

# 2015 ANNUAL GENERAL MEETING

47 Esplanade, St Helier, Jersey, JE1 0BD  
Company registration number: 101484  
ABN: 67 133 992 766

## AGM details

Thursday, 30 April 2015

### London, United Kingdom

Starts 9.00am (London time)

201 Bishopsgate, London, EC2M 3AE

### Sydney, Australia

Starts 6.00pm (Sydney time)

Hilton Hotel, 488 George Street, Sydney NSW 2000

This booklet contains:

- Information about who may vote at the meeting, and how they may vote (pages 3 and 4)
- The formal Notice of Annual General Meeting containing the resolutions proposed to be put at the meeting (pages 5 to 7)
- Explanatory Notes which set out an explanation of the business to be conducted at the meeting (pages 8 to 15)
- Maps of the meeting locations (page 16)

## Need Help?

If you have any questions, you can phone the Shareholder Information Line on:

### United Kingdom

01534 281842

### Australia

1300 137 981

### New Zealand

0800 888 017

## This document is important and requires your immediate attention

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

If you have sold or otherwise transferred all your shares in the company, please send this document and the accompanying documents to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# Letter from the Chairman

Dear Shareholder

## **I would like to invite you to the 2015 Annual General Meeting (AGM) of Henderson Group plc (Henderson Group).**

The AGM will take place on 30 April 2015 in London, with a simultaneous broadcast to a venue in Sydney. The details of the venues are set out on pages 1, 5 and 16. If you cannot attend the meeting, you can listen to the AGM via our website [www.henderson.com/AGM2015](http://www.henderson.com/AGM2015).

This year, there are some proposed changes being made to the operation of the Henderson Group plc Long Term Incentive Plan (LTIP) that impact on the Directors' Remuneration Policy. Having regard to some of the proposed changes being made to the terms of the LTIP, to ensure that the conditions of ASX Listing Rule 7.2, Exception 9 continue to be satisfied in relation to the LTIP, renewed approval of the LTIP is being sought at this AGM. This means that any new shares issued under the LTIP are not taken into account in assessing the limit on the number of new shares that can otherwise be issued without shareholder approval in accordance with ASX Listing Rule 7.1. Further details of the proposed amendments to the LTIP together with a summary of the LTIP terms are set out on pages 10 to 13.

Although we submitted the Directors' Remuneration Policy for an advisory vote last year, you should note that we will offer a further advisory vote at the 2015 AGM. This is to reflect the fact that we have made a number of material changes from the previously approved policy, particularly in relation to the operation of the LTIP, as a result of which we believe it is appropriate to offer our shareholders the opportunity for a further advisory vote. The rationale for, and detail of, these changes is set out on pages 60 to 73 of the Annual Report and Accounts. Provided shareholders approve the policy this year and in the absence of any material changes, it will stand for a period of three years and will not be re-submitted for a further advisory vote until the 2018 AGM.

This document contains the resolutions on which shareholders are asked to vote and accompanying notes that provide an explanation of the business to be conducted at the AGM. All resolutions are matters typically dealt with at our AGM and, in accordance with the UK Corporate Governance Code, all Directors will be seeking reappointment at the AGM. You should read the entire document before deciding how to vote.

### **Voting procedures**

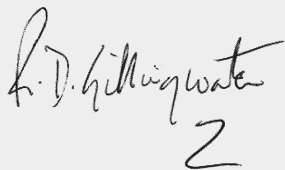
If you would like to vote, you may do so:

- By attending and voting at the meeting on Thursday, 30 April 2015. If you are a CDI holder and wish to attend the meeting, please read the voting instructions on page 4; or
- By appointing someone as your proxy to attend and vote for you at the meeting. To appoint someone, use either the enclosed Proxy Form/CDI Voting Instruction Form or go to the Henderson Group website at [www.henderson.com/AGM2015](http://www.henderson.com/AGM2015) to appoint someone online. Instructions about how to complete the form are set out on the front of the Proxy Form and the back of the CDI Voting Instruction Form.

There are different voting procedures depending on whether you hold your shares on the London Stock Exchange or if you have CDIs quoted on the Australian Securities Exchange. Please read the voting instructions on pages 3 and 4 carefully to ensure you are aware of the arrangements affecting you. Your Proxy Form or CDI Voting Instruction Form (either online or paper) needs to be lodged so that it reaches Henderson Group's Share Registry by the time and date specified on your form.

The Board considers all of the proposed resolutions to be in the best interests of the Company and shareholders as a whole, and recommends that you vote FOR all the resolutions at the AGM.

Yours sincerely



**Richard Gillingwater**  
Chairman

2 March 2015

# Voting information for holders of ordinary shares other than CDI holders

## Who can vote at the meeting?

Only those members entered in the register of members of Henderson Group as at 6.00pm (London time) on 28 April 2015 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## How can you vote at the meeting?

You may attend the meeting in person or appoint either one or more persons as proxies (who need not be a member of Henderson Group) to attend, speak and vote on your behalf. If you wish to appoint more than one proxy, please copy the enclosed Proxy Form.

## Who can be a proxy?

You may appoint anyone as your proxy, including the Chairman of the meeting. A proxy need not be a shareholder of Henderson Group.

## What happens if you appoint more than one proxy?

A member may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares. If you appoint more than one proxy, then on each Proxy Form you must specify the number of shares for which each proxy is appointed. If you appoint more than one proxy, each proxy will be entitled to vote on a show of hands (when they will have one vote) and on a poll (when each proxy will have one vote for every share to which their appointment relates except in the case of a proxy appointed by the Depository Nominee).

## How do you submit your proxy instructions?

- **By internet** via the Henderson Group website at [www.henderson.com/AGM2015](http://www.henderson.com/AGM2015). To use this facility, you will need your Control Number, unique PIN and your Shareholder Reference Number (SRN). These numbers are shown on your Proxy Form, email bulletin or Notice of Annual General Meeting and Annual Report. We will assume you have signed the Proxy Form if you lodge it in accordance with the instructions on the website;
- **By mail** to the Henderson Group Share Registry, using the enclosed reply-paid envelope or by posting it to: Henderson Group Share Registry, Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or
- **By CREST** message. If you are a CREST system user (including a CREST personal member) you can submit proxy instructions by having an appropriate CREST message transmitted. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings, please refer to the CREST manual. Henderson Group may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

## What is the last time for receiving your proxy?

The latest time for receipt of Proxy Forms sent by mail, by CREST message and proxy instructions submitted via the internet is 9.00am (London time) on Tuesday, 28 April 2015. If your proxy instructions (and any supporting documents) are not received by then, your proxy appointment will not be effective.

## What if a proxy is appointed under a power of attorney or other authority?

Proxy instructions given under authority on behalf of a holder of ordinary shares must be submitted by mailing a Proxy Form.

If the Proxy Form is signed under a power of attorney or other authority on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or other authority, or a certified copy, is sent to Henderson Group's Share Registry so as to arrive no later than 9.00am (London time) on Tuesday, 28 April 2015 unless it has previously been lodged with Henderson Group.

## How does a shareholder that is a UK company execute the Proxy Form?

If the holder of ordinary shares submitting proxy instructions is a UK company, then it must execute the Proxy Form in one of the following ways:

- By having two directors or a director and a secretary of the company sign the Proxy Form;
- By having a director of the company sign in the presence of a witness who attests the signature;
- By having a duly authorised officer or attorney sign the Proxy Form (in which case the shareholder must send with the Proxy Form the original, or a certified copy, of the document authorising the attorney or representative); or
- If the company has a common seal, by affixing the common seal in accordance with the company's constitution.

