

## Henderson Group plc Board appointment

24 May 2016

Henderson Group plc ('Henderson Group') today announces the appointment of Philip Wagstaff as an Executive Director of the Henderson Group Board.

Mr Wagstaff has over 28 years of experience in the fund management industry and has been the Global Head of Distribution at Henderson since 2012. Prior to this he was Global Head of Distribution at Gartmore Investment Management Limited from 2007 to 2011, and has also held managing director roles in UK Retail with both New Star Asset Management (2005 – 2007) and M&G Investments (2000 – 2004). He was previously at Henderson from 1994 to 1997 as London Regional Sales Director. He has in-depth knowledge of global distribution and extensive client-focussed experience.

Commenting on the appointment, Richard Gillingwater, Chairman of Henderson Group, said: "Phil's experience in global distribution and focus on client relationships make him an excellent addition to the Board. His appointment will further strengthen the delivery of our globalisation strategy and help ensure that clients remain at the heart of Henderson's business."

The appointment of Mr Wagstaff as Executive Director takes effect from 24 May 2016.

There are no additional matters requiring disclosure under Rule 9.6.13 of the UK Listing Rules nor Rule 3.16.4 of the ASX Listing Rules.

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## Summary of key terms of employment – Philip Wagstaff

In determining Mr Wagstaff's employment arrangements, the Henderson Group Board took into account benchmarking against peer financial institutions and other relevant data provided by external remuneration consultants.

### 1. Duration of the Contract

Mr Wagstaff is employed under a continuous contract with no fixed term.

### 2. Remuneration

Basic salary - Mr Wagstaff's basic salary will be £375,000 from the date of his appointment. This is reviewed annually with the next review to occur in March 2017.

Pension – Under the terms of his original contract, Mr Wagstaff is entitled to membership of the defined contribution section of the Henderson Group Pension Scheme on the same basis as other employees. The pension scheme provides a Company contribution, currently 10.5% of basic salary (uncapped), into the pension plan. Taking into account the HMRC restrictions on contributions to UK registered pension plans (the Annual Allowance and the Lifetime Allowance), Mr Wagstaff previously elected to take the cash alternative (an option which is available to all staff where HMRC restrictions dilute or negate the benefits of continuing membership). The cash alternative is set at a percentage (9% of uncapped salary) which reflects the additional social security costs to Henderson Group associated with providing a cash alternative rather than a pension contribution. From the date of his appointment, Mr Wagstaff's cash alternative will be equal to £33,750 on an annualised basis and will increase in line with any future increase in salary. Mr Wagstaff will remain eligible to participate in the Henderson Self Invested Personal Pension (operated through Hargreaves Lansdown) and make additional regular contributions from his monthly salary or one-off contributions from any annual discretionary bonus award but subject to HMRC limits.

Short Term Incentive ('STI') - the range of Mr Wagstaff's annual STI payment will be up to a maximum of 300% of his basic salary. The actual STI payment will be determined by the Board in its absolute discretion having regard to the achievement of performance objectives set by the Board. An element of any payment will be deferred in accordance with the Henderson Group's deferral policy (or such additional requirements that may be mandated by relevant remuneration regulations) under Henderson Group's Deferred Equity Plan ('DEP') with awards being delivered in the form of Henderson Group shares or funds vesting over a 3 year period.

Long Term Incentive Plan ('LTIP') - Mr Wagstaff will participate in the same LTIP applying to other senior executives. He will be eligible to receive annual awards in the LTIP of up to 300% of his basic salary. The actual amount awarded to Mr Wagstaff will be determined by the Henderson Group Board at its discretion. Awards are subject to the achievement of performance hurdles over a 3 and 4 year period.

Prior to Mr Wagstaff's appointment to the Henderson Group Board he was granted a Restricted Share Plan ('RSP') over shares in Henderson Group with a face value at the date of award of £1,500,000 (613,447 shares), the vesting of which is subject to material financial and non-financial conditions. Subject to satisfaction of these conditions, the award will vest in three equal tranches on 31 March 2018, 31 March 2019 and 31 March 2020 respectively. The grant of that award reflects Henderson Group's desire to appropriately position Mr Wagstaff's total reward potential between median and upper quartile in the event of continued and long term exceptional performance recognising the impact of his Henderson Group Board appointment.

All employee share plans - Mr Wagstaff will continue to be eligible to participate in the Sharesave Plan ('SAYE') and Buy as You Earn Plan ('BAYE') which are HM Revenue & Customs approved plans with the proviso that, where applicable, such awards are made to him from the on-market purchase of securities rather than new issuance of securities. Mr Wagstaff remains eligible to participate in the Company's benefit plans, such as private healthcare and tax-efficient salary sacrifice plans on the same basis that applies to all staff. Mr Wagstaff will no longer be eligible participate in any new offering under the Company Share Option Plan ('CSOP').

Mr Wagstaff also holds existing awards made under the Company's Restricted Share Plan, LTIP and DEP in previous years and these will continue until the relevant maturity date and remain subject to the relevant performance conditions.

### 3. Termination of employment

Mr Wagstaff's service agreement is terminable on not less than 12 months' written notice by the Henderson Group or on not less than six months written notice by Mr Wagstaff. The agreement also permits Henderson Group to terminate his employment immediately by paying a sum equivalent to 12 months' basic salary. The service agreement also allows Henderson Group to suspend him from duties at any time once notice has been given by either party, provided he continues to receive full pay. Under certain circumstances (e.g. serious misconduct) Henderson Group may terminate employment immediately with no further liability to make any further payment (other than amounts accrued to the date of termination). On termination of Mr Wagstaff's employment, the Henderson Group Board at its sole discretion may pay a pro-rated STI in relation to the final part year of employment and vest any outstanding unvested shares in any share plans. In the case of the LTIP, any such pro-rated awards would only vest at the end of the scheme based upon the scheme results and completed month's service.

### 4. Non-compete and non-solicitation

After termination of Mr Wagstaff's employment for any reason, Mr Wagstaff may not compete, nor solicit customers or employees of Henderson Group for 12 months after termination (less any period served on 'gardening leave').