

Henderson Diversified Income Trust plc  
Notice of 2021 Annual General Meeting

# Letter from the Chairman

## Dear Shareholders

I hope that this Notice of Annual General Meeting ('AGM'/'Meeting') finds you well. Our AGM this year will be held on Thursday, 16 September 2021 at 11.00am.

Given the level of uncertainty surrounding the Delta variant of the virus, and the potential delay this could continue to cause to the UK Government's lifting of restrictions, the Board has taken the decision at this time to restrict attendance at this year's AGM to a small number of attendees comprising only the required quorum and anyone else whose attendance is necessary for the conduct of the meeting. The AGM will take place at 11.00am on Thursday, 16 September 2021 at 201 Bishopsgate, London EC2M 3AE.

The Board therefore invite shareholders to attend a webinar presentation this year using the conferencing software Zoom which will take place at 11.00am on Thursday, 9 September 2021. This will allow you to be present for the usual presentation from your Fund Managers, John Pattullo and Jenna Barnard, and will enable you to ask questions and debate with your Fund Managers and Board.

To attend the webinar presentation please register in advance at this link, entering your shareholder details: [https://jhi.zoom.us/webinar/register/WN\\_-1sgh5K7RVWHd69oWmjGIQ](https://jhi.zoom.us/webinar/register/WN_-1sgh5K7RVWHd69oWmjGIQ).

You will then receive a dedicated invitation to join the webinar.

The Board commits to holding physical meetings in future when restrictions are not in place and these can be held safely, and the Board would be delighted to hold an in-person AGM this year if circumstances allow.

Any change to the format of the AGM will be notified to shareholders via a Regulatory Information Service announcement and the Company's website.

In case of any further extraordinary crises such as the COVID-19 pandemic, the Company is putting a proposed amendment to the Company's Articles of Association to shareholders this year to give the Company flexibility to hold virtual and/or physical shareholder meetings in future, as necessary. Please refer to Appendix 2 on pages 9 and 10 for further information.

Voting at this year's AGM will be conducted on a poll among the directors, rather than on a show of hands, with the Chairman of the AGM holding the proxy votes. We therefore request all shareholders to submit their votes by proxy, ahead of the deadline of 11.00am on Tuesday, 14 September 2021, to ensure that their vote counts, as there will be no live voting at the AGM.

If you hold your shares in a nominee account, such as through a share dealing service or platform, you will need to contact your provider and ask them to submit the proxy votes on your behalf. For further instructions on proxy voting please refer to the notes on pages 6 to 8 of this document.

The Notice of AGM can be found on pages 1 and 2 of this document. Further details of each of the resolutions to be proposed at the AGM are set out in the explanatory notes on pages 3 to 6. Appendix 1 sets out the wording of the current and the proposed investment objective and policy and Appendix 2 sets out the proposed changes to the Company's Articles of Association.

I also refer you to the Company's Annual Report and financial statements for the year ended 30 April 2021 which is being sent to shareholders with this document. If shareholders would like to submit any questions in advance of the AGM, they are welcome to send these to the Corporate Secretary at [itsecretariat@janushenderson.com](mailto:itsecretariat@janushenderson.com).

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the Company's shareholders as a whole and therefore recommends unanimously to shareholders that they vote in favour of each of the resolutions, as the directors intend to do in respect of their own beneficial holdings.

Yours faithfully

**Angus Macpherson**  
*Chairman of the Board*  
5 July 2021

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you should consult your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK, or if not, from another appropriately independent professional adviser in your own jurisdiction.

If you have sold, transferred or otherwise disposed of all your shares in Henderson Diversified Income Trust plc (the 'Company'), please pass this document but not the accompanying Form of Proxy to the stockbroker, bank or other agent through whom you made the sale, transfer or disposal for transmission to the purchaser or transferee, except that such documents should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of local securities laws and regulations. If you have sold, transferred or otherwise disposed of only part of your holding of shares in the Company, you should retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom you made the sale, transfer or disposal.

