of the next Valuation Date that occurs at least 30 days after the date the investment reallocation is received by the Plan Administrator. If more than one reallocation is received on a timely basis, the reallocation

that the Plan Administrator determines to be the most recent shall be followed.

(d) *Direction and Reallocation Default Rules.* If the Plan Administrator possesses at any time investment directions as to the phantom investment of less than all of a Participant's Monetary Fee Subaccount, the Participant shall be deemed to have directed that the undesignated portion of the Monetary Fee Subaccount be invested in a money market phantom investment option offered under the Plan (or if no money market investment option is offered, the investment option that most nearly resembles a money market investment option).

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(e) *Earnings or Losses.* As of each Valuation Date, a Participant's Monetary Fee Subaccount shall be credited with earnings and gains (and shall be debited for expenses and losses) determined as if the amounts credited to his or her Monetary Fee Subaccount had actually been invested as directed by the Participant in accordance with this Article. The Plan provides only for "phantom investments," and therefore such earnings, gains, expenses and losses are hypothetical and not actual. However, they shall be applied to measure the value of a Participant's Monetary Fee Subaccount and the amount of the Company's liability to make deferred payments to or on behalf of the Participant.

(f) *Deferred Stock Units.* Notwithstanding anything to the contrary herein, unless the Plan Administrator determines otherwise in its sole discretion, Participant's Monetary Fee Subaccount may also be invested in the following phantom investment option: Stock (each phantom Stock unit credited to the Participant's Monetary Fee Subaccount, a "DSU"). The number of DSUs shall be determined by dividing the amount of the Monetary Fees so deferred by the Fair Market Value of a share of Stock on the date the funds are credited to the participant's Account (which shall be credited in the same manner as set forth in Section 5.01 for Monetary Fees). The DSUs shall be credited with Dividend Equivalents in the same manner as set forth for the Stock Fee Subaccount in Section 5.03(b) (for purposes of this subsection 5.02(f), references in the definition of "Dividend Equivalents" and in Section 5.03(b) to Participant's Stock Fee Subaccount shall instead be a reference to Participant's Monetary Fee Subaccount). Notwithstanding subsection 5.02(e), a Participant's DSUs shall be valued as of a Valuation Date by multiplying the number of DSUs credited to his or her Monetary Fee Subaccount on such date by the Fair Market value of a share of Stock on such date. If shares of Stock change by reason of any stock split, stock dividend, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other any other corporate change treated as subject to this provision by the Plan Administrator, such equitable adjustment shall be made in the number and kind of DSUs credited to the Monetary Fee Subaccount as the Plan Administrator may determine to be necessary or appropriate. In no event will shares of Stock actually be purchased or held under this Plan, and no Participant shall have any rights as a shareholder of Stock on the account of ownership of DSUs. Notwithstanding anything to the contrary in subsections 5.02(b) and (c), except as otherwise determined by the Plan Administrator, (i) once a portion of the Monetary Fee Subaccount is deemed invested in the DSUs, such existing portion of the Monetary Fee Subaccount (or any Dividend Equivalents related to it) may not be reallocated into another phantom investment option and (ii) Monetary Fees may only be invested in the DSUs at the time that the initial deferral election is made with respect to such amount. Notwithstanding anything to the contrary in Section 6.02, any portion of the Monetary Fee Subaccount invested in the DSUs, may, in the sole discretion of the Plan Administrator, be settled in Stock on a one-to-one ratio, provided any fractional stock units credited to the Participant's Monetary Fee Subaccount shall be distributed in cash.

5.03 *Phantom Investment of Stock Fee Subaccount.*

(a) *Phantom Investment in Stock.* Deferrals held in a Stock Fee Subaccount shall be invested in phantom Company stock. Stock Fees deferred into this phantom

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option are converted using a one-to-one ratio to an equivalent number of phantom units of Stock. Thereafter, the value of the phantom units shall be determined from time to time under subsection (c) below.