## Does a proxy have to vote?

Your proxy can decide whether or not to attend the meeting and, if he or she attends, can decide whether or not to vote. Therefore, you should nominate someone you can trust.

## Can a proxy vote in favour or against, as he or she wishes?

If a proxy decides to attend the meeting, and the holder of ordinary shares directs the proxy how to vote on an item of business, then the proxy should only vote on that item of business in the way the holder of ordinary shares directed. Or, if the holder of ordinary shares does not direct the proxy how to vote on an item of business, then the proxy may vote in favour, against or abstain on that item.

The proxy will also have discretion to vote as he or she thinks fit on any other business which may properly come before the meeting including amendments to any resolution, and at any adjourned meeting.

## How will the Chairman vote as proxy if he has not been directed how to vote?

If a holder of ordinary shares appoints the Chairman of the meeting as proxy and does not direct the Chairman how to vote on an item of business, then when the Chairman votes as proxy on a poll, his current intention is to vote in favour of each of the proposed resolutions. The Chairman's intention necessarily expresses his intention at the date the 2015 AGM notice was printed prior to circulation to shareholders and therefore, in exceptional circumstances, the Chairman's intention may change subsequently.

## Persons nominated to receive information rights

The proxy rights set out above do not apply to persons nominated by a shareholder to receive information rights pursuant to Article 80 of the Company's Articles of Association. Persons nominated to receive information rights under Article 80 that have been sent this notice of meeting are hereby informed that they may have the right under an agreement with the registered shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they do not have such a right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the registered shareholder as to the exercise of voting rights. Nominated persons should contact the registered shareholder who nominated them in respect of these arrangements.

# Voting information for CDI holders

## Who can vote at the meeting?

Only those CDI holders entered in the register of CDI holders of Henderson Group as at the close of business on Tuesday 28 April 2015 or, if this meeting is adjourned, in the register of CDI holders 48 hours before the time of any adjourned meeting, shall be entitled to provide voting instructions to CHES Depositary Nominees Pty Limited (CDN) in respect of the number of CDIs registered in their name at that time. Changes to entries in the register of CDI holders after that time shall be disregarded in determining the rights of any CDI holders to provide voting instructions to CDN in regard to this meeting.

## How can you exercise your voting rights?

You can exercise your voting rights by directing CDN how to vote on each of the resolutions in respect of your CDIs. If instead you wish to attend the meeting (or you would like someone else to attend on your behalf), you can exercise your voting rights by submitting instructions to CDN to appoint you or your representative as proxy. Your representative can be the Chairman. You can direct your representative how to vote on each of the resolutions in respect of your CDIs at the meeting.

## Who can be a proxy?

You may instruct CDN to appoint yourself or any other person (including the Chairman of the meeting) as its proxy in respect of your CDIs. A proxy need not be a shareholder of Henderson Group.

## How do you submit your voting instructions?

- **By internet** via the Henderson Group website at [www.henderson.com/AGM2015](http://www.henderson.com/AGM2015). To use this facility you will need your Shareholder Reference Number, which is shown on your Voting Instruction Form, and your registered post code or country of residence if outside Australia. We will assume you have signed the Voting Instruction Form if you lodge it in accordance with the instructions on the website;
- **By mail** by sending the Voting Instruction Form enclosed to Computershare Investor Services Pty Limited, using the enclosed reply-paid envelope or by posting it to Computershare Investor Services Pty Limited, GPO Box 4578, Melbourne VIC 3001, Australia; or Private Bag 92119, Auckland 1142, New Zealand; or
- **By facsimile** by faxing the Voting Instruction Form enclosed to 03 9473 2555 in Australia or 09 488 8787 in New Zealand.

## What is the last date for submitting your voting instructions or instructing CDN to appoint a proxy on your behalf?

If you are directing CDN to vote on your behalf, the latest time for receipt of Voting Instruction Forms (and any necessary supporting documents) via post or by fax or voting instructions by internet, is 6.00pm (Sydney time) on Tuesday, 28 April 2015.

If you are directing CDN to appoint you, the Chairman or someone else as proxy in relation to your CDIs, the latest time for receipt of Voting Instruction Forms (and any necessary supporting documents) via post or by fax, or voting instructions by internet, is 6.00pm (Sydney time) on Tuesday, 28 April 2015.

If your Voting Instruction Form (and any necessary supporting documents) is not received by then, your proxy appointment will not be effective.

## What if voting instructions are submitted under a power of attorney or other authority?

Voting Instructions given under authority on behalf of a CDI holder must be submitted by mailing or faxing the Voting Instruction Form.

If the Voting Instruction Form is signed under a power of attorney or other authority on behalf of a CDI holder, then the attorney must make sure that either the original power of attorney or other authority, or a certified copy, is sent to Computershare Investor Services Pty Limited so as to arrive by the date specified on the form unless it has previously been lodged with Henderson Group.

## How does a CDI holder that is an Australian or New Zealand company execute the Voting Instruction Form?

If the CDI holder executing voting instructions is an Australian or New Zealand company, then it must execute a Voting Instruction Form in one of the following ways:

- By having two directors or a director and a secretary of the company sign the Voting Instruction Form;
- If the company has one director who is also the company secretary of the company (or the company does not have a secretary), by having that director sign it;
- By having a duly authorised officer or attorney sign the Voting Instruction Form (in which case the CDI holder must send with the Voting Instruction Form the original, or a certified copy, of the document authorising the attorney or representative); or
- If the company has a common seal, by affixing the common seal in accordance with the company's constitution.

## Does a proxy have to vote?

Your proxy can decide whether or not to attend the meeting and, if he or she attends, can decide whether or not to vote. Therefore, you should nominate someone you can trust.

## Can a proxy vote in favour or against, as he or she wishes?

If a proxy decides to attend the meeting, and the CDI holder directs the proxy how to vote on an item of business, then the proxy should only vote on that item of business in the way the CDI holder directed. Or, if the CDI holder does not direct the proxy how to vote on an item of business, then the proxy may vote in favour, against or abstain on that item.

The proxy will also have discretion to vote as he or she thinks fit on any other business which may properly come before the meeting including amendments to any resolution, and at any adjourned meeting.

## How will the Chairman vote as proxy if he has not been directed how to vote?

If a CDI holder instructs CDN to appoint the Chairman of the meeting as proxy and does not direct the Chairman how to vote on an item of business, then when the Chairman votes as proxy on a poll, his current intention is to vote in favour of each of the proposed resolutions. The Chairman's intention necessarily expresses his intention at the date the 2015 AGM notice was printed prior to circulation to shareholders and therefore, in exceptional circumstances, the Chairman's intention may change subsequently.

# Notice of Annual General Meeting

The Annual General Meeting (AGM) of shareholders of Henderson Group plc (the Company) will be held on Thursday, 30 April 2015 at 201 Bishopsgate, London, EC2M 3AE at 9.00am (London time) and simultaneously broadcast to Hilton Hotel, 488 George Street, Sydney, NSW 2000, Australia at 6.00pm (Sydney time).

## Items of Business

Resolutions 1 to 16 set out below will be proposed as ordinary resolutions. An ordinary resolution will be passed if more than 50% of the votes cast are in favour. Resolution 17 requires a three-quarters majority under the Company's Articles of Association and will be passed if 75% or more of the votes cast are in favour. Resolutions 18 and 19 will be proposed as special resolutions and will be passed if two-thirds or more of the votes cast are in favour.

### Resolution 1: Directors' Report and Accounts

To receive the accounts of the Company for the financial year ended 31 December 2014 and the reports of the Directors and Auditors thereon.