# Henderson Diversified Income Trust plc

(an investment company within the meaning of Section 833 of the Companies Act 2006,  
incorporated in England and Wales with registered number 10635799)

## Notice of Annual General Meeting

Notice is hereby given that the fourth Annual General Meeting of Henderson Diversified Income Trust plc (the 'Company') will be held on **Thursday, 16 September 2021 at 11.00am** for the transaction of the following business:

### Ordinary Business

- 1 To receive the Company's Annual Report and the audited financial statements for the year ended 30 April 2021.
- 2 To approve the Directors' Remuneration Report for the year ended 30 April 2021.
- 3 To re-appoint Angus Macpherson as a director.
- 4 To re-appoint Denise Hadgill as a director.
- 5 To re-appoint Win Robbins as a director.
- 6 To re-appoint Stewart Wood as a director.
- 7 To re-appoint Ian Wright as a director.
- 8 To re-appoint Mazars LLP as statutory auditor to the Company.
- 9 To authorise the directors to determine the statutory auditors' remuneration.

### Other Business

To consider, and if thought fit, pass the following resolutions:

#### *as Ordinary Resolutions*

- 10 THAT the shareholders approve the Company's dividend policy.
- 11 THAT the replacement benchmark be and is hereby adopted.
- 12 THAT the proposed investment objective and policy set out in Appendix 1 of the Notice of AGM dated 5 July 2021, a copy of which has been produced to the Meeting and signed by the Chairman for the purpose of identification, be and are hereby adopted as the investment objective and policy of the Company to the exclusion of all previous investment objectives and investment policies of the Company with effect from the conclusion of the Meeting.
- 13 THAT in substitution for all existing authorities the directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to an aggregate nominal

amount of £190,057 (being 10% of the issued share capital aggregate nominal value at 1 July 2021, the most practicable date prior to the publication of this Notice) (or such other amount as shall be equivalent to 10% of the Company's issued ordinary share capital, excluding treasury shares, at the date of the passing of this resolution) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of the date falling 15 months after the passing of this resolution or at the conclusion of the AGM in 2022, but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the directors may allot relevant securities in pursuance of that offer or agreement as if the authority conferred hereby had not expired.

#### *as Special Resolutions*

- 14 THAT in substitution for all existing authorities and subject to the passing of resolution 13, the directors be empowered pursuant to Section 570 of the Act to allot or sell equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by resolution 13 as if Section 561 of the Act did not apply to the allotment and to sell relevant shares (within the meaning of Section 560 of the Act) held by the Company immediately before the sale of treasury shares (as defined in Section 724 of the Act) for cash as if Section 561 of the Act did not apply. This power shall be limited:

- (a) to the allotment or sale of equity securities whether by way of a rights issue, open offer or otherwise to ordinary shareholders and/or holders of any other securities in accordance with the rights of those securities where the equity securities respectively attributable to the interests of all ordinary shareholders and/or such holders are proportionate (or as nearly as may be) to the respective numbers of ordinary shares and such equity securities held by them (or are otherwise allotted in accordance with the rights attaching to such equity securities) subject in either case to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or local or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever;

# Notice of Annual General Meeting

continued

- (b) to the allotment or sale (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to a maximum aggregate nominal value of £190,057 (being 10% of the issued share capital aggregate nominal value at 1 July 2021, the most practicable date prior to the publication of this Notice) (or such amount being equivalent to 10% of the Company's issued ordinary share capital, excluding treasury shares, at the date of the passing of this resolution);
  - (c) to the allotment or sale of equity securities at a price not less than the net asset value per share; and
  - (d) shall expire on the earlier of the date falling 15 months after the passing of this resolution or at the conclusion of the AGM in 2022, save that the directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.
- 15 THAT in substitution for all existing authorities the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 1p each in issue in the capital of the Company on such terms and in such manner as the directors may from time to time determine, provided that:
- (a) the maximum number of ordinary shares which may be purchased is 14.99% of the Company's issued ordinary share capital at the date of the passing of this resolution (equivalent to 28,489,549 shares (being 14.99% of the issued share capital at 1 July 2021, the most practicable date prior to the publication of this Notice), excluding treasury shares, at the date of this Notice);
  - (b) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not exceed the higher of:
    - i) 105% of the average of the middle market quotations for the shares as taken from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase;
    - ii) the amount being the higher price of the last independent trade and the highest current independent bid on the London Stock Exchange.
  - (c) the minimum price (exclusive of expenses) which may be paid for an ordinary share shall be 1p, being the nominal value per share;
  - (d) the authority hereby conferred shall expire on the earlier of the date falling 15 months after the passing of this resolution or at the conclusion of the AGM in 2022, unless such authority is renewed before that expiry;
  - (e) the Company may make a contract to purchase ordinary shares under the authority hereby conferred which prior to the expiry of such authority will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract; and
  - (f) any ordinary shares so purchased shall be cancelled or, if the directors so determine, be held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act.
- 16 THAT a General Meeting other than an AGM may be called on not less than 14 clear days' notice. Such authority to expire at the conclusion of the AGM in 2022.
- 17 THAT the new Articles of Association produced to the Meeting and signed by the Chairman of the Meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the Meeting.