(b) *Dividend Equivalents.* A Participant's Stock Fee Subaccount shall also be credited with Dividend Equivalents as provided in this subsection. Dividend Equivalents paid in Stock shall be converted using a one-to-one ratio to an equivalent number of phantom units of Stock (with any fractional share being converted to a fractional unit), and thereafter shall be credited to the Participant's Stock Fee Subaccount. Dividend Equivalents paid in cash or other property shall be converted into phantom units of Stock (or a fraction of a unit) by dividing the amount of the cash or the value of the other property by the Fair Market Value of a share of Stock on the date as of which the phantom units are to be credited to the Participant's Stock Fee Subaccount. Thereafter, the value of the phantom units credited under this subsection shall be determined from time to time under subsection (c) below.

(c) *Valuation of Phantom Stock.* A Participant's interest in phantom Company stock shall be valued as of a Valuation Date by multiplying the number of phantom units credited to his or her Stock Fee Subaccount on such date by the Fair Market Value of a share of Stock on such date. If shares of Stock change by reason of any stock split, stock dividend, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other any other corporate change treated as subject to this provision by the Plan Administrator, such equitable adjustment shall be made in the number and kind of phantom units credited to the Stock Fee Subaccount as the Plan Administrator may determine to be necessary or appropriate. In no event will shares of Stock actually be purchased or held

under this Plan, and no Participant shall have any rights as a shareholder of Stock on account of an interest in this phantom investment option.

5.04 *Vesting of a Participant's Account.* A Participant's interest in the value of his or her Account shall at all times be 100 percent vested, which means that it will not forfeit as a result of his or her Separation from Service. However, a Participant's right to be paid by the Company remains subject to the claims of the general creditors of the Company.

5.05 The transactions under the Plan are intended to be structured in accordance with the requirements of the Exchange Act, including, but not limited to the restriction imposed by Rules 16b of the Exchange Act. In furtherance of the foregoing and notwithstanding any other provision of this Plan, the Plan Administrator shall adopt such procedures and rules as it may determine are necessary to ensure that with respect to any Participant who is actually or potentially subject to Section 16(b) of the Exchange Act, the crediting of deemed shares of Stock to his/her Deferral Subaccount is deemed to be an exempt purchase for purposes of such Section 16(b) of the Exchange Act.

ARTICLE VI - DISTRIBUTIONS

6.01 *General.* A Participant's Account shall be distributed as provided in this Article. In no event shall any portion of a Participant's Account be distributed earlier than is allowed under Section 409A.

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6.02 *Distribution of Monetary Fee Subaccount Upon Separation from Service.* A Participant's Monetary Fee Subaccount shall be distributed upon the occurrence of a Participant's Separation from Service based on the terms and conditions of this section.

(a) *Distribution of Monetary Fee Subaccount.* Subject to subsection (c), upon a Participant's Separation from Service, the value of the Participant's Monetary Fee Subaccount shall be distributed (in accordance with subsection (b)) as soon as practicable after the occurrence of the first Distribution Date that follows his or her Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2 1/2 months following such Distribution Date).

(b) *Form of Distribution.* Subject to subsection (c), if the Participant has made a form of payment election (i.e., lump sum or installments) pursuant to Section 4.03, then distribution of the Participant's Monetary Fee Subaccount shall be made pursuant to such form of payment election. If the Participant has not made a form of payment election or if the Participant's election is not valid, then the Participant's Monetary Fee Subaccount shall be distributed as follows:

(1) If the total balance of the Participant's Monetary Fee Subaccount as of the first Distribution Date next following the Separation from Service is less than or equal to the applicable dollar amount under Section 402(g)(1)(B) of the Code, the Participant's Monetary Fee Subaccount shall be distributed to the Participant as a single lump sum as soon as practicable after the first Distribution Date that follows the Participant's Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2.5 months following such Distribution Date); or

(2) If the total balance of the Participant's Monetary Fee Subaccount as of the first Distribution Date next following the Separation from Service is more than the applicable dollar amount under Section 402(g)(1)(B) of the Code, the participant's Monetary Fee Subaccount shall be distributed in annual installments over a period of 5 years with the first installment being paid as soon as practicable after the first Distribution Date that follows the Participant's Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2.5 months following such Distribution Date).