### Resolution 2: Directors' Remuneration Report

To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy set out in Resolution 3 below) for the financial year ended 31 December 2014.

### Resolution 3: Directors' Remuneration Policy

To approve the Director's Remuneration Policy set out in pages 62 to 73 of the Directors' Remuneration Report in the Annual Report and Accounts for the financial year ended 31 December 2014.

### Resolution 4: Dividend

To declare a final dividend for the financial year ended 31 December 2014 of 6.40 pence per ordinary share of the Company, as recommended by the Directors, such dividend to be due and payable on 29 May 2015.

### Resolution 5: Reappointment of Existing Director

To reappoint Ms S F Arkle as a Director of the Company.

### Resolution 6: Reappointment of Existing Director

To reappoint Mr K C Dolan as a Director of the Company.

### Resolution 7: Reappointment of Existing Director

To reappoint Mr A J Formica as a Director of the Company.

### Resolution 8: Reappointment of Existing Director

To reappoint Mr R D Gillingwater as a Director of the Company.

### Resolution 9: Reappointment of Existing Director

To reappoint Mr T F How as a Director of the Company.

### Resolution 10: Reappointment of Existing Director

To reappoint Mr R C H Jeens as a Director of the Company.

### Resolution 11: Reappointment of Existing Director

To reappoint Ms A C Seymour-Jackson as a Director of the Company.

### Resolution 12: Reappointment of Existing Director

To reappoint Mr R M J Thompson as a Director of the Company.

### Resolution 13: Reappointment of the Auditors

To reappoint PricewaterhouseCoopers LLP as Auditors to the Company until the conclusion of the next general meeting at which accounts are laid.

### Resolution 14: Remuneration of the Auditors

To authorise the Directors to agree the remuneration of the Auditors.

### Resolution 15: Henderson Group plc Long Term Incentive Plan

That:

- (a) the Henderson Group plc Long Term Incentive Plan (LTIP) be amended to introduce a holding period following the vesting of awards, to change the performance conditions and to extend the malus and clawback terms, and the LTIP as amended, the main features of which are summarised in the Explanatory Notes to this Notice of Annual General Meeting, and any issue of securities under the LTIP, be approved for all purposes (including for the purposes of ASX Listing Rule 7.2, Exception 9); and
- (b) without limitation, the Board be authorised to establish further incentive arrangements for the benefit of employees in jurisdictions outside the United Kingdom based on the LTIP, subject to such modifications as may be necessary or desirable to take into account local securities laws, exchange control and tax legislation, provided that any limit on individual or overall participation in the LTIP will apply to such further incentive arrangements.

### Resolution 16: Authority to allot shares

That, pursuant to Article 9 of the Company's Articles of Association and generally, the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in the Articles of Association):

- (a) up to a nominal amount of £47,501,641; and
- (b) comprising equity securities (as defined in the Articles of Association) up to a nominal amount of £95,003,282 (including within such limit any shares issued under paragraph (a) above) in connection with an offer by way of a rights issue to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

for the period expiring on the date of the AGM of the Company to be held in 2016 or, if earlier, on 1 August 2016 (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors of the Company may allot relevant securities pursuant to such offer or agreement as if the authority conferred on them hereby had not expired.

# Notice of Annual General Meeting continued

## Resolution 17: Limited disapplication of pre-emption rights

That, pursuant to Article 12 of the Company's Articles of Association and generally, the Directors be and are hereby generally and unconditionally given power to allot equity securities (as defined in the Articles of Association) for cash pursuant to the authority conferred by Resolution 16 as if the pre-emption rights set out within Article 10 of the Articles of Association did not apply to any such allotment, such power to be limited:

- (a) to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under Resolution 16(b), by way of a rights issue only) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (b) in the case of the authority granted under Resolution 16(a), to the allotment (otherwise than under paragraph (a) above) of equity securities up to a nominal amount of £7,125,246;  
such power to apply for the period expiring on the date of the AGM of the Company to be held in 2016 or, if earlier, on 1 August 2016 (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities pursuant to such offer or agreement as if the authority conferred on them hereby had not expired.

## Resolution 18: Authority to purchase own shares

That, pursuant to Article 57 of the Companies (Jersey) Law 1991, the Company be and is hereby generally and unconditionally authorised to make purchases on a stock exchange of its ordinary shares of 12.5 pence each, subject to the following conditions:

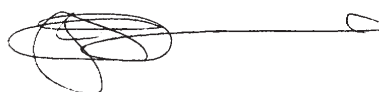
- (a) the maximum number of ordinary shares authorised to be purchased is 114,003,938 minus the number of shares purchased pursuant to Resolution 19;
- (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 12.5 pence (being the nominal value of an ordinary share);
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading system (SETS);
- (d) this authority shall expire at the close of the AGM of the Company held in 2016 or 1 November 2016, whichever is earlier;
- (e) a contract to purchase shares under this authority may be made before this authority expires, and concluded in whole or in part after this authority expires; and
- (f) pursuant to Article 58A of the Companies (Jersey) Law 1991, the Company may hold as treasury shares any ordinary shares of the Company purchased pursuant to the authority conferred in this Resolution.

## Resolution 19: Contingent Purchase Contract

That the Company be and is hereby generally and unconditionally authorised (pursuant to Article 57 of the Companies (Jersey) Law 1991) to enter into a contingent purchase contract between the Company and Merrill Lynch International and Merrill Lynch Equities (Australia) Limited (together "Merrill Lynch") as identified in the contract (a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification) (CP Contract), providing for the purchase by the Company of ordinary shares of 12.5 pence each converted from CHESSE Depositary Interests (CDIs) substantially on the terms set out in the CP Contract and to purchase ordinary shares of 12.5 pence each pursuant to such CP Contract subject to the following conditions:

- (a) the maximum number of ordinary shares authorised to be purchased under the CP Contract is 114,003,938 minus the number of shares purchased pursuant to Resolution 18;
- (b) the minimum price (exclusive of expenses) which may be paid by Merrill Lynch for each CDI is the Australian dollar equivalent of 12.5 pence per CDI;
- (c) the maximum price (exclusive of expenses) which may be paid by Merrill Lynch for each CDI is an amount which is equal to 105% of the average of closing prices for CDIs over the previous five days on which sales of CDIs were recorded on the Australian Securities Exchange;
- (d) the price to be paid by the Company for such ordinary shares is the price paid by Merrill Lynch for the relevant CDI plus any stamp duty, stamp duty reserve tax, or other applicable transfer tax relating to CDIs purchased by Merrill Lynch;
- (e) this authority shall expire at the close of the AGM of the Company held in 2016 or 1 November 2016, whichever is earlier; and
- (f) pursuant to Article 58A of the Companies (Jersey) Law 1991, the Company may hold as treasury shares any ordinary shares of the Company purchased pursuant to the authority conferred in this Resolution.

By Order of the Board



**Ms Jacqui Irvine**  
Company Secretary

2 March 2015

Henderson Group plc  
Registered office: 47 Esplanade, St Helier, Jersey, JE1 0BD  
Registered in Jersey no. 101484. ABN: 67 133 992 766

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## Notes

### Determination of entitlement to attend and vote at the meeting

The Company, pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, specifies that only those members entered in the register of members of Henderson Group plc at 6.00pm (London time) Tuesday, 28 April 2015 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting. Shareholders other than CDI holders should read the voting instructions on page 3 and CDI holders should read the voting instructions on page 4.