By order of the Board

Henderson Secretarial Services Limited  
Corporate Secretary  
5 July 2021

Registered Office:  
201 Bishopsgate, London EC2M 3AE

# Explanations of the Resolutions

The information set out below is an explanation of the business to be considered at the 2021 AGM.

Resolutions 1 to 13 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 14 to 17 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

## Ordinary Business

### **Resolution 1: Company's Annual Report and audited financial statements** (ordinary resolution)

The directors are required to lay before the Meeting the Annual Report and audited financial statements in respect of the financial year ended 30 April 2021. Shareholders can submit any questions on the Annual Report ahead of the Meeting by contacting the Corporate Secretary on 020 7818 2345 or emailing [itsecretariat@janushenderson.com](mailto:itsecretariat@janushenderson.com). Shareholders are invited to receive the Annual Report and audited financial statements.

### **Resolution 2: Approval of the Directors' Remuneration Report** (ordinary resolution)

In accordance with The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 ('Regulations') shareholders are asked to approve the Directors' Remuneration Report for the year ended 30 April 2021 which is set out on pages 44 to 46 of the Annual Report. This vote is advisory and does not affect the remuneration payable to any individual director however the Board will consider feedback from shareholders regarding remuneration and incorporate this into any future remuneration discussions.

### **Resolutions 3 to 7: Re-appointment of directors** (ordinary resolutions)

All directors are required to retire and seek re-appointment annually in accordance with the AIC Code of Corporate Governance. A biography on each of the directors is given on pages 34 to 35 of the Annual Report.

**Resolution 3** relates to the re-appointment of Angus Macpherson, the Chairman, who joined the Board on 23 February 2017, having served as a director of the predecessor company since 18 January 2016.

**External appointments:** Angus is Chief Executive of Noble & Company (UK) Limited. He is also the Chairman of Pacific Horizon Investment Trust plc, a Non-Executive Director of Schroders Japan Growth Fund plc and a Trustee of The Scottish Policy Foundation.

**Background:** Angus previously worked for Merrill Lynch in London, New York, Singapore and Hong Kong, latterly as Head of Capital Markets and Financing in Asia. He was also Chairman of JP Morgan Elect PLC until January 2018, Chairman of the Belhaven Hill School Trust Ltd and a Member of the Scottish Government's Financial Services Advisory Board.

Angus has been the Chairman of the Board since incorporation and therefore he has in depth knowledge about the Company and has several years of leadership and chairmanship experience. Angus' background in capital markets and financing brings objective industry insight to board discussions. As an experienced non-executive director, he contributes a great deal of governance expertise to the board

**Resolution 4** relates to the re-appointment of Denise Hadgill who joined the Board on 23 February 2017.

**External appointments:** Denise does not currently hold any external appointments.

**Background:** Until 2015, Denise was Managing Director and Head of the UK Product Strategy Group at BlackRock. She was responsible for delivering the firm's investment message and economic outlook to an extensive range of UK pension fund and charity trustee boards. Prior to this she spent 14 years at Schroder Investment Management Limited where she was UK Equity Fund Manager and Director responsible for the firm's relationship with 21 UK pension funds and charity clients with multi asset portfolios valued at £2 billion.

Denise is an experienced investment professional and utilises her fund management background to bring an objective view to board discussions.

**Resolution 5** relates to the re-appointment of Win Robbins who joined the Board on 28 May 2019.

**External appointments:** Win is a Non-Executive Director and Chairman of the Remuneration Committee at Polar Capital Holdings plc, a position she has held since 2017, and a Non-Executive Director at BlackRock Income & Growth Investment Trust plc, a position she has held since December 2020. She is also a Non-Executive Member of the Investment Committee of St. James Place Partnership plc and an Independent Trustee of the Institute of Cancer Research Pension Fund.