All payments shall be made in cash, unless the Plan Administrator makes an advance determination, in its discretion, to settle deferrals in units of the mutual funds in which the Participant was invested on a phantom basis at the time such distribution is processed.

(c) *Special Rule for Key Employees.* If the Participant is a Key Employee as of December 31st of the year prior to the year in which the Participant's Separation from Service occurs, then no distribution may be made before the date which is 6 months after the date of the Participant's Separation from Service (or, if earlier, the date of death of the Participant).

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6.03 *Distribution of Stock Fee Subaccount Upon Separation from Service.* A Participant's Stock Fee Subaccount shall be distributed upon the occurrence of a Participant's Separation from Service based on the terms and conditions of this section.

(a) *Distribution of Stock Fee Subaccount.* Subject to subsection (c) below, upon a Participant's Separation from Service, the value of the Participant's Stock Fee Subaccount shall be distributed (in accordance with subsection (b)) as soon as practicable after the occurrence of the first Distribution Date that follows his or her Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2.5 months following such Distribution Date).

(b) *Form of Distribution.* Subject to subsection (c) below, if the Participant has made a form of payment election (i.e., lump sum or installments) pursuant to Section 4.03, then distribution of the Participant's Stock Fee Subaccount shall be made pursuant to such form of payment election. Such distribution shall be accomplished by converting the number of the Participant's phantom units credited to his or her Stock Fee Subaccount into an equivalent number of shares of Stock using a one-to-one ratio. Notwithstanding the preceding, any fractional stock unit credited to the Participant's Stock Fee Subaccount shall be distributed as cash. If the Participant has not made a form of payment election or if the Participant's election is not valid, then the Participant's Stock Fee Subaccount shall be distributed to the Participant in one lump sum in the form of shares of Stock on the first Distribution Date following that follows his or her Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2.5 months following such Distribution Date).

(c) *Special Rule for Key Employees.* If the Participant is a Key Employee as of December 31st of the year prior to the year in which the Participant's Separation from Service occurs, then no distribution may be made before the date which is 6 months after the date of the Participant's Separation from Service (or, if earlier, the date of death of the Participant).

6.04 *Distributions on Account of Death.*

Subject to the next sentence, upon a Participant's death, his or her Beneficiary shall be paid each Deferral Subaccount still standing to the Participant's credit under the Plan on the first Distribution Date occurring in the year after the Participant's death, provided that the Plan Administrator has received notification of the Participant's death. Any claim to be paid any amounts standing to the credit of a Participant in connection with the Participant's death must be received by the Plan Administrator at least 14 days before any such amount is paid out by the Plan Administrator. Any claim received thereafter is untimely, and it shall be unenforceable against the Plan, the Company, the Plan Administrator or any other party acting for one or more of them.

6.05 *Acceleration of Payments.*

Pursuant to the rules and provisions of this section, payment of one or more specific deferrals may be made earlier than specified in Sections 6.02 and 6.03.

(a) *Disability Payments.* If the Plan Administrator determines that a Participant is suffering from a Disability, the Participant's Account shall be distributed in a lump sum as soon as practicable after the first Distribution Date following such determination.

