

## Global Remuneration Policy Statement (“GRPS”)

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### Summary of Janus Henderson Group Plc Remuneration Policy

Janus Henderson Group plc (the “Company”) operates a single Remuneration Policy which applies in its entirety to all entities and employees including the executives, unless local laws or regulations set more rigorous requirements for any aspect, in which case the higher standards apply.

A successful remuneration policy should be sufficiently flexible to take account of future changes in the Company’s business environment and remuneration practice and therefore the GRPS is subject to change from time to time. The policy is reviewed on an annual basis to ensure that it remains aligned with evolving business strategy and changes in the markets in which we operate, is consistent with best practice, promotes sound and effective risk management and is compliant with applicable regulations.

### Remuneration Principles

Our remuneration practices aim to link pay with performance and drive long-term shareholder returns, while appropriately managing risk. In doing so, the Compensation Committee (the “Committee”) and the Board recognize that our remuneration policies and practices must enable us to attract, motivate and retain exceptional people, while aligning their interests with those of shareholders.

The key drivers of our remuneration philosophy are:

- Attract and retain employees critical to our long-term success by providing total reward opportunities which, subject to performance, are competitive within our defined markets;
- Fully align pay with our strategic priorities, reinforce a strong performance culture through rewards which reflect Company, department, team and individual performance;
- Align management, client and shareholder interests by deferring a significant portion of remuneration into JHG stock awards and/or fund units;
- Manage risk taking and conflicts of interest in our incentive plan, maintain an appropriate balance between base pay, short-term cash incentives and long-term deferred incentives;
- Ensure that remuneration processes and procedures comply with industry requirements and legislation, are consistent with market practice, and include effective risk management controls.

The Company’s remuneration principles are reinforced through an appropriate balance of the following elements of remuneration:

<b>Base Pay</b>	Attract and retain employees with the personal attributes, skills and experience required to deliver long-term value for clients and shareholders.
<b>Benefits</b>	<p>Provide health benefits to support our employees and their families, geared toward employee wellbeing, competitive within each of our local markets, and cost-effective and tax-efficient whenever possible.</p> <p>Offer competitive retirement and/or pension arrangements that allow employees to build wealth, are aligned with the Company’s risk appetite, and cost- and tax-efficient for employees and the Company.</p> <p>The Company operates voluntary all employee share plans including Buy As You Earn (BAYE), Sharesave (SAYE), and an Employee Stock Purchase Plan (ESPP) in which staff can participate within approved contribution guidelines to encourage employees to become shareholders in the Company.</p>

## Global Remuneration Policy Statement (“GRPS”)

<b>Variable Incentive Awards</b>	Employees are eligible to receive discretionary variable incentive awards based on Company, department, team, and individual performance. These awards are funded from a Profit Pool more fully described below. Variable incentives are paid in the form of cash and/or deferred awards. Deferrals are delivered in JHG restricted stock and fund units.  Under the CEO scorecard approach, a portion of the deferral is delivered in performance shares that vest based on relative total shareholder return, over a forward looking 3-year period.
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The Company does not operate specific ratios (maxima or minima) in regard to the mix of base pay and variable pay, opting instead for managing fixed and variable remuneration in line with market practice and by reference to the employee’s unique role and individual performance.

### Variable Incentive Awards

#### *Profit Pools*

The Company pays variable incentive remuneration for 96% of employees from pools funded by Company profits (“Profit Pools”). The Profit Pools fund employee variable incentive awards, as well as performance fee remuneration (where applicable). Employees participate in one of three separately funded pools, depending on their role in the organisation: (i) the Investments Pool, (ii) the Core Pool, or (iii) the Intech Pool. Each pool has a specific Pre Incentive Operating Income (“PIOI”) calculation and a corresponding funding percentage, effectively creating a ‘profit share’ arrangement between our employees and our shareholders.

1. **The Investments Pool:** Covers employees contributing to the investment management functions at Janus Henderson and include; portfolio managers, research analysts, research associates, traders, client portfolio managers, the exchange-traded product team, portfolio analytics, investment risk employees and the investment team’s administrative support.
2. **The Core Pool:** Covers employees contributing to the executive, distribution, administrative, and operational support of Janus Henderson and its subsidiaries.
3. **The Intech Pool:** Covers all employees of the Janus Henderson subsidiary Intech Investment Management LLC, including investments, distribution, and support employees.

PIOI is generally considered as operating income before the deduction of incentive remuneration and overhead. The indicative funding percentages are subject to oversight and approval by the Committee of the Janus Henderson Board of Directors. The Committee retains the discretion to modify or terminate remuneration plans and programmes without prior notice.

Profit Pool funding levels are directly linked to profits generated in the current year, reflecting the firm’s ability to pay and thereby strengthening its capital base. The Committee may adjust the profit pools (even to zero);

- o If the Committee believes an adjustment, either up or down, better aligns the Pool with Company performance, or in consideration of any non-financial objectives or factors as appropriate,
- o in consideration of the annual risk assessment, and/or
- o based on independent guidance or advice from the Company’s Board Risk Committee or the Henderson Group Holdings Asset Management Limited Board (“HGHAML Board”).