**Background:** Win has extensive investment management experience having held various senior positions including eight years as Managing Director of Credit Suisse Asset Management Limited from 1996 until 2004 and Managing Director and Head of Non-US Fixed Income at Citigroup Asset Management from 2004 to 2006. Win also holds the Diploma in Investment Management from the London

## Explanations of the Resolutions

continued

Business School. Win was a Non-Executive Member on the Board of City Merchants High Yield Trust Limited until she retired in March 2019, having held that position since 2009.

Win is an experienced fund manager, specialising in fixed income. She is therefore able to confidently challenge the Fund Managers on their investment decisions and views, which adds strength to board discussions. In recognition of her background and experience Win was appointed as the Company's Senior Independent Director last year.

**Resolution 6** relates to the re-appointment of Stewart Wood who joined the Board on 23 February 2017.

**External appointments:** Stewart is a Member of the House of Lords' Select Committee on European Affairs. Stewart has been a Fellow at Magdalen College, Oxford University since 1995, and is a Professor of Practice at the Blavatnik School of Government in Oxford University.

**Background:** Stewart became a Labour member of the House of Lords in 2011. He was Shadow Minister without Portfolio and a Strategic Adviser to Ed Miliband, Leader of the Labour Party, from 2010 to 2015. Prior to that he was a Special Adviser to the Chancellor of the Exchequer on the UK Treasury's Council of Economic Advisers from 2001 to 2007, during which time he led on the assessment for UK entry into the Euro. He then served as senior Special Adviser on Foreign Affairs, Culture and Media Policy, and Northern Ireland between 2007 and 2010. After the 2010 General Election, he led Ed Miliband's successful campaign for the Labour leadership. In 2016, he was named as the new Chair of the United Nations Association (UK), and was appointed to the Board of the Marshall Scholarships Commission. Stewart is also a Director of the Good Law Project.

Stewart is a macro-economic specialist and his experience gained through his career in government offers a diverse and dynamic aspect to board discussions. He can challenge the Fund Managers on macro-economic matters and in turn, the Fund Managers can draw on his knowledge and experience.

**Resolution 7** relates to the re-appointment of Ian Wright, the Audit Committee Chairman, who joined the board on 23 February 2017, having served as a director of the predecessor company since 23 November 2015.

**External appointments:** Ian is a Director of the Jersey Heritable Property Company Limited and a Policeman in the Parish of St. Brelade.

**Background:** Ian was Deputy Chairman of the Jersey Financial Services Commission until April 2021. He was previously an audit partner in Price Waterhouse and then PricewaterhouseCoopers including serving as the Senior Partner of the firm's international accounting consulting group. A founder member of the IFRS Interpretations Committee he has also served on professional committees of the ICAEW and FEE. He was also a Panel Member of

the Financial Reporting Review Panel which is part of the UK Financial Reporting Council. He is resident in Jersey having previously worked in the Channel Islands, London and Bahrain.

Ian is a Chartered Accountant and therefore has recent and relevant financial experience. His regulatory and accounting experience is valued highly by the Board and serves to challenge the auditor, and the accounting team, in areas of technical and financial expertise. This is particularly important given the fixed income nature of the portfolio.

Following the annual board performance evaluation, and upon the recommendation of the Nominations Committee, the Board considers that each of the directors should offer themselves for re-appointment by the shareholders as they each bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

Furthermore, the Board is satisfied that, having considered each directors' experience and the nature of, and anticipated demands on his/her time by, his/her other business commitments, that each director is able to commit the time required to fulfil his/her responsibilities as a director of the Company.

### **Resolutions 8 and 9: Re-appointment and remuneration of the statutory auditors' (ordinary resolutions)**

Resolution 8 relates to the re-appointment and resolution 9 relates to the determination of the statutory auditors' remuneration. In accordance with Sections 489 and 492 of the Act shareholders are required to approve the appointment of the Company's auditors each year and to give authority to the directors to determine their remuneration. Mazars LLP were appointed as the Company's statutory auditors at the 2020 AGM for the year ended 30 April 2021 following a successful audit tender process, and the Board recommend their re-appointment for the year ended 30 April 2022 to shareholders having received a high quality and effective audit this year. Mazars LLP have expressed their willingness to continue as auditors to the Company.

### **Other Business**

#### **Resolution 10: Approval of dividend policy (ordinary resolution)**

The directors seek approval of the Company's dividend policy to continue to pay four quarterly interim dividends each year. In the year ended 30 April 2021 these four quarterly dividends have totalled 4.40p per ordinary share.