(b) *Unforeseeable Emergency.* If a Participant believes an Unforeseeable Emergency has occurred, the Participant or Beneficiary may file a written request with the Plan Administrator for accelerated payment of all or a portion of the amount credited to his or her Account. After a Participant has filed a written request pursuant to this subsection, along with all supporting material, the Plan Administrator shall determine within 60 days (or such other number of days that is necessary if special circumstances warrant additional time) whether the Participant meets the criteria for an Unforeseeable Emergency. If the Plan Administrator determines that an Unforeseeable Emergency has occurred, the Participant or Beneficiary shall receive a distribution from his or her Account as soon as administratively practicable. However, such distribution shall not exceed the dollar amount necessary to satisfy the Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which the Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

6.06 *Valuation.*

In determining the amount of any individual distribution pursuant to this Article, the Participant's Deferral Subaccount shall continue to be credited with earnings and gains (and debited for expenses and losses) as specified in Article V until the Valuation Date preceding the distribution. In determining the value of a Participant's remaining Monetary Fee Subaccount following an installment distribution, such installment distribution shall reduce the value of the Participant's Monetary Fee Subaccount as of the close of the Valuation Date preceding the payment date for such installment. The amount to be distributed in connection with any installment payment shall be determined by dividing the value of a Participant's Monetary Fee Subaccount as of such preceding Valuation Date (determined without application of the preceding sentence of this section) by the remaining number of installments to be paid with respect to the Monetary Fee Subaccount.

ARTICLE VII - PLAN ADMINISTRATION

7.01 *Plan Administrator.*

The Plan Administrator is responsible for the administration of the Plan. The Plan Administrator has the authority to name one or more delegates to carry out certain responsibilities hereunder. Any such delegation shall state the scope of responsibilities being delegated.

7.02 *Action.*

Action by the Plan Administrator may be taken in accordance with procedures that the Plan Administrator adopts from time to time or that the Company's Law Department determines are legally permissible.

7.03 *Powers of the Plan Administrator.*

The Plan Administrator shall administer and manage the Plan and shall have (and shall be permitted to delegate) all powers necessary to accomplish that purpose, including (but not limited to) the following:

- (a) To exercise its discretionary authority to construe, interpret, and administer this Plan;
- (b) To exercise its discretionary authority to make all decisions regarding eligibility, participation and deferrals, to make allocations and determinations required by this Plan, and to maintain records regarding Participants' Accounts;
- (c) To compute and certify to the Company the amount and kinds of payments to Participants or their Beneficiaries, and to determine the time and manner in which such payments are to be paid;
- (d) To authorize all disbursements by the Company pursuant to this Plan;
- (e) To maintain (or cause to be maintained) all the necessary records for administration of this Plan;
- (f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;
- (g) To authorize its delegates to delegate to other individuals or entities from time to time the performance of any of its delegates' duties or responsibilities hereunder;
- (h) To establish or to change the phantom investment options or arrangements under Article V;
- (i) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan; and
- (j) Notwithstanding any other provision of this Plan, the Plan Administrator may take any action it deems appropriate in furtherance of any policy of the Company respecting insider trading as may be in effect from time to time. Such actions may include, but are not limited to, altering the effective date of allocations or distributions of Accounts or Deferral Subaccounts.

The Plan Administrator has the exclusive and discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits, to determine the amount and manner of payment of such benefits and to make any determinations that are contemplated by (or permissible under) the terms of this Plan, and its decisions on such matters will be final and

conclusive on all parties. Any such decision or determination shall be made in the absolute and unrestricted discretion of the Plan Administrator, even if (1) such discretion is not expressly granted by the Plan provisions in question, or (2) a determination is not expressly called for by the Plan provisions in question, and even though other Plan provisions expressly grant discretion or call for a determination. As a result, benefits under this Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them. In the event of a review by a court, arbitrator or any other tribunal, any exercise of the Plan Administrator's discretionary authority shall not be disturbed unless it is clearly shown to be arbitrary and capricious.

7.04 *Compensation, Indemnity and Liability.*

The Plan Administrator will serve without bond and without compensation for services hereunder. All expenses of the Plan and the Plan Administrator will be paid by the Company. To the extent deemed appropriate by the Plan Administrator, any such expense may be charged against specific Participant Accounts, thereby reducing the obligation of the Company. No member of the Plan Committee, and no individual acting as the delegate of the Plan Committee, shall be liable for any act or omission of any other member or individual, nor for any act or omission on his or her own part, excepting his or her own willful misconduct. The Company will indemnify and hold harmless each member of the Plan Committee and any employee of the Company (or an affiliate, if recognized as an affiliate for this purpose by the Plan Administrator) acting as the delegate of the Plan Committee against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his or her membership on the Plan Committee (or his or her serving as the delegate of the Committee), excepting only expenses and liabilities arising out of his or her own willful misconduct.