### Documents available for inspection

The following documents are available for inspection during normal business hours at 47 Esplanade, St Helier, Jersey, JE1 0BD and at 201 Bishopsgate, London, EC2M 3AE from 2 March 2015 until the conclusion of the AGM, and will also be available for inspection at the AGM venue from 8.45am (London time) prior to and during the AGM itself:

- (a) copies of the Directors' service contracts or letters of appointment with the Company;
- (b) the biographies of all Directors;
- (c) the rules of the amended LTIP referred to in Resolution 15; and
- (d) the CP Contract referred to in Resolution 19.

### Proxies

All shareholders entitled to attend and vote are entitled to appoint a proxy to attend, speak and vote in their place. A member may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares. A proxy need not be a shareholder of the Company. If a CDI holder wishes to attend the meeting (or would like someone else to attend on their behalf) then instructions must be submitted to CDN to appoint the CDI holder or their representative as a proxy. Please see pages 3 and 4 for further details for holders of ordinary shares and CDI holders respectively.

This right does not apply to persons nominated by a member to receive information rights under Article 80 of the Company's Articles of Association (which reflect the provisions of section 146 to 149 (other than section 147(4)) of the UK Companies Act 2006). Persons nominated to receive information rights under Article 80 of the Company's Articles of Association that have been sent this notice of meeting are hereby informed that they may have the right under an agreement with the registered shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

### Total Voting Rights

As at 2 March 2015 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 1,140,854,910 ordinary shares of 12.5 pence, carrying one vote each. The Company held nil ordinary shares in treasury at 2 March 2015. Therefore, the total voting rights in the Company as at 2 March 2015 were 1,140,854,910.

### Members' requests under Article 81 of the Company's Articles of Association

Under Article 81 of the Company's Articles of Association (Article 81), members meeting the threshold requirements set out in that Article have the right to require the Company to publish a statement on a website setting out any matter relating to:

- (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or
- (b) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Article 81. Where the Company is required to place a statement on a website pursuant to Article 81, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required pursuant to Article 81 to publish on a website.

### Sending documents relating to the meeting to the Company

Any documents or information relating to the proceedings at the meeting may only be sent to the Company in one of the ways set out on pages 3 and 4.

### CHES Depository Nominee's Financial Services Guide

To obtain a copy of the CHES Depository Nominee's Financial Services Guide, go to [http://www.asx.com.au/documents/settlement/CHES\\_Depositary\\_Interests.pdf](http://www.asx.com.au/documents/settlement/CHES_Depositary_Interests.pdf) or phone 131 279 (from Australia) if you would like one sent to you by mail.

### Important Information

This document is important. If you are in any doubt as to the action you should take, please contact your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

# Explanatory notes

## The information below is an explanation of the business to be considered at the 2015 AGM.

### Resolution 1: Directors' Report and Accounts

The Directors are required to present the following reports in respect of the financial year ended 31 December 2014 to the meeting:

- The Annual Report and Accounts (which includes the financial statements); and
- The Directors' Report and the Auditors' Report.

Shareholders will be given an opportunity at the meeting to ask questions and make comments on these reports and accounts and on the business, operations and management. At the end of the discussion, shareholders will be invited to vote to receive the reports and the accounts.

### Resolution 2: Directors' Remuneration Report

The Annual Report and Accounts contain the Directors' Remuneration Report, which sets out the remuneration arrangements for Executive Directors and Non-Executive Directors for the financial year ending 31 December 2014. This resolution excludes the Directors' Remuneration Policy which will be voted on separately in Resolution 3 below. The shareholder vote on the Directors' Remuneration Report will be advisory only.

### Resolution 3: Directors' Remuneration Policy

Although Henderson Group is incorporated in Jersey and is not subject to the Companies Act 2006, we put the Directors' Remuneration Policy in the Directors' Remuneration Report to a non-binding advisory vote at the 2014 AGM. We also informed shareholders that the Remuneration Committee would take the outcome of the vote into consideration when implementing the policy.

This year, there are some proposed changes being made that impact on the Directors' Remuneration Policy and as a matter of good practice we are seeking shareholder approval at the 2015 AGM for a revised Directors' Remuneration Policy to take account of these changes. The shareholder vote on the Directors' Remuneration Policy will be advisory only.

A summary of the proposed changes is set out in the Statement of the Chairman of the Remuneration Committee, set out on page 60 of the Annual Report and Accounts.

### Resolution 4: Dividend

This Resolution seeks authority for the Company to pay a final dividend to shareholders for the financial year ended 31 December 2014, as recommended by the Directors. If approved, the dividend will be paid on 29 May 2015 to all ordinary shareholders who are on the register on 8 May 2015.

### Resolutions 5 to 12: Reappointment of existing Directors

In accordance with the UK Corporate Governance Code, all Directors are offering themselves for reappointment.

#### Sarah Arkle

Independent Non-Executive Director since September 2012. Chair of the Board Risk Committee and a member of the Audit, Nomination and Remuneration Committees.

#### Experience

Ms Arkle has been in the financial services industry for over 32 years. She joined Allied Dunbar Asset Management in 1983 which became Threadneedle in 1994. She was Vice Chairman of Threadneedle until the end of July 2012 and was Chief Investment Officer until December 2010, a role she held for 10 years. She was instrumental in establishing Threadneedle's investment process and recruiting a number of the firm's senior fund managers. Previously, Ms Arkle worked at the Far Eastern stockbroker WI Carr (Overseas) Limited and was an advisor to the South Yorkshire Pension Fund. She is currently a Non-Executive Director of Foreign & Colonial Investment Trust plc and a member of the Newnham College, Cambridge Investment Committee. Ms Arkle is also a Non-Executive Director of JPMorgan Emerging Markets Investment Trust plc.

#### Kevin Dolan

Independent Non-Executive Director since September 2011 and a member of the Board Risk, Nomination and Remuneration Committees.

#### Experience

Mr Dolan has been in the financial services industry for 35 years and has extensive experience in M&A transactions, both in Europe and the US. Mr Dolan has held various executive positions, including as Chief Executive of the Asset Management Division of Bank of Ireland Group and Chief Executive of Edmond de Rothschild Asset Management. He spent 10 years with the AXA Group where he was Chief Executive Officer of AXA Investment Managers Paris, and Global Deputy Chief Executive Officer of AXA Investment Management. He was Chief Executive of La Fayette Investment Management in London from 2006 until 2009. Mr Dolan has been a Director on a number of boards in Europe and the US, including DLJ and Alliance Capital. Mr Dolan is the founding partner of Anafin LLC and a Director of Meeschaert Gestion Privée.

#### Andrew Formica

Chief Executive. Executive Director since November 2008.

#### Experience

Mr Formica has been with the firm and in the fund management industry since 1993. He has held various senior roles with the Group and he has been a member of the Executive Committee since 2004. Prior to being appointed Chief Executive of the Company, he was Joint Managing Director of the Listed Assets business (from September 2006) and was Head of Equities (since September 2004). In the early part of his career, he was an equity manager and analyst for the Group. Mr Formica is a member of the Board of The Investment Association and Director of TIAA Henderson Real Estate Limited.



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### **Richard Gillingwater**

Non-Executive Director since February 2013 and Chairman since May 2013. Chairman of the Nomination Committee.

#### **Experience**

Mr Gillingwater was Dean of Cass Business School until 2013. Prior to this he spent 10 years at Kleinwort Benson, before moving to BZW and, in due course, becoming joint Head of Corporate Finance and then latterly Chairman of European Investment Banking at Credit Suisse First Boston. He was Chief Executive and later Chairman of the Shareholder Executive, Chairman of CDC Group plc and has also been a Non-Executive Director of P&O, Debenhams, Tomkins, Qinetiq Group and Kidde. Mr Gillingwater is the Senior Independent Director of Helical Bar plc. He is also currently Deputy Chairman of SSE plc and will become Chairman towards the end of 2015. Mr Gillingwater resigned as Senior Independent Director of Hiscox Ltd with effect from 20 May 2015 and as a Non-Executive Director of Wm Morrison Supermarkets Plc with effect from 4 June 2015.