#### **Resolution 11: Replacement benchmark (ordinary resolution)**

Although not part of the investment objective and policy, following recommendations from the Manager, the Board is also proposing to change the Company's benchmark,



# Explanations of the Resolutions

continued

effective from the date shareholders approve the new investment objective and policy. The Board believes the proposed replacement benchmark will permit the Board and others to ascertain performance of the Company across more dimensions and assess the value added through active management. The replacement benchmark will therefore be as follows:

- 60% Global High Yield Credit (ICE Bank of America Global High Yield Constrained Index)
- 25% Global Investment Grade Corporate Credit (ICE Bank of America Global BBB Corporate Bond Index)
- 15% European Loans (Credit Suisse Western European Leveraged Loan Index).

## **Resolution 12: Change of investment objective and policy** (ordinary resolution)

Please refer to Appendix 1 on pages 8 and 9 where the wording of the current and the proposed investment objective and policy have been set out side-by-side.

## **Resolution 13: Authority to allot shares** (ordinary resolution)

At the 2020 AGM the directors were granted authority to issue 19,131,824 new ordinary shares. Since the 2020 AGM no new shares have been allotted under this authority, which will expire at the conclusion of the forthcoming AGM.

An ordinary resolution to renew this authority will be proposed at the AGM, which will allow the directors to allot shares up to a maximum of 10% of the issued share capital, excluding treasury shares, at the date of the AGM which at the date of this Notice was 19,005,703 shares (being 10% of the issued share capital at 1 July 2021, the most practicable date prior to the publication of this Notice) having an aggregate nominal value of £190,507.

The resolution is set out in full in the Notice on pages 1 and 2. If renewed, the authority will expire on the earlier of the date falling 15 months after the passing of the resolution or the conclusion of the AGM in 2022.

## **Resolution 14: Power to disapply pre-emption rights** (special resolution)

At the 2020 AGM the directors were authorised to disapply the pre-emption rights of the existing shareholders when issuing new shares. No new shares have been issued under this authority.

Resolution 14 proposes to renew the directors' annual authority to allot or sell ordinary shares in the capital of the Company, for cash or from treasury, pursuant to resolution 13, up to a maximum of 19,005,703 shares with aggregate nominal value of £190,507 (being 10% of the issued share capital at 1 July 2021, the most practicable date prior to the publication of this Notice) (or such amount being 10% of the

Company's issued ordinary share capital, excluding treasury shares, as at the date of the passing of this resolution), without first having to offer these shares to existing shareholders. If renewed, the power shall expire on the earlier of the date falling 15 months after the passing of this resolution or at the conclusion of the AGM in 2022 unless such authority is renewed before that expiry.

The directors do not intend to allot or sell shares pursuant to resolutions 13 and 14 other than to take advantage of opportunities in the market as they arise and only if they believe it to be advantageous to the Company's existing shareholders to do so, and when it would not result in any dilution of net asset value per ordinary share (i.e. shares will only be issued at a premium to net asset value).

## **Resolution 15: Repurchase of the Company's ordinary shares** (special resolution)

At the 2020 AGM the directors were granted authority to repurchase 28,678,604 ordinary shares. Since the 2020 AGM the Company has bought back 1,261,207 ordinary shares.

Resolution 15 seeks to renew the Company's authority to repurchase shares. The authority under this resolution is limited to the purchase of a maximum of 14.99% of the ordinary shares, excluding treasury shares, in issue at the date of the passing of this resolution. If there is no change to the issued share capital between the date of publication of the Notice and the AGM the maximum number of shares that the directors will be able to buy back will be 28,489,549 shares (being 14.99% of the issued share capital at 1 July 2021, the most practicable date prior to the publication of this Notice) of the Company's own issued ordinary shares.

The Company may cancel or hold in treasury any shares bought back under this authority.

The directors believe that, from time-to-time and subject to market conditions, it may continue to be in the shareholders' interests to buy back the Company's shares when they are trading at a discount to the underlying net asset value per share. The authority being sought provides an additional source of potential demand for the Company's shares. Both the minimum and maximum price are exclusive of any relevant tax and expenses payable by the Company.

The Company may utilise the authority to purchase shares by either a single purchase or a series of purchases when market conditions allow, with the aim of maximising the benefit to shareholders. This proposal does not indicate that the Company will purchase shares at any particular time or price, nor imply any opinion on the part of the directors as to the market or other value of the Company's shares. The Company may cancel or hold in treasury any shares bought back under this authority.