7.05 *Taxes.*

If the whole or any part of any Participant's Account becomes liable for the payment of any estate, inheritance, income, employment, or

other tax which the Company may be required to pay or withhold, the Company will have the full power and authority to withhold and pay such tax out of any moneys or other property in its hand for the account of the Participant. To the extent practicable, the Company will provide the Participant notice of such withholding. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

7.06 *Conformance with Section 409A.*

At all times during each Plan Year, this Plan shall be operated in accordance with the requirements of Section 409A. Any action that may be taken (and, to the extent possible, any action actually taken) by the Plan Administrator or the Company shall not be taken (or shall be void and without effect), if such action violates the requirements of Section 409A. Any provision in this Plan document that is determined to violate the requirements of Section 409A shall be void and without effect. In addition, any provision that is required to appear in this Plan document that is not expressly set forth shall be deemed to be set forth herein, and the Plan shall be administered in all respects as if such provision were expressly set forth.

ARTICLE VIII - CLAIMS PROCEDURES

8.01 *Claims for Benefits.*

If a Participant, Beneficiary or other person (hereafter, "Claimant") does not receive timely payment of any benefits which he or she believes are due and payable under the Plan, he or she may make a claim for benefits to the Plan Administrator. The claim for benefits must be in writing and addressed to the Plan Administrator. If the claim for benefits is denied, the Plan Administrator will notify the Claimant within 90 days after the Plan Administrator initially received the benefit claim. However, if special circumstances require an extension of time for processing the claim, the Plan Administrator will furnish notice of the extension to the Claimant prior to the termination of the initial 90-day period and such extension may not exceed one additional, consecutive 90-day period. Any notice of a denial of benefits should advise the Claimant of the basis for the denial, any additional material or information necessary for the Claimant to perfect his or her claim, and the steps which the Claimant must take to appeal his or her claim for benefits.

8.02 *Appeals of Denied Claims.*

Each Claimant whose claim for benefits has been denied may file a written appeal for a review of his or her claim by the Plan Administrator. The request for review must be filed by the Claimant within 60 days after he or she received the notice denying his or her claim. The decision of the Plan Administrator will be communicated to the Claimant within 60 days after receipt of a request for appeal. The notice shall set forth the basis for the Plan Administrator's decision. If there are special circumstances which require an extension of time for completing the review, the Plan Administrator's decision may be rendered not later than 120 days after receipt of a request for appeal.

8.03 *Special Claims Procedures for Disability Determinations.*

If the claim or appeal of the Claimant relates to Disability benefits, such claim or appeal shall be processed pursuant to the applicable provisions of Department of Labor Regulation section 2560.503-1 relating to Disability benefits, including sections 2560.503-1(d), 2560.503-1(f)(3), 2560.503-1(h)(4) and 2560.503-1(i)(3).

ARTICLE IX - AMENDMENT AND TERMINATION

9.01 *Amendments.*

The applicable committee of the Board has the right in its sole discretion to amend this Plan in whole or in part at any time and in any manner, including the manner of making deferral elections, the terms on which distributions are made, and the form and timing of distributions, provided that such amendments do not cause the Plan to fail to comply with Section 409A. However, except for mere clarifying amendments necessary to avoid an inappropriate windfall, no Plan amendment shall reduce the amount credited to the Account of any Participant as of the date such amendment is adopted. Any amendment shall be in writing and adopted by the committee. All Participants and Beneficiaries shall be bound by such amendment. Without limiting the generality of the foregoing, the Plan as amended and restated as set forth herein as of

the Effective Time shall not adversely impact in any way any Account of any Participant under the Plan existing prior to the Effective Time, and the Merger shall constitute a Change in Ownership with respect to any such then-existing Account.