### **Tim How**

Independent Non-Executive Director since November 2008 and Senior Independent Director since January 2010. Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees.

#### **Experience**

Mr How has extensive business experience. He was Chief Executive of Majestic Wine PLC from 1989 until August 2008 and was formerly Managing Director of Bejam Group Plc. He was Chairman of Downing Income VCT 4 Plc until December 2013, Deputy Chairman of the Peabody Trust and Non-Executive Director of Peabody Capital plc until February 2014. Mr How is Chairman of both Woburn Enterprises Limited and Roys (Wroxham) Ltd. He is also Non-Executive Director of Dixons Carphone plc and Senior Independent Director of the Norfolk and Norwich University Hospitals NHS Foundation Trust.

### **Robert Jeens**

Independent Non-Executive Director since July 2009. Chairman of the Audit Committee and a member of the Nomination and Board Risk Committees.

#### **Experience**

Mr Jeens has extensive experience of financial services initially as an audit partner in Touche Ross & Co and subsequently as Finance Director of Kleinwort Benson Group plc and Woolwich plc. His previous Non-Executive Director appointments include the Chairman of nCipher plc and the Deputy Chairman of Hepworth plc. Mr Jeens was a Director of The Royal London Mutual Insurance Society Limited from 2003 to May 2012. Mr Jeens resigned as a Non-Executive Director of TR European Growth Trust PLC on 30 June 2014. Mr Jeens is Non-Executive Director of JPMorgan Russian Securities plc and Chairman of Allianz Technology Trust plc (previously RCM Technology Trust plc).

### **Angela Seymour-Jackson**

Independent Non-Executive Director since January 2014 and a member of the Board Risk, Nomination and Remuneration Committees.

#### **Experience**

Ms Seymour-Jackson has over 20 years' experience in retail financial services. She has held various senior marketing and distribution roles in Norwich Union Insurance, General Accident Insurance, CGU plc and Aviva. She was Chief Executive Officer of RAC Motoring Services Limited from 2010 until 2012 and led the sale to Carlyle. She joined Aegon UK in May 2012 and was appointed Managing Director of the Workplace Solutions Division in December 2012. Ms Seymour-Jackson is also a Non-Executive Director of Rentokil Initial plc.

### **Roger Thompson**

Chief Financial Officer, Executive Director since June 2013.

#### **Experience**

Mr Thompson joined Henderson Group from J.P. Morgan Asset Management where most recently he was Global Chief Operating Officer and was previously Head of UK and prior to that International CFO. In his 19 year career at J.P. Morgan, Mr Thompson held a broad range of roles and worked internationally, spending time in Tokyo, Singapore and Hong Kong. He has wide-ranging asset management experience, both in the UK and internationally. Mr Thompson is a member of the Steering Committee of ICI Global.

Pursuant to good corporate governance, the Chairman confirms that following their independent formal performance evaluation, the performance of each Director continues to be effective and they continue to demonstrate commitment to their roles as Directors, including their commitment of time for board and committee meetings and any other duties. The Board supports the reappointment of each of the Directors.

In accordance with the UK Corporate Governance Code, the Board has reviewed the independence of its Non-Executive Directors and has determined that they remain independent in character and judgement.

## Explanatory notes continued

### Resolution 13: Reappointment of the Auditors

Pursuant to the Companies (Jersey) Law 1991, shareholders are required to approve the reappointment of the Company's Auditors each year and the appointment runs until the conclusion of the next AGM (unless they are removed by resolution of the Company in general meeting).

### Resolution 14: Remuneration of the Auditors

This Resolution gives authority to the Directors to agree the Auditors' remuneration.

A summary of the Auditors' remuneration during 2014 is included in note 4.2 on page 112 of the Annual Report and Accounts.

### Resolution 15: Amendments to and renewal of shareholder approval of the Henderson Group plc Long Term Incentive Plan ("LTIP")

This note explains the amendments being proposed to the LTIP under Resolution 15 in relation to the introduction of a holding period following the vesting of awards, changes to the performance conditions and changes to the existing malus and clawback terms. It also explains that certain approvals are being sought for ASX Listing Rules purposes.

#### Proposed Amendments to the LTIP

##### Introduction of a holding period following vesting of awards

The LTIP enables selected employees and Executive Directors of the Henderson Group to be granted performance related share awards entitling them to acquire a number of ordinary shares as determined by reference to the corporate performance of the Company over a performance period specified by the Remuneration Committee. In the normal course, two thirds of the award is eligible to vest after three years subject to performance measured over a three year period and one third of the award is eligible to vest after four years, subject to performance measured over a four year period.

#### Proposed Performance Conditions for 2015:

Measure	Weight	Threshold performance	Threshold vest	Threshold for 100% vesting	Further detail
Relative total Shareholder Return (average ASX/FTSE performance)	50%	50th percentile	25%	75th percentile	Performance will comprise the simple average of the Company's percentile ranking against: <ul style="list-style-type: none"> <li>the FTSE 350</li> <li>the ASX 100</li> </ul> In addition, the Remuneration Committee must be satisfied that the TSR outcome reflects the Company's underlying financial performance.
Net fund flows	15%	Average annual flows as a percentage of total AUM of 3.5%	25%	Average annual flows as a percentage of total AUM of 7%	Funds which are acquired by Henderson during the performance period are excluded from the calculation, unless the Remuneration Committee determines otherwise.
3 year investment Performance	15%	55% of funds at or exceeding benchmark performance	25%	70% of funds at or exceeding benchmark performance	Investment Performance is assessed over a 3 year period. The percentage of funds meeting or exceeding benchmark is calculated on an asset-weighted basis.
Strategic measures					
Average annual growth in operating margin	10%	0.5%	25%	1%	This performance condition incentivises improvements in business efficiency as evidenced by the average improvement in operating margin over the relevant performance period.
People strategy	10%	Assessment by the Remuneration Committee, between minimum threshold performance (25% vesting) and stretch performance (100% vesting)			Assessment by the Remuneration Committee against a range of people metrics including (but not limited to) culture, conduct, engagement survey results, retention and succession plan.

It is proposed that an additional holding period be imposed following vesting of an award as set out in the table below.

Tranche	Proportion	Vesting/ Performance Period	Additional Holding Period
Tranche 1	2/3	3 years	2 years
Tranche 2	1/3	4 years	1 year

During the holding period, awards shall be released (or awards in the form of options may be exercised) as currently, and Shares may be sold by participants to fund any income tax or social security liability. However, participants will be prohibited from selling or otherwise dealing in the remaining Shares until the expiry of the holding period. Upon becoming a shareholder (including following the exercise of options), participants will be entitled to receive dividends and exercise voting rights on Shares held subject to the holding period.

A holding period shall expire early on the occurrence of a takeover or other corporate event affecting the Company. In exceptional circumstances, or in the event of a participant's death or terminal illness, the Remuneration Committee may determine that the holding period need not apply.

#### Amendments to performance conditions

For 2014, the performance conditions were based on TSR (95% of the award) and non-financial risk and sustainability metrics (5% of the award).

The proposed performance conditions for 2015 are set out in the table below.

Vesting between the thresholds, as set out in the table, will be on a straight line basis.