## Explanations of the Resolutions

continued

This authority will expire at the earlier of the date falling 15 months after the passing of the resolution or the conclusion of the 2022 AGM and it is the present intention of the directors to seek a similar authority annually.

### **Resolution 16: Notice of general meetings** (special resolution)

Changes made to the Act by the Shareholders' Rights Regulations increased the notice period required for general meetings of the Company to 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs must be held on at least 21 clear days' notice. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Before the coming into force of the Shareholders' Rights Regulations, the Company was able to call general meetings other than an AGM on 14 clear days notice without obtaining such shareholder approval. In order to preserve this ability, resolution 16 seeks such approval. The approval will be effective until the AGM in 2022, when it is intended that a similar resolution will be proposed. This authority will only be used to provide flexibility when merited and would not be used as a matter of routine.

### **Resolution 17: Adoption of new Articles of Association** (special resolution)

Please refer to Appendix 2 on pages 9 and 10 for a summary of the principal amendments to the Company's Articles of Association.

## Notes to the Notice of Annual General Meeting

### **1. Voting record date**

Only members registered in the Register of Members of the Company at 11.00am on Tuesday, 14 September 2021 shall be entitled to vote at the AGM in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after 11.00am on Tuesday, 14 September 2021 shall be disregarded in determining the rights of any person to vote at the Meeting.

If the AGM is adjourned for no more than 48 hours after the original time, the same voting record date will also apply for the purpose of determining the entitlement of members to vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If the AGM is adjourned for more than 48 hours then the voting record date will be close of business on the day which is two days (excluding non-working days) before the day of the adjourned meeting or, if the Company gives notice of the adjourned meeting, at any time specified in that notice.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

### **2. Rights to vote**

Subject to note 1, all of the Company's members are entitled to vote at the forthcoming AGM or at any adjournment(s) thereof. On a poll each member has one vote for each share held.

Given the level of uncertainty surrounding the Delta variant of the virus, and the potential delay this could continue to cause to the UK Government's lifting of restrictions, the Board has taken the decision at this time to restrict attendance at this year's AGM to a small number of attendees comprising only the required quorum and anyone else whose attendance is necessary for the conduct of the meeting.

### **3. Right to appoint proxies**

Pursuant to Section 324 of the Act, a member entitled to vote at the Meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by them. A proxy need not be a member of the Company.

A Form of Proxy is enclosed. Please refer to notes 4, 7 and 8 for further information. As shareholders will be unable to attend the Meeting in person, they are strongly encouraged to appoint the Chairman of the Meeting as their proxy to vote on their behalf.

If the total number of voting rights that the Chairman will be able to vote (taking into account any proxy appointments from shareholders over which he is given discretion and any voting rights in respect of his own shares) is such that he will have a notifiable obligation under the Disclosure Guidance and Transparency Rules of the FCA, the Chairman will make the necessary notifications to the Company and to the FCA. Therefore, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and



# Notes to the Notice of Annual General Meeting

continued

so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and to the FCA. However, any member holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as proxy will need to ensure that both the member and the proxy comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.

Section 324 of the Act does not apply to persons nominated to receive information rights under Section 146 of the Act. Persons nominated to receive information rights under Section 146 of the Act have been sent this Notice of Meeting and are hereby informed, in accordance with Section 149(2) of the Act, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for the Meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the registered 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.

The statement of rights of shareholders in relation to the appointment of proxies in this paragraph does not apply to nominated persons.

## 4. Proxies' rights to vote at the Meeting

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Act does not permit the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

## 5. Voting

All resolutions will be voted on a poll at the AGM. Votes will be counted immediately following the meeting and the results will be published via the Regulatory Information Service as soon as possible after the meeting and will also be available on our website.

## 6. Voting by corporate representatives

Corporate representatives are entitled to vote on behalf of the corporate member in accordance with Section 323 of the Act provided they do not do so in relation to the same shares.

## 7. Receipt and termination of proxies

To be valid the enclosed Form of Proxy must be received by the Company's Registrars (Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY) before 11.00am on Tuesday, 14 September 2021.

A member may terminate a proxy's authority at any time before the commencement of the Meeting. Termination must be provided in writing and submitted to the Company's Registrar at the above address.