9.02 *Termination of Plan.*

The Company expects to continue this Plan, but does not obligate itself to do so. The Company, acting by the committee specified in Section 9.01 or through its Board, reserves the right to discontinue and terminate the Plan at any time, in whole or in part, for any reason (including a change, or an impending change, in the tax laws of the United States or any State), provided that such termination is done in compliance with Section 409A. Termination of the Plan will be binding on all Participants and their Beneficiaries, but in no event may such termination reduce the amounts credited at that time to any Participant's Account. If this Plan is terminated (in whole or in part), the termination resolution shall provide for how amounts theretofore credited to affected Participants' Accounts will be distributed. In accordance with these restrictions, the Company intends to have the maximum discretionary authority to terminate the Plan and make distributions in connection with a Change in Ownership, and the maximum flexibility with respect to how and to what extent to carry this out following a Change in Ownership, as is permissible under Section 409A.

ARTICLE X - MISCELLANEOUS

10.01 *Limitation on Participant's Rights.*

Participation in this Plan does not give any Participant the right to be retained in the service of the Company (or any right or interest in this Plan or any assets of the Company other than as herein provided). The Company reserves the right to terminate the service of any Participant without any liability for any claim against the Company under this Plan, except for a claim for payment of deferrals as provided herein.

10.02 *Unfunded Obligation of Company.*

The benefits provided by this Plan are unfunded. All amounts payable under this Plan to Participants are paid from the general assets of the Company. Nothing contained in this Plan requires the Company to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. Neither a Participant, Beneficiary, nor any other person shall have any property interest, legal or equitable, in any specific Company asset. This Plan creates only a contractual obligation on the part of the Company, and the Participant has the status of a general unsecured creditor of this Company with respect to amounts of compensation deferred hereunder. Such a Participant shall not have any preference or priority over, the rights of any other unsecured general creditor of the Company. No other entity guarantees or shares such obligation, and no other entity shall have any liability to the Participant or his or her Beneficiary.

10.03 *Other Plans.*

This Plan shall not affect the right of any Eligible Director or Participant to participate in and receive benefits under and in accordance with the provisions of any other benefit plans which are now or hereafter maintained by the Company, unless the terms of such other benefit

plan or plans specifically provide otherwise or it would cause such other plan to violate a requirement for tax favored treatment (or it would cause this Plan or such other plan to fail to comply with Section 409A).

10.04 *Receipt or Release.*

Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator and the Company, and the Plan Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect (provided that, to the extent the Company or the Plan Administrator require a Participant to execute a release, the release requirement shall be structured in a manner that complies with Section 409A).

10.05 *Governing Law.*

This Plan shall be construed, administered, and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Delaware (other than its laws relating to choice of law). If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

10.06 *Status as a Foreign Private Issuer.*

As of the Effective Date and for a certain period of time thereafter, the Company will qualify as a "foreign private issuer" (as defined in Rule 405 of the Securities Act of 1933, as amended from time to time, and Rule 3b-4 of the Exchange Act, which permits the Company to operate the Plan under different laws, rules or regulations than those that may be expressly referenced herein. Notwithstanding any provision of the Plan to the contrary, the Plan shall only be required to be administered in compliance with applicable laws, rules and regulations. However, the Committee, if it deems it necessary or advisable, may decide in its discretion to administer the Plan in compliance with such laws, rules and regulations as may become applicable upon the Company ceasing to qualify as a foreign private

issuer.

10.07 *Gender, Tense and Examples.*

In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Whenever an example is provided or the text uses the term “including” followed by a specific item or items, or there is a passage having a similar effect, such passage of the Plan shall be construed as if the phrase “without limitation” followed such example or term (or otherwise applied to such passage in a manner that avoids limitation on its breadth of application).