LTIP outcomes are subject to risk adjustment by the Remuneration Committee taking into account the recommendations of the Board Risk Committee in relation to the nature and incidence of risk events, and an overall assessment of risk management over the vesting period.

Changes to these performance conditions (including the measures used and the weightings) may be made in future years at the discretion of the Remuneration Committee).

### Changes to malus and clawback

Currently, awards enable the forfeiture or reduction of unvested awards where the Board determines that there has been a material misrepresentation of the performance of the Company and/or the participant (including a misstatement of the financial results of the Company), that there is reasonable evidence of misbehaviour, or that there has been a material failure of risk management. In addition, the terms of the LTIP enable amounts received on vesting to be clawed back where the Board determines that there has been a material misrepresentation in relation to performance or where the participant is dismissed for misconduct.

These current malus and clawback provisions will be maintained and will be enhanced by the addition of a further malus provision which may be applied in the event of a material downturn in performance of the Company or a relevant fund, business unit or participant. Clawback will also be applicable on a material failure of risk management and for three years following vesting (rather than, as currently, two years).

### Proposed approval for the purposes of ASX Listing Rule 7.2, Exception 9

Under ASX Listing Rule 7.1, without the approval of the Company's shareholders, the Company must not issue or agree to issue more than 15% of its shares, or securities convertible into shares (such as options), in the 12 months before the date of issue, subject to certain exceptions. ASX Listing Rule 7.2 provides a number of exceptions to this limitation. One of the exceptions (Exception 9) relates to the issue of shares or convertible securities under an employee incentive scheme provided that, in the three years prior to the date of issue of the securities, shareholders have approved the issue of securities under the scheme. Exception 9 is only available if there has been no change to the number or terms of the securities to be issued, the mechanism or method for pricing or payment or any other material terms of the scheme.

Shareholders approved the LTIP for these purposes in 2014. Due to the amendments that are being proposed to the plan, Henderson is now seeking fresh approval.

### Voting exclusion statement in relation to Resolution 15

In order to obtain approval from shareholders for the purposes of ASX Listing Rule 7.2, Exception 9, the following 'voting exclusion statement' must be complied with.

The Company will disregard any votes cast on Resolution 15 by:

- a Director who is eligible to participate in any employee incentive scheme in relation to the Company; and
- an associate of a Director who is eligible to participate in any employee incentive scheme in relation to the Company.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

As the Non-Executive Directors are not eligible to participate in any employee incentive scheme in relation to the Company, the above statement will not operate to exclude those Directors from voting on this Resolution.

For the purposes of the 'voting exclusion statement', 'associate' is as defined in sections 11 and 13 to 17 of the Australian Corporations Act 2001 (as amended).

A summary of the key terms of the LTIP is set out below.

In these summaries:

"Group" means the Company and its subsidiaries;

"Old Henderson Group" means HGI Group Limited (Company No. 02072534);

"Old Henderson Group Ordinary Shares" means ordinary shares in Old Henderson Group;

"Old Henderson Group Share Plans" means the employee share plans operated by Old Henderson Group;

"Shares" are references to ordinary shares in the Company.

### Inspection of LTIP rules

The rules of the LTIP as amended will be available for inspection during normal business hours at 47 Esplanade, St Helier, JE1 0BD, Jersey and at 201 Bishopsgate, London, EC2M 3AE from 2 March 2015 until the conclusion of the AGM, and will also be available for inspection at the AGM venue from 8.45am (London time) prior to and during the AGM itself.

#### (i) Introduction

The LTIP enables selected employees and Executive Directors of the Group to be granted performance related share awards entitling them to acquire a number of Shares as determined by reference to the corporate performance of the Company over a performance period specified by the Remuneration Committee, generally of not less than three years. Currently, two thirds of the award is eligible to vest after three years subject to performance measured over a three year period and one third of the award is eligible to vest after four years, subject to performance measured over a four year period (although the proportion subject to each vesting period may be amended in respect of future awards at the discretion of the Remuneration Committee). It is proposed that an additional holding period be imposed following vesting of an award as set out in the table on page 10. Awards may be granted in the form of a nil or nominal cost option, a conditional allocation of Shares or an allocation of Shares subject to dealing restrictions.

#### (ii) Eligibility

The LTIP is operated on a discretionary basis by the Remuneration Committee. All employees of the Group (including Executive Directors) are eligible to participate.

#### (iii) Participation by Executive Directors

Participation in the LTIP by Executive Directors will be limited to existing Shares purchased in the market.

#### (iv) Benefits not pensionable

Benefits under the LTIP are not pensionable.

## Explanatory notes continued

### (v) Timing of options and awards under the LTIP

Options and awards are normally granted following the announcement by the Company of its financial results (or at other times when the Remuneration Committee considers there to be exceptional circumstances).

### (vi) Individual limits

The maximum number of Shares that may be awarded to a participant in any 12 month period is limited so that the aggregate market value (on the date of grant) of such Shares must not exceed 300% or, in the case of a participant who for the time being is the Chief Executive of the Company, 500% of that participant's basic salary at the date of grant.

### (vii) Limits

Options and share awards may be granted over unissued or existing Shares. No option or award may be granted under the LTIP if it would cause the number of Shares (and Old Henderson Group Ordinary Shares) that have been issued or may be issued pursuant to awards and options granted within the preceding ten years under any share plan operated by the Company (and the Old Henderson Group Share Plans) to exceed 10% of the Company's issued ordinary share capital at the proposed date of grant.

In addition, no option or award may be granted under the LTIP if it would cause the number of Shares (and Old Henderson Group Ordinary Shares) that have been issued or may be issued pursuant to awards and options granted in the preceding ten years under any discretionary share plan operated by the Company apart from the Henderson Group Company Share Option Plan (and the discretionary Old Henderson Group Share Plans), to exceed 5% of the Company's issued ordinary share capital at the proposed date of grant. In addition, any Shares issued pursuant to any new discretionary share plan that is approved by shareholders on the basis that it shall be excluded from this limit shall also be excluded. As approved by shareholders in 2011, up to 16 million Shares that could potentially be issued as matching shares under the Henderson Group pic Deferred Equity Plan in respect of awards made in 2011 are excluded from the calculation of this limit.

A reference to a discretionary share plan is a reference to any plan where participation may be limited at the discretion of the Board or the Remuneration Committee.

Any existing ordinary shares that are transferred in satisfaction of any options or awards shall not count against these limits. These limits do not apply to any options or awards which the Board has determined will only be satisfied by the transfer of existing ordinary shares. Treasury shares will count as new issue Shares for the purposes of these limits for so long as institutional investor bodies consider that they need to be so counted. These limits were last approved by shareholders on 1 May 2014.

### (viii) Performance conditions

Each share award under the LTIP is subject to performance conditions which will determine how many (if any) of the Shares under the award the participant will be entitled to acquire after the end of the performance period. The Remuneration Committee sets objective performance conditions which, for the Executive Directors, are disclosed in the Directors' Remuneration Report. For 2015, the performance conditions will be on the terms described above. In future years, the Remuneration Committee reserves the right to set different objective performance conditions.

### (ix) Vesting of awards

Awards will normally vest following the end of the performance period. As set out above, it is proposed that a holding period will apply following the vesting of awards until the fifth anniversary of grant. The details of the proposed holding period are set out above.

If a participant leaves employment before the end of the performance period, the award will lapse unless the reason for leaving is death, injury, disability, ill-health, or the sale of the business or company in which the participant works or, if the Remuneration Committee so decides, any other reason. In these circumstances an award may vest at the end of the normal performance period to the extent the applicable performance condition has been achieved (except in the case of a participant's death where the Remuneration Committee may determine that performance conditions do not need to be satisfied). Unless the Remuneration Committee determines otherwise, each part of the award will be pro rated to reflect the proportion of the performance period applicable to that part of the award (measured in complete months) elapsed at the date of leaving. If the reason for termination of employment is death or terminal illness the Remuneration Committee may determine that the award shall vest immediately.