As an alternative to completing and returning the printed form of proxy, you may submit your proxy electronically by accessing [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). For security purposes, you will be asked to enter the control number, your shareholder reference number ('SRN') and personal identification number ('PIN') to validate the submission of your proxy online. The control number and members' individual SRN and PIN numbers are shown on the Form of Proxy. To be valid proxies must be received no later than 11.00am on Tuesday, 14 September 2021 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting).

In accordance with the Company's Articles of Association, in determining the deadline for receipt of proxies, no account shall be taken of any part of a day that is not a working day.

## 8. Electronic receipt of proxies

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number 3RA50) no later than the deadline specified in note 7. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Instructions on how to vote through CREST can be obtained from Euroclear ([www.euroclear.com](http://www.euroclear.com)).

## 9. Documents available for inspection

In normal circumstances, copies of the directors' letters of appointment may be inspected at the registered office of the Company during normal business hours on any day (Saturdays, Sundays and public holidays excepted) and will be available at the AGM for 15 minutes prior to the commencement of the Meeting until its conclusion. No director has a contract of service with the Company. The registered office is currently closed to the public as a result of the COVID-19 pandemic. Any shareholders wishing to inspect these documents are requested to contact the Corporate Secretary at [itsecretariat@janushenderson.com](mailto:itsecretariat@janushenderson.com). The proposed new articles will be available to view on the Company's website at [www.hendersondiversifiedincome.com](http://www.hendersondiversifiedincome.com) until the conclusion of the AGM or may be obtained from the Company Secretary.

# Notes to the Notice of Annual General Meeting

continued

## 10. Website

A copy of the Notice of the AGM, including these explanatory notes and other information required by Section 311A of the Act, is included on the Company's website, [www.hendersondiversifiedincome.com](http://www.hendersondiversifiedincome.com)

## 11. Total voting rights

As at 1 July 2021 (the most practicable date prior to the publication of this Notice), the Company's total number of shares in issue, and the total number of voting rights, are 190,057,033.

## 12. Communication with the Company

Members may not use any electronic address provided either in the Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

## APPENDIX 1

### Current investment objective and policy

#### *Objective*

The Company's investment objective is to seek income and capital growth such that the total return on the net asset value of the Company exceeds the average return on a rolling annual basis of three month sterling LIBOR + 2%.

#### *Investment policy*

The Company aims to deliver this outcome by investing in a diversified portfolio of global fixed and floating rate income asset classes including secured loans, government bonds, high yield (sub-investment grade) corporate bonds, unrated corporate bonds, investment grade corporate bonds and asset backed securities.

The Company may also invest in high yielding equities and derivatives.

The Company uses a dynamic approach to portfolio allocation across asset classes and is permitted to invest in a single asset class if required. The Company seeks a sensible spread of risk at all times. It can invest in assets of any size, sector, currency or issued from any country.

The Company has adopted the following allocation limits:

- secured loans 0 to 100% of gross assets
- government bonds 0 to 100% of gross assets
- investment grade bonds 0 to 100% of gross assets
- high yield corporate bonds 0 to 100% of gross assets
- unrated corporate bonds 0 to 10% of gross assets
- asset backed securities 0 to 40% of gross assets
- high yielding equities 0 to 10% of gross assets

### Proposed investment objective and policy

#### *Objective*

The Company's investment objective is to seek a sustainable level of annual income and capital gains consistent with seeking to reduce the risk of capital losses, by investing in a diversified portfolio of global fixed income and floating rate asset classes.

#### *Investment policy*

The Company uses a dynamic approach to portfolio allocation across asset classes and is permitted to invest in a single asset class if required. The Company seeks a sensible spread of risk at all times. It can invest in assets of any size, sector, currency or issued from any country.

The Company has adopted the following allocation limits for each asset class:

- secured loans 0 to 100% of gross assets
- government bonds 0 to 100% of gross assets
- investment grade bonds 0 to 100% of gross assets
- high yield (sub-investment grade) corporate bonds 0 to 100% of gross assets
- unrated corporate bonds 0 to 10% of gross assets
- asset backed securities 0 to 40% of gross assets
- high yielding equities 0 to 10% of gross assets

# Notes to the Notice of Annual General Meeting

continued

As a matter of policy, the Company will not invest more than 10% in aggregate of its net assets in a single corporate issue or issuer.