10.08 *Successors and Assigns; Nonalienation of Benefits.*

This Plan inures to the benefit of and is binding upon the parties hereto and their successors, heirs and assigns; provided, however, that the amounts credited to the Account of a Participant are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or

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involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to any benefits payable hereunder, including, any assignment or alienation in connection with a separation, divorce, child support or similar arrangement, will be null and void and not binding on the Plan or the Company. Notwithstanding the foregoing, the Plan Administrator reserves the right to make payments in accordance with a divorce decree, judgment or other court order as and when cash payments are made in accordance with the terms of this Plan from the Deferral Subaccount of a Participant. Any such payment shall be charged against and reduce the Participant’s Account.

10.09 *Facility of Payment.*

Whenever, in the Plan Administrator’s opinion, a Participant or Beneficiary entitled to receive any payment hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his or her financial affairs, the Plan Administrator may direct the Company to make payments to such person or to the legal representative of such person for his or her benefit, or to apply the payment for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment in accordance with the provisions of this section shall be a complete discharge of any liability for the making of such payment to the Participant or Beneficiary under the Plan.

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Section 6: EX-15.1 (EX-15.1)

Exhibit 15.1

8 August 2017

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We are aware that our report dated 8 August 2017 on our review of interim financial information of Janus Henderson Group plc for the three and six month periods ended 30 June 2017 and 30 June 2016 and included in the Company’s quarterly report on Form 10-Q for the quarter ended 30 June 2017 is incorporated by reference in its Registration Statement on Form S-8 dated 31 May 2017.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

London, UK

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Section 7: EX-31.1 (EX-31.1)

Exhibit 31.1

CERTIFICATION

I, Richard M. Weil, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Janus Henderson Group plc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Richard M. Weil
Richard M. Weil
Co-Chief Executive Officer

Date: August 8, 2017

A signed original of this written statement required by Section 302 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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Section 8: EX-31.2 (EX-31.2)

Exhibit 31.2

CERTIFICATION

I, Andrew J. Formica, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Janus Henderson Group plc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
1. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Andrew J. Formica

Andrew J. Formica
Co-Chief Executive Officer

Date: August 8, 2017

A signed original of this written statement required by Section 302 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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Section 9: EX-31.3 (EX-31.3)

Exhibit 31.3

CERTIFICATION

I, Roger Thompson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Janus Henderson Group plc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all

material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Roger Thompson

Roger Thompson
Chief Financial Officer

Date: August 8, 2017

A signed original of this written statement required by Section 302 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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Section 10: EX-32.1 (EX-32.1)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES- OXLEY ACT OF 2002

In connection with the quarterly report of Janus Henderson Group plc on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard M. Weil, Co-Chief Executive Officer of Janus Henderson Group plc, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Janus Henderson Group plc.

/s/ Richard M. Weil

Richard M. Weil
Co-Chief Executive Officer

Date: August 8, 2017

A signed original of this written statement required by Section 906 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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Section 11: EX-32.2 (EX-32.2)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES- OXLEY ACT OF 2002

In connection with the quarterly report of Janus Henderson Group plc on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew J. Formica, Co-Chief Executive Officer of Janus Henderson Group plc, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Janus Henderson Group plc.

/s/ Andrew J. Formica

Andrew J. Formica
Co-Chief Executive Officer

Date: August 8, 2017

A signed original of this written statement required by Section 906 has been provided to Janus Henderson Group plc and will be retained by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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Section 12: EX-32.3 (EX-32.3)

Exhibit 32.3

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES- OXLEY ACT OF 2002

In connection with the quarterly report of Janus Henderson Group plc on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger Thompson, Executive Vice President and Chief Financial Officer of Janus Henderson Group plc, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Janus Henderson Group plc.

/s/ Roger Thompson

Roger Thompson
Executive Vice President and
Chief Financial Officer

Date: August 8, 2017

A signed original of this written statement required by Section 906 has been provided to Janus Henderson Group plc and will be retained

by Janus Henderson Group plc and furnished to the Securities and Exchange Commission or its staff upon request.

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