

Stewardship Policy Statement

Policy

This policy applies to all Janus Henderson European entities. It does not apply to sub-delegated portfolio managers, such as the strategies managed by Intech Investment Management LLC (“Intech”), Perkins Investment Management llc (“Perkins”) or Henderson Global Investors Singapore (HGIS). For Intech, this is primarily due to the nature of the strategies. Sub-delegated arrangements will be considered as part of any future update of this policy.

Janus Henderson is committed to the principles of good stewardship. We support the UK and Japanese Stewardship Codes and similar initiatives around the world, in addition to our regulatory obligations. Stewardship is a natural part of our approach to investment management, and a key element of how we discharge our responsibility towards clients as we seek to protect and enhance value in the companies we invest in on their behalf.

Fund managers and analysts are primarily responsible for monitoring investee companies, and they meet regularly with company management. Frequent topics of discussion at these meetings include corporate strategy, business planning and delivery of objectives, capital structure, proposed acquisitions or disposals, as well as specific corporate governance and corporate responsibility issues where relevant.

We take an active approach to communicating our views to companies and to escalating our engagement activities where necessary to protect and enhance shareholder value. This includes acting collectively with other investors where we believe this approach is more effective.

We actively vote at shareholder meetings and engage with companies as part of the voting process. Key voting decisions are made by fund managers, with support provided by in-house corporate governance specialists.

Further information is available at <https://www.janushenderson.com/ukpa/content/responsible-investment>.

Conflicts of interest

Janus Henderson has a Conflicts of Interest Policy, the objective of which is to ensure that conflicts of interest, both potential and actual, across the Janus Henderson Group are identified, recorded and managed appropriately and, where necessary and appropriate, disclosed in order to ensure fair treatment of clients. The Ethics and Conflicts of Interest Committee, which is a sub-committee of the Audit Committee of Janus Henderson Group, is responsible for reviewing and overseeing the Group’s arrangements for identifying and managing conflicts of interest and ensuring the best interests of its clients are considered at all times.

Janus Henderson also has a Proxy Voting Committee, which is responsible for developing Janus Henderson’s positions on major voting issues, creating guidelines and overseeing the voting process. The Committee is comprised of representatives of investment accounting, compliance, portfolio management and governance and responsible investment. Additionally, the Proxy Voting Committee is responsible for monitoring and resolving possible conflicts of interest with respect to proxy voting.

Janus Henderson’s conflicts of interest policy is available upon request.

Company monitoring

Janus Henderson’s investment teams are completely autonomous in terms of applying their investment philosophy and process while benefiting from a common pool of resources. As such, there is no top-down house view and teams are structured to maximise opportunities within their respective investment universes.

Fund managers and analysts spend a considerable amount of their time monitoring the performance of investee companies. A wide variety of sources of information are utilised including company meetings, company reporting, broker research, industry reports and in-house research. In addition, fund managers

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have access to specialist research covering corporate governance and corporate responsibility issues, as well as the in-house Governance and Responsible Investment team.

The primary route for company engagement on stewardship-related issues is the regular meetings fund managers have with the companies in which they invest. Janus Henderson's fund managers hold thousands of company meetings each year. Meetings incorporate a wide range of topics including strategy, capital allocation, company performance, risk, management succession, board composition, and also environmental and social issues where relevant. Investment teams are supported by our in-house Governance and Responsible Investment Team. Meetings are recorded on internal research platforms.

Analysis is shared on internal research platforms and frequent discussion takes place between our Governance and Responsible Investment Team, analysts and fund managers. We keep electronic records of our engagement, voting and other corporate governance and corporate responsibility activities, including the rationale for voting decisions.

On occasion and where appropriate Janus Henderson's company engagement work may lead to us becoming an insider. This is most likely to be in relation to specific corporate actions, but may also take place as part of the escalation of our engagement work. A decision to become an insider is made on a case by case basis by the relevant fund manager. Where Janus Henderson has become an insider the company is added to the list of embargoed companies. This prevents fund managers buying or selling shares in the company for the funds they manage. Furthermore this prevents all staff from trading in the company on their personal account.