Awards will vest in the event of a takeover or a scheme of arrangement for the reconstruction or amalgamation of the Company. In these circumstances, the extent to which awards will vest will be determined according to the extent to which the performance conditions have been achieved up to the date of the relevant event and will be pro rated to reflect the proportion of the performance period applicable to each part of the award elapsed to the date of the relevant event, save that the Remuneration Committee may, in its absolute discretion, having regard to the extent to which the performance conditions have been satisfied up to the relevant event, determine that awards may be exercised in respect of a greater number of Shares, but not exceeding the total number of Shares under the awards. In addition, in the event of a demerger, dividend in specie or other transaction which the Board determines would affect the value of any awards, or in the event of the voluntary winding up of the Company, the Board may determine that all or part of an award will vest.

### (x) Malus and clawback

The malus and clawback terms will be as described on page 11.

**(xi) Cash equivalent**

The Remuneration Committee may determine that an award may be settled by procuring a payment to a participant of a cash amount equal to the aggregate market value of the Shares on the vesting date. Any such cash payment will be subject to any deductions required by law.

**(xii) Dividends**

Participants have no dividends rights until the Award vests and the participant has become a shareholder (including following the exercise of an option).

**(xiii) Adjustment of options and share awards**

In the event of any rights or capitalisation issue, sub-division, consolidation, reduction or other variation of the Company's ordinary share capital, in relation to options or awards granted under the LTIP, the Remuneration Committee may adjust the number of Shares subject to options and share awards and the price (if any) payable on their exercise.

**(xiv) Rights attaching to Shares**

Shares allotted or transferred under the LTIP will rank *pari passu* with Shares of the same class then in issue (except in respect of rights attaching to such Shares by reference to a date prior to the date of exercise). The Company will apply to the UK Listing Authority for the listing of any newly issued Shares.

**(xv) Amendments**

The Remuneration Committee or Board may amend the LTIP. However, the provisions governing eligibility requirements, equity dilution, individual participation limits, the basis for individual entitlement and the adjustments that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of eligible employees or participants without the prior approval of shareholders at a general meeting (except for minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or developments in the law affecting the LTIP or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the LTIP or for any member of the Group). In addition, no alteration may be made that would materially affect any existing rights of any participants without their prior consent.

**(xvi) Termination of the LTIP**

The LTIP will terminate on the tenth anniversary of the approval of the LTIP by shareholders at the AGM, or such earlier time as the Remuneration Committee or the Board may determine, but the rights of existing participants will not thereby be affected. In the event of termination, no further options or share awards will be granted.

**(xvii) Overseas employees**

The Remuneration Committee may in its discretion grant phantom awards to non-UK resident employees in the form of a right to receive, contingent on the exercise of the phantom award, a cash payment equal to the market value of a maximum number of phantom shares determined by the Remuneration Committee at the date of grant. The rules of the LTIP apply with appropriate amendments to such phantom awards.

As at 2 March 2015, 5,794,500 options have been granted under the LTIP and 4,550,000 Shares have been issued since the plan was last approved by shareholders.

**Resolution 16: Authority to allot shares**

The effect of this Resolution, if passed, is to renew the authority given at the AGM in 2014 which would otherwise expire at the AGM, to give the Directors authority to allot ordinary shares up to a nominal amount of £47,501,641 and also to give the Directors authority to allot ordinary shares up to a nominal amount of £95,003,282 by way of a rights issue. The amount of £47,501,641 represents approximately one-third of the Company's issued ordinary share capital as at 2 March 2015. The amount of £95,003,282 represents approximately two-thirds of the Company's issued ordinary share capital as at 2 March 2015.

The Board has no present intention to exercise this authority. However, renewal of this authority will ensure that the Board has flexibility in managing the Company's capital resources so that the Board can act in the best interests of shareholders generally.

This renewed authority would remain in force until the AGM in 2016 or 1 August 2016, whichever is the earlier. The Board has continued to seek annual renewal of this authority in accordance with best practice.

If the Board takes advantage of the additional authority to issue shares representing more than one-third of the Company's issued share capital or for a rights issue where the monetary proceeds exceed one-third of the Company's pre-issue market capitalisation, all members of the Board wishing to remain in office will stand for reappointment at the next AGM following the decision to make the relevant share issue. In any event the Board intends that all Directors will stand for re-election at each AGM in accordance with the requirements of the UK Corporate Governance Code.

The Company did not hold any treasury shares as at 2 March 2015.

### **Resolution 17: Limited disapplication of pre-emption rights**

The effect of this Resolution, if passed, is to renew the authority given at the AGM in 2014 which would otherwise expire at the AGM, to give the Directors authority to allot equity securities for cash on a non pre-emptive basis (a) pursuant to a rights issue, or (b) up to an aggregate nominal amount of £7,125,246, which represents approximately 5% of the issued ordinary share capital of the Company as at 2 March 2015.

This will continue to permit the Directors to make limited allotments of unissued equity securities of the Company or certain rights to acquire such equity securities for cash other than in accordance with the pre-emption rights in the Company's Articles of Association, which requires the Company to first offer allotments of equity securities for cash proportionately to existing shareholders.

This renewed authority would remain in force until the AGM in 2016 or 1 August 2016, whichever is the earlier.

The Board has continued to seek annual renewal of this authority in accordance with best practice.

In accordance with the Pre-emption Group's current Statement of Principles, the Board confirms its intention that no more than 7.5% of the issued share capital (excluding treasury shares) will be issued for cash on a non pre-emptive basis during any rolling three-year period.

Renewal of this authority will ensure that the Board has flexibility in managing the Company's capital resources so that the Board can act in the best interests of shareholders generally.

### **Resolution 18: Authority to purchase own shares**

The Directors consider that it is advantageous for the Company to renew the authority to buy back its own shares in certain circumstances.

Resolution 18, which will be proposed as a special resolution, seeks shareholders' approval of the purchase by the Company of a maximum number of shares which, taken together with any ordinary shares purchased by the Company pursuant to Resolution 19, is 114,003,938 which represents just under 10% of the Company's issued share capital as at 2 March 2015.

The authority sought by this resolution will expire at the end of the next AGM or 1 November 2016, whichever is earlier.

The Directors have no present intention to exercise this authority but will keep a possible buy-back of shares under review, taking into account the Company's financial position, share price and other investment opportunities. The Directors would use this authority only if they believe at the time that such purchase would be in the best interests of shareholders generally.

Any purchases of ordinary shares would be by means of market purchases.

The resolution sets the maximum and minimum prices for any such purchases. Ordinary shares purchased under this authority may be held as treasury shares. The Companies (Jersey) Law 1991 allows the Company to purchase and hold treasury shares in its issued capital rather than cancelling those shares. Treasury shares do not carry voting rights and have no entitlement to dividends. Treasury shares may be cancelled, sold or used to meet the Company's obligations under its employee share schemes. If treasury shares are used in the Company's employee share schemes then, so long as this is required under institutional guidance, the Company will treat them as if they were an issue of new ordinary shares for the purpose of meeting the anti-dilution limits applicable to such schemes.

Any ordinary shares purchased, but not held as treasury shares, would be cancelled.

The Company has not bought back any shares since the authority was last renewed by shareholders.