Once the Profit Pools are calculated in aggregate, allocations are cascaded to department leadership through a process initiated by the Chief Executive Officer (the “CEO”), in collaboration with members of the Executive Committee and the CEO of Intech. During this allocation process, department performance and contribution toward Company results are taken into account, and consideration is given to financial and non-financial key performance indicators as determined for each department. This group may review relevant department level information gathered from the annual risk assessment, the review of material risk events, and any conduct or behaviour issues.

## Global Remuneration Policy Statement (“GRPS”)

Employees receive variable incentive awards from the profit pools on a discretionary basis, based on the recommendations of line managers and in consideration of individual performance appraisals. Under the Company’s performance appraisal framework, employees;

- set individual objectives (jointly with line management), aligned to the Company’s overall strategic priorities, yet unique to their individual role and department, and
- are expected to exhibit certain behavioural competencies, aligned with the Company’s guiding principles:
  - ‘we put clients first’,
  - ‘we act like an owner’, and
  - ‘we succeed as a team’.

In respect of individual incentive awards from the Profit Pools, employees are measured against;

- achievement of their individual objectives, and
- demonstration of the above behavioural competencies.

This is a ‘guidance based’ approach with no specific rules constraining line manager discretion. Final decision-making and approval of individual awards is held by department leadership. The CEO and co-Heads of Human Resources (“co-Heads of HR” review department outcomes, including a gender pay view, and provide oversight and direction as needed.

- The Remuneration Review Committee (the “RRC”) reviews individual incentive remuneration in the context of material risk events, conduct and behaviours and may adjust individual awards based on this review.
- The RRC also reviews remuneration proposals relating to individuals identified as Code Staff under the BIPRU, AIFMD and UCITS Remuneration Codes.

Profit Pool eligibility does not guarantee that variable incentives will be paid to an employee, and the payment of no variable incentive is a possibility should performance of the firm and/or the individual require this. Employees must be actively employed by Janus Henderson on the day that Profit Pool incentives are distributed in order to receive these awards.

- *Employees paid outside the Profit Pools:* Employees in the following positions are not eligible to participate in the Profit Pools and may receive variable incentives that are directionally consistent with the profit pool outcomes, in consideration of individual performance as determined by the Committee for the CEO, or as recommended by the CEO for the Executive Committee. The Committee retains decision-making and approval of Executive Committee remuneration including the following roles paid outside the Profit Pool: the CEO, Chief Risk Officer (“CRO”), Chief Financial Officer (“CFO”), Chief Investment Officer (“CIO”) and General Counsel.

### *Monthly and quarterly commission arrangements*

Direct front line sales professionals located in the US participate in market-standard Sales Variable Pay Plans (the “Plans”) that include formulaic commissions. The Plans are intended to reward salespeople directly for both individually generated sales and the performance of the broader team. Monthly commissions generally are a set percentage (“basis points”) of individual gross sales, or an ‘attainment’ framework that pays employees based on achievement of a sales goal. Quarterly discretionary awards are funded by team gross sales. The Plans also include a Net Sales incentive that adjusts the monthly basis point or attainment rate. Individual payments from these plans may be adjusted at the discretion of line management, and in consideration of personal conduct and behaviours.

### *Performance fee incentives*

The Company receives performance fees in relation to certain funds depending on outperformance of each fund against pre-determined benchmarks. Performance fees are shared directly with investment professional in two instances;

- On a discretionary basis, if the fees were generated by one of five specific Investment Trusts, and
- On a formulaic basis, if there is a contractual arrangement in place.

The discretionary performance fee sharing incentives are funded from within the Profit Pools and subject to the same risk adjustment, review and standard deferral arrangements that apply to the discretionary funding frameworks.

The Company operates a small number of legacy formulaic and contractual performance fee incentive arrangements which predominantly relate back to historic acquisitions. These incentives are not funded from within the Profit Pools, but are subject to risk adjustment processes and the Company’s standard deferral arrangements.

## Global Remuneration Policy Statement (“GRPS”)

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### *CEO Scorecard*

The Committee uses a structured scorecard to measure CEO performance. The scorecard approach is designed to align CEO remuneration with Company performance and reward the CEO for achieving goals that maximise long-term value for clients and shareholders. The scorecard is based on the same factors used by the Company to evaluate business results. The performance categories, measures, and weightings used are as follows:

- Investment Excellence (*30% weighting*): Deliver investment excellence for clients (measured based on 3-year investment performance relative to a benchmark);
- Financial Results (*40% weighting*); Deliver strong financial results for shareholders (measured based on relative revenue growth, growth in net income before taxes, and net flows); and
- Strategic Results (*30% weighting*); Drive strategic results for clients and shareholders (measured based on execution of the Company’s strategic vision and priorities, attracting strong talent, driving cultural integration and alignment as one firm, managing areas of underperformance, and delivering exceptional client service).