Escalation

We take an active approach to communicating our views to companies and seeking improvements where we believe there are shortcomings in performance, or a company has failed to apply appropriate standards, or to provide adequate disclosure. We will continue our dialogue with the company over an extended period if necessary. Common issues on which we have intervened in the past include concerns over executive or non-executive leadership, mergers & acquisitions, corporate governance standards, disclosures and remuneration practices. Any decision to intervene is made on a case by case basis.

Escalation of our engagement activities will depend upon the company's individual circumstances and the nature of our shareholding. In most instances engagement would begin with the executive management team. Where we are unable to resolve issues to our satisfaction the likely next step in escalation would be to address concerns directly to the Chairman or Senior Independent Director. Where direct company engagement proves unsatisfactory or impractical, we may pursue other actions such as communication through the company's brokers, joint intervention with other shareholders or voting against board proposals.

Ultimately, company engagement is considered part of each investment process and investment teams review the outcomes and effectiveness of intervention as part of their own system for reviewing investment processes and performance.

Collective engagement

We recognise that in some instances joint action by shareholders has the potential to be more effective than acting alone. This is especially so where shareholders have a clear common interest, such as in times of corporate distress. Janus Henderson pro-actively collaborates with other investors on governance and wider environmental and social engagement issues, directly and through industry bodies.

We review all proposals for collective engagement initiatives on a case by case basis. Alongside our usual criteria based on the size of our shareholding, the materiality of the issues and our ability to influence, the core criteria for collective engagement are the alignment of interests of participants and the potential for collaborative action to be more effective than acting alone.

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Janus Henderson is an active participant in a range of organisations that facilitate collaborative engagement, including the Investment Association, the Investor Forum, the UNPRI Clearinghouse and the Asian Corporate Governance Association.

The primary contact in relation to collective engagement is Antony Marsden, Head of Governance and Responsible Investment (corpgov@janushenderson.com).

Voting

Janus Henderson exercises the voting rights on behalf of clients at meetings of all companies in which we have a holding. The only exception to this is meetings where share blocking or other restrictions on voting are in place.

To assist us in assessing the corporate governance of investee companies we subscribe to ISS (an independent proxy voting adviser). ISS provides voting recommendations based upon Janus Henderson's corporate governance policies.

While we prefer that companies adhere to the principles and provisions of the relevant national code of best practice, we recognise that a different approach may be justified in certain circumstances. In such cases, the onus is on the company to provide us with sufficient information to enable us to take an informed view. As an active manager our preference is to engage with management and boards to resolve issues of concern rather than to vote against shareholder meeting proposals. In our experience this approach is more likely to be effective in influencing company behaviour. We therefore actively seek to engage with companies throughout the year and in the build up to the annual shareholder meeting to discuss any potentially controversial agenda items. However, where we believe proposals are not in shareholder interests or where engagement proves unsuccessful we will vote against.

Key voting decisions are made by fund managers, with support provided by in-house corporate governance specialists. Our voting decisions are implemented electronically via the ISS ProxyExchange voting platform.

Stock lending makes an important contribution to market liquidity and provides additional investment returns for our clients. However, stock lending also has important implications for corporate governance policy as voting rights are transferred with any stock that is lent. We maintain the right to recall lent stock across all our funds under management for voting purposes. All decisions to recall stock are made by the relevant fund manager.

We publicly disclose voting records on our website.. Information can be found at: <https://www.janushenderson.com/ukpa/content/responsible-investment>

Institutional Reporting

We will publish a Janus Henderson Stewardship Report in 2019 providing an overview of work undertaken on stewardship for the year under review. This report will include details of significant votes based on Janus Henderson's voting position, the overall level of shareholder dissent and the importance of the issues subject to a shareholder vote. We provide more detailed information on our stewardship activities to clients according to their requirements.

For further information on Janus Henderson's stewardship work, please contact:

Antony Marsden

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Important information

We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

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