The Company may use financial instruments known as derivatives to enhance returns. They may also be used to reduce risk or to manage the Company's assets more efficiently. The use of derivatives may include credit derivatives (including credit default swaps) in addition to interest rate futures, interest rate swaps and forward currency contracts. The credit derivatives, interest rate futures and swaps are used to take a synthetic exposure to, or to hedge, an investment position where the derivative contract is more efficient or cost effective than a position in the underlying physical asset. The Company's exposure to derivatives is capped at a maximum net long or net short position of 40% of net assets. The Company may also employ financial gearing for efficient portfolio management purposes and to enhance investment returns but total gearing (both financial gearing and synthetic gearing combined) may not exceed 40% of net assets. Forward currency contracts are used to hedge other currencies back to sterling.

Any material change to the investment policy of the Company will only be made with the approval of shareholders.

As a matter of policy, the Company will not invest more than 10% in aggregate of its net assets in a single corporate issue or issuer.

The Company may use financial instruments known as derivatives to enhance returns. They may also be used to reduce risk or to manage the Company's assets more efficiently. The use of derivatives may include credit derivatives (including credit default swaps) in addition to interest rate futures, interest rate swaps and forward currency contracts. The credit derivatives, interest rate futures and swaps are used to take a synthetic exposure to, or to hedge, an investment position where the derivative contract is more efficient or cost effective than a position in the underlying physical asset. The Company's exposure to derivatives is capped at a maximum net long or net short position of 40% of net assets. The Company may also employ financial gearing for efficient portfolio management purposes and to enhance investment returns but total gearing (both financial gearing and synthetic gearing combined) may not exceed 40% of net assets. Forward currency contracts are used to hedge other currencies back to sterling.

Any material change to the investment policy of the Company will only be made with the approval of shareholders.

## APPENDIX 2

### Summary of the principal amendments to the Company's Article of Association ('Articles')

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 17 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments to the Existing Articles. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, [www.hendersondiversifiedincome.com](http://www.hendersondiversifiedincome.com), from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

### Hybrid/virtual-only shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. The potential to hold a general meeting through wholly electronic means is intended as a solution to be adopted as a contingency to ensure the continued smooth operation of the Company in extreme operating conditions where physical meetings are prohibited or cannot reasonably be held. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

# Notes to the Notice of Annual General Meeting

continued

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no intention of holding a virtual-only meeting if it can be reasonably avoided and the Board's intention is always to hold a physical AGM provided it is both safe and practical to do so. The Board is committed to ensuring that future general meetings (including AGMs) incorporate a physical meeting when law and regulation permits and where shareholders can meet with the Board face to face. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

## **International tax regimes requiring the exchange of information**

The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate in respect of the exchange of information in order to comply with the Company's international tax reporting obligations.

The Hiring Incentives to Restore Employment Act 2010 of the United States of America (commonly known as the Foreign Account Tax Compliance Act) and all associated regulations and official guidance ('FATCA') imposes a system of information reporting on certain entities including foreign financial institutions such as the Company following the enactment of the UK International Tax Compliance (United States of America) Regulations 2013 on 1st September 2013 (as replaced by the International Tax Compliance Regulations 2015 (the 'Regulations')).

It is proposed that the Existing Articles be amended to provide the Company with the ability to require shareholders to co-operate with it so that the Company is able to comply with its obligations under the Regulations in order to avoid being deemed to be a 'Nonparticipating Financial Institution' for the purposes of FATCA (and consequently having to pay withholding tax to the US Internal Revenue Service). The Existing Articles will also be amended to ensure that the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, as such liability would be to the detriment of shareholders as a whole.

The Regulations also include the automatic exchange of information regimes brought in by the tax regulation under the OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard') which requires investment trust companies to provide personal information to HMRC on certain investors who purchase their shares. As a result, the Company has to provide information annually to the local tax authority on the tax residency of a number of non-UK based certified shareholders and corporate entities. Therefore, the Existing Articles will also be amended in order to provide the Company with the ability to require shareholders to co-operate in respect of these broader obligations.

## **Minor amendments**

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including:

- (i) dispensing with the need for the Company to use newspaper adverts to trace members or in the event the Board wished to postpone a general meeting;
- (ii) providing that the consideration (if any) received by the Company upon the sale of any share pursuant to the untraced shareholder provisions will belong to the Company;
- (iii) the inclusion of a procedure in the event an insufficient number of Directors are re-elected at an annual general meeting of the Company; and
- (iv) providing the Directors with the ability to require additional security measures to be put in place at general meetings of the Company. These changes reflect modern best practice and/or are intended to relieve certain administrative burdens on the Company.