Following an assessment of results, the Compensation Committee determines an overall performance ‘multiplier’ between 0.0 and 2.0, which is then applied to a target incentive opportunity to determine the CEO’s actual variable incentive award. The target incentive opportunity is established annually by comparing the Company’s revenue and total assets under management, as well as business complexity, to a select peer group of companies determined by the Compensation Committee and its independent remuneration consultants.

### *Deferral arrangements*

Deferrals are a key driver of our remuneration philosophy as they create employee ownership and align the interests of our employees, our clients, and our shareholders over the long term. All employees are subject to the Company’s standard deferral arrangements which apply to variable incentive awards, excluding the monthly and quarterly commission arrangements described above. Deferral rates apply to awards that exceed a minimum threshold, rates of deferral increase for larger incentive awards, or as appropriate under the Alternative Investment Fund Managers Directive (AIFMD) or Undertakings for Collective Investment in Transferable Securities (UCITS) regulations. Deferred awards vest in three equal instalments over a 3-year period. Forfeiture provisions apply to employees who cease employment with the Company during the vesting period, other than in prescribed circumstances. Deferrals are delivered into JHG restricted stock and/or fund units and, effective in 2020, all awards are subject to malus provisions. Clawback provisions, in addition to malus, apply to the most senior officers at the firm.

Deferral arrangements are reviewed periodically to ensure they remain aligned with:

- the Company’s business strategy, associated time horizons and risk appetite;
- competitive practice in the sectors and jurisdictions in which the Company operates; and
- emerging regulatory practice.

### **Performance Appraisals**

The Company operates an annual performance appraisal process on a global basis. Line managers must undertake reviews of individual performance at least annually. In conjunction with department heads, Human Resources analyse and calibrate performance appraisal results and consider a number of outcomes, including but not limited to; the consistent application of ratings, the degree of performance differentiation, gender pay effects, and the alignment between pay and performance.

### **Remuneration Governance Framework**

Oversight, decision-making and management activities in relation to remuneration related matters are conducted through a number of governing bodies.

#### *Compensation Committee of the Company’s Board of Directors*

The independent non-executive Directors of the Committee are responsible for;

- oversight and approval regarding CEO and Executive Committee remuneration,
- decision-making regarding the Company’s remuneration practices and variable incentive plans, including;
  - review of the annual risk assessment and approval of any adjustments to the global profit pools, and

## **Global Remuneration Policy Statement (“GRPS”)**

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- periodic review of incentive plans in respect of conflicts of interest and/or mitigation of excessive risk taking behaviours.

### *Henderson Group Holdings Asset Management Limited Board*

The independent non-executive Directors of the HGHAML Board, the parent financial holding company for Janus Henderson’s European operations within the European Economic Area (“EEA Group”), is responsible for;

- reviewing and approving remuneration policy, procedures and practices for the EEA Group (the “EEA Remuneration Policy”) that (i) take into account the Company’s remuneration policy, (ii) are consistent with and promote sound and effective risk management within the EEA Group and (iii) comply with applicable regulatory requirements and guidance, and
- periodically reviewing the general principles of the EEA Remuneration Policy and compliance with applicable Remuneration Codes, and at least annually conduct a central and independent internal review of the EEA Remuneration Policy on a consolidated basis within the EEA Group.

### *Compensation Management Forum (“CMF”)*

The CMF includes the CEO, the co-Heads of HR, the CFO, the CRO and the General Counsel. This is a forum to discuss decision-making in regard to global remuneration practices and variable incentive plans, and ensures management information is available to the appropriate governing bodies in order to support a strong remuneration oversight and governance practice.

### *Remuneration Review Committee*

The RRC includes the co-Heads of HR, the CRO and the General Counsel. This group considers guidance and feedback from relevant department heads where appropriate and is responsible for;

- considering material changes to global remuneration practices and variable incentive plans,
- reviewing variable incentive plans in respect of conflicts of interest and/or mitigation of excessive risk taking,
- approving the list of identified Code Staff and reviewing remuneration decisions for this group,
- determining adjustments to individual and/or team remuneration following an assessment of material risk events, conduct and behaviours, and
- approving any special remuneration arrangements for individuals and/or teams.

## **Additional Remuneration Policies and Practices**

### *Anti-avoidance and anti-hedging*

Identified Code Staff are required to complete an annual attestation certifying that they;

- understand that they must act and make decisions within the Company’s risk appetite as described in the Enterprise Risk Management Framework, and
- will adhere to the Company’s Personal Account Dealing policy which includes a prohibition of personal hedging transactions.

### *Guaranteed bonus and buy out awards*

The Company complies with the principles of the Financial Conduct Authority Remuneration Code in relation to guaranteed bonuses in that guaranteed variable remuneration is only awarded in cases where:

- it is exceptional;
- it occurs in the context of hiring new staff;
- the firm has a sound and strong capital base; and
- it is limited to the first year of service.

Buying out deferred bonuses is permitted subject to, as far as possible, the timing, delivery mechanism (i.e. shares or cash) and amounts paid out being set to match the former arrangements (quantum and vesting schedule) including, where relevant, applicable performance conditions associated with the forfeited awards.