

Henderson Diversified Income Limited  
Notice of 2017 Annual General Meeting

# Letter from the Chairman

## Dear Shareholder

The Notice of our ninth Annual General Meeting, which is to be held on Wednesday 26 April 2017 at 8:30am at Liberté House, 19-23 La Motte Street, St. Helier, Jersey JE2 4SY is set out on pages 1 and 2 of this document. I also refer you to the Company's Annual Report for the year ended 31 October 2016 and separate explanatory circular in respect of the proposed redomicile of the business of the Company which has been sent out to shareholders with this document.

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company's shareholders as a whole. The Board 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

**Paul Manduca**

*Chairman*

23 February 2017

**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, the Financial Services (Jersey) Law 1998 if you are resident in Jersey, or if you are resident elsewhere 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 Limited (the 'Company'), please pass this circular and 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 or transferred or otherwise disposed of only part of your holding of shares in the Company, you should retain this circular 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 Limited

(a closed-ended investment company registered with limited liability in Jersey under the Companies (Jersey) Law 1991 with registered number 97669)

## Notice of Annual General Meeting

Notice is hereby given that the ninth Annual General Meeting of Henderson Diversified Income Limited (the 'Company') will be held at Liberté House, 19-23 La Motte Street, St. Helier, Jersey JE2 4SY on **Wednesday 26 April 2017 at 8:30am** for the following purposes:

### Ordinary Business

- 1 To receive the Annual Report and audited Financial Statements for the year ended 31 October 2016.
- 2 To approve the Directors' Remuneration Report.
- 3 To approve the Directors' Remuneration Policy.
- 4 To re-appoint Grant Thornton Limited as Independent Auditors.
- 5 To authorise the Directors to determine the Auditors remuneration.
- 6 To re-appoint Angus Macpherson as a Director of the Company
- 7 To re-appoint Ian Wright as a Director of the Company

### Special Business

Resolutions 9, 10 and 11 are proposed as special resolutions. For resolutions 9 and 10 at least two thirds of the votes cast must be in favour of each of the resolutions to pass and for resolution 11 at least three quarters of the votes cast must be in favour.

- 8 THAT, the shareholders approve the Company's dividend policy to continue to pay four quarterly interim dividends, which in the year under review have totalled 5.10p per share.

### Special resolution requiring two thirds of voting shareholders to approve.

- 9 THAT, the Company be and is hereby generally and unconditionally authorised to make one or more market purchases on a stock exchange of, and to cancel, or (subject to resolution 10) hold as treasury shares, ordinary shares of no par value in the capital of the Company ('shares'), pursuant to Article 57 of the Companies (Jersey) Law 1991 as amended (the 'Law'), provided that:
  - (a) the maximum number of shares hereby authorised to be purchased is 14.99 per cent. of the issued share capital of the Company as at the date of the passing of this resolution;
  - (b) the maximum price, exclusive of expenses, which may be paid for a share shall not be more than the higher of:
    - (i) an amount equal to 105 per cent. of the average of the middle market quotations for a share taken from the London Stock Exchange Official List for the five business days immediately preceding the date of purchase; and
    - (ii) the higher of the last independent trade and the current highest independent bid on the London Stock Exchange;
  - (c) the minimum price, exclusive of expenses, which may be paid for a share is 1p;
  - (d) the Directors of the Company can, prior to each such purchase, make the solvency statement required by the Law and fulfil all other requirements of the Law in relation to purchases of a company's own shares; and
  - (e) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time.

### Special resolution requiring two thirds of voting shareholders to approve.

- 10 THAT, the Company be and is hereby generally and unconditionally authorised to hold up to 10 per cent. of the Company's own shares (whether purchased pursuant to Resolution 9 or otherwise) as treasury shares pursuant and subject to Articles 58A and 58B of the Companies (Jersey) Law 1991, as amended.

# Notice of Annual General Meeting

continued

**Special resolution requiring three quarters of voting shareholders to approve.**

11 THAT, the Company may disapply pre-emption rights and issue equity securities (as defined in the Company's Articles of Association) up to a maximum amount of 10 per cent. of the issued share capital of the Company as at the date of the passing of their resolution provided that such disapplication shall expire (unless and to the extent previously revoked, varied or renewed by the Company in General Meeting by special resolution passed by three quarters of shareholders voting thereon) at the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2018 or 15 months from the date of this resolution but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be issued after such expiry and the directors of the Company may issue equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

**Ordinary resolution requiring a majority of voting shareholders to approve.**

By Order of the Board

BNP Paribas Securities Services S.C.A. Jersey Branch,  
Corporate Secretary to Henderson Diversified Income Limited

Registered Office:  
Liberté House  
19-23 La Motte Street  
St. Helier  
Jersey JE2 4SY  
23 February 2017

# Explanatory notes

The information set out below is an explanation of the business to be considered at the 2017 Annual General Meeting. Shareholders are also recommended to view the Company's website [www.hendersondiversifiedincome.com](http://www.hendersondiversifiedincome.com) on which they can find the Company's Annual Report for the year ended 31 October 2016.

The EGM will follow the AGM because if shareholders decide to vote against the EGM proposals and winding up of the existing Company, it will then be able to continue in operation for the year ending 31 October 2017 with the usual shareholder approvals obtained.

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

The Directors are required to present the Annual Report and audited Financial Statements, the Directors Remuneration Report and Independent Auditors' Report in respect of the financial year ended 31 October 2016 to the Meeting.

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

Shareholders are requested to approve the Directors Remuneration Report which is set out on pages 28 and 29 of the Annual Report. The vote is advisory and does not affect the remuneration payable to any individual Director.