As at 2 March 2015, there were 30,477,110 options over unissued ordinary shares in the Company outstanding under the Company's share schemes which represents 2.67% of the Company's issued capital at that date.

If the Company was to purchase the maximum number of ordinary shares permitted under this Resolution and under Resolution 19 these options would then represent 2.97% of the Company's issued share capital.

The proportion of ordinary shares to be bought back pursuant to each of this Resolution and Resolution 19 will be determined by the Directors in what they believe to be in the best interests of shareholders generally.

### **Resolution 19: Contingent Purchase Contract**

The Directors consider that it is advantageous for the Company to renew the authority to 'buy back' interests in its own CHES Depository Interests (CDIs) in certain circumstances. Pursuant to the Companies (Jersey) Law 1991 buy backs of CDIs could be implemented in a number of different ways.

The Company proposes, in line with its previous practice, that such buy backs be implemented by entering into a Contingent Purchase Contract (CP Contract) with Merrill Lynch International and Merrill Lynch Equities (Australia) Limited (together "Merrill Lynch") as identified in the CP Contract. It is proposed that Merrill Lynch will buy the CDIs in Australia and then convert the CDIs into ordinary shares (Converted Shares).

The Company would then have an obligation to buy any Converted Shares from Merrill Lynch up to a maximum amount as explained below.

Article 57 of the Companies (Jersey) Law 1991 provides that any such purchase of shares must be approved by shareholders by special resolution and they must also approve the CP Contract. The Company seeks authority by way of a special resolution to enter into the CP Contract to buy back up to a maximum number of Converted Shares as explained below.

The maximum number of Converted Shares which could be bought back by the Company, together with the number of ordinary shares bought back by the Company under Resolution 18, would be limited to 114,003,938 which represents just under 10% of the Company's issued share capital as at 2 March 2015.

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Under the terms of the CP Contract, the minimum price (exclusive of expenses) which can be paid by Merrill Lynch for a CDI is the Australian dollar equivalent of 12.5 pence per CDI and the maximum price which can be paid by Merrill Lynch for a CDI is an amount (exclusive of expenses) which is equal to 105% of the average of closing prices for CDIs over the previous five days on which sales of CDIs were recorded on the ASX. The price to be paid by the Company for a Converted Share is the price paid by Merrill Lynch for the relevant CDI plus any stamp duty, stamp duty reserve tax, or other applicable transfer tax relating to the CDIs purchased by Merrill Lynch.

The authority sought by this resolution will expire at the end of the next AGM or 1 November 2016, whichever is earlier.

The Directors would use this authority only if they believe at the time that such purchase would be in the best interests of shareholders generally.

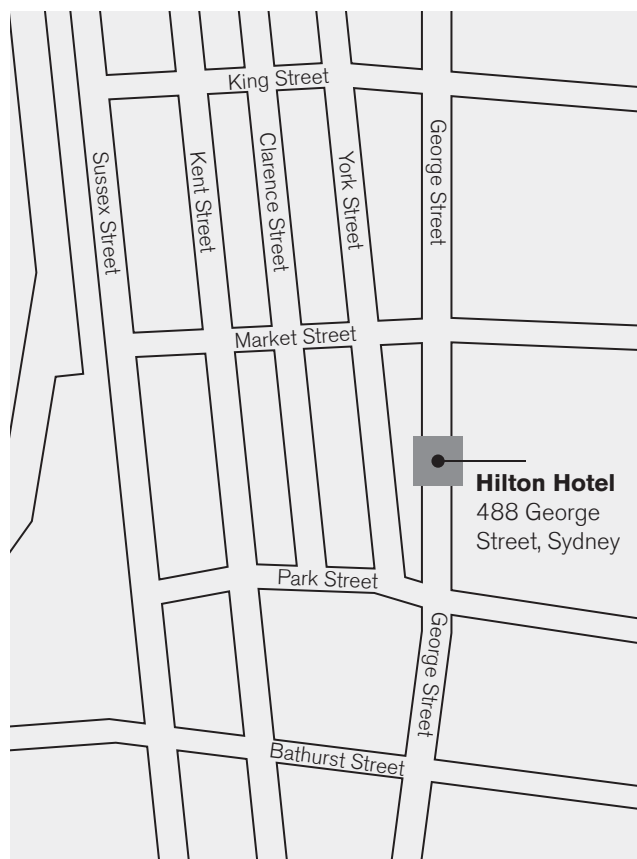
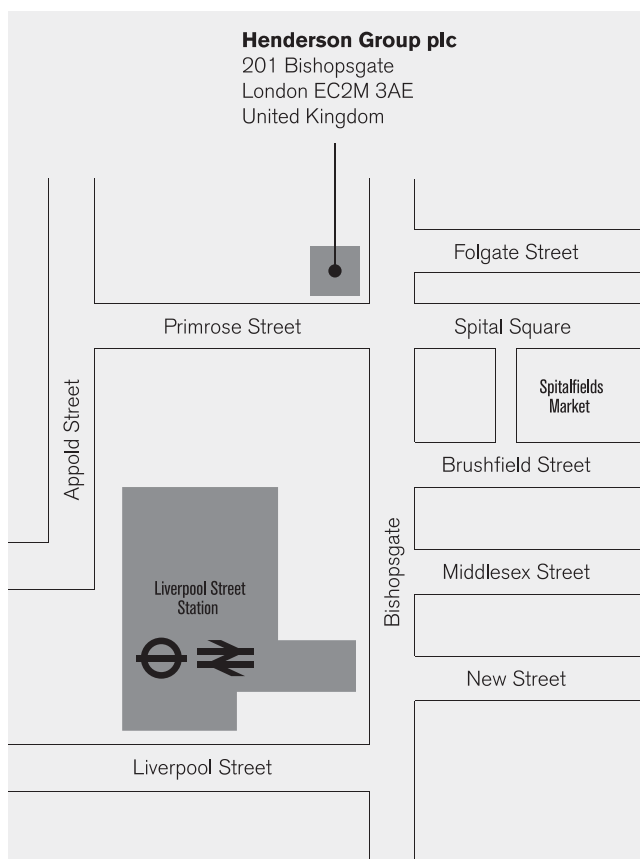
Converted Shares purchased under this authority may be held as treasury shares. The Companies (Jersey) Law 1991 allows the Company to purchase and hold treasury shares in its issued capital rather than cancelling those shares. Treasury shares do not carry voting rights and have no entitlement to dividends. Treasury shares may be cancelled, sold or used to meet the Company's obligations under its employee share schemes. If treasury shares are used in the Company's employee share schemes then, so long as this is required under institutional guidance, the Company will treat them as if they were an issue of new ordinary shares for the purpose of meeting the anti-dilution limits applicable to such schemes.

Any Converted Shares purchased, but not held as treasury shares, would be cancelled. As at 2 March 2015, there were 30,477,110 options over unissued ordinary shares in the Company outstanding under the Company's share schemes which represents 2.67% of the Company's issued capital at that date. If the Company was to purchase the maximum number of shares permitted under this Resolution and under Resolution 18, these options would then represent 2.97% of the Company's issued share capital.

A draft of the CP Contract referred to in this Resolution is available for inspection by members of the Company at the Company's registered office and also at 201 Bishopsgate, London EC2M 3AE from and including 2 March 2015 up to and including 30 April 2015 and will be available from 8.45am (London time) prior to and during the AGM itself.

The proportion of shares to be bought back pursuant to each of this Resolution and Resolution 18 will be determined by the Directors in what they believe to be in the best interests of shareholders generally.

# Meeting locations



**For shareholder queries please contact the Henderson Group Share Registry**

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## Website

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## Registered office

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