## **Resolutions 3: Approval of the Company's Remuneration Policy** (ordinary resolution)

Shareholders are requested to approve the Company's Remuneration Policy as set out in the Director's Remuneration Report. Shareholders are asked to approve the Company's Remuneration Policy every three years. The Policy was last approved at the 2014 AGM.

## **Resolution 4 and 5: Re-appointment and remuneration of the Independent Auditors** (ordinary resolutions)

Shareholders are required to approve the appointment of the Company's Auditors each year and to give Directors the authority to determine the Auditors' remuneration. Grant Thornton Limited has expressed its willingness to continue as Auditor to the Company.

## **Resolutions 6 and 7: Re-appointment of Directors** (ordinary resolutions)

Angus Macpherson and Ian Wright offer themselves for re-appointment at the 2017 Annual General Meeting.

Biographical details for Angus Macpherson and Ian Wright are shown on page 14 of the Annual Report.

## **Special Business**

### **Resolution 8: Approval of the dividend policy** (ordinary resolution)

The Directors seek approval of the Company's dividend policy to continue to pay four quarterly interim dividends, which in the year ended 31 October 2016 have totalled 5.10p per share.

### **Resolution 9: Repurchase of the Company's Ordinary Shares** (special resolution)

On 12 April 2016 the Directors were granted authority to repurchase up to 14.99 per cent. of the issued share capital as at that date for cancellation or to be held in treasury. The Directors have not bought back any shares as at the date of this Notice of Meeting. Resolution 9 seeks to renew the Company's authority to buy back shares.

The authority under this resolution is limited to the purchase of a maximum of 14.99 per cent. of the ordinary issued share capital as at the date of the passing of this resolution.

The minimum price, exclusive of expenses, which may be paid for a share is 1p.

The maximum price, exclusive of expenses, which may be paid for a share shall not be more than the higher of an amount equal to 105 per cent. of the average of the middle market quotations for a share taken from the Official List for the five business days immediately preceding the day on which the share is purchased, or such other amount as may be specified by the UK Listing Authority from time to time.

Both the minimum and maximum prices are exclusive of any relevant tax and expenses payable by the Company. 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 will 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. 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.

This authority will expire at the Annual General Meeting of the Company to be held in 2018 or within 15 months from the date of the passing of the resolution (whichever is earlier) and it is the present intention of the Directors to seek a similar authority annually.

### **Resolution 10: Treasury shares** (special resolution)

The Directors are seeking authority to hold up to 10 per cent. of the Company's own shares which have been repurchased pursuant to resolution 9 or otherwise as treasury shares.

## Explanatory notes

continued

### Resolution 11: Disapplication of pre-emption rights (special resolution)

The Directors are seeking authority to dis-apply pre-emption rights in respect of 10 per cent. of the shares in issue as at the date of the Annual General Meeting, such disapplication to expire on the earlier of 15 months from the date of the resolution or at the Annual General Meeting of the Company to be held in 2018.

This resolution be proposed in order to give the Company the flexibility to continue to issue shares up to an aggregate total of 10 per cent. of the shares in issue as at the date of the Annual General Meeting, on a non-pre-emptive basis. Shares will only be issued at a premium to net asset value and therefore will not be disadvantageous to existing shareholders.

### ISIN/SEDOL number

The market price of the Company's ordinary shares can be found in the Financial Times. The London Stock Exchange Daily Official List (SEDOL) code is: B1Y1NS4. The International Security Identification Number (ISIN) is: JE00B1Y1NS49. The TDIM code is HDIV.

### Website

Details of the Company's share price and net asset value, together with other information about the Company, can be found on the Company's website.

The address is: [www.hendersondiversifiedincome.com](http://www.hendersondiversifiedincome.com)

### Shareholder information

Copies of this Notice of Meeting or other documents issued by the Company are available from the Corporate Secretary and can also be found on the Company's website. If needed, copies can be made available in a variety of formats, either Braille, on audio tape or larger type as appropriate.

### Nominee share code

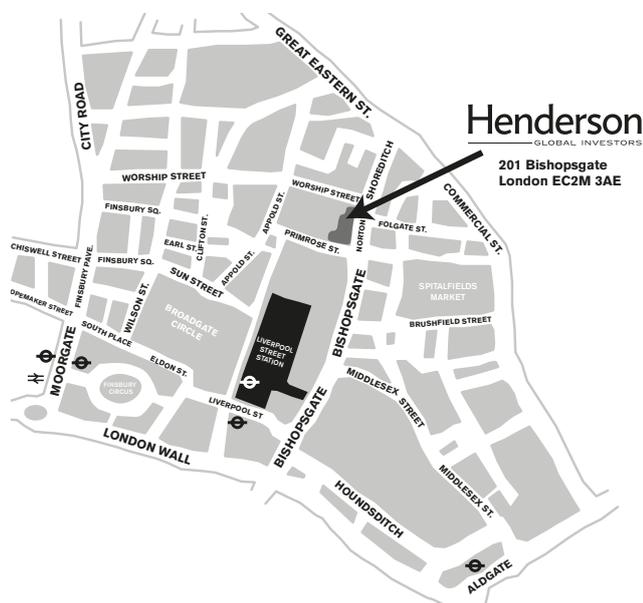
Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend General Meetings and speak at Meetings when invited to do so by the Chairman. Investors in Halifax Share Dealing Limited products receive all shareholder communications. A Voting Instruction Form is provided to facilitate voting at General Meetings of the Company for these shareholders.

### Shareholder event

The Company is required to hold all its General Meetings in Jersey. The Board recognises that many shareholders are unable to travel to Jersey, but would like to meet a member of the Board and hear from the Fund Managers on a regular basis. Henderson has therefore arranged a shareholder event to be held at Henderson's offices at 201 Bishopsgate, London EC2M 3AE at 11:00am on Thursday 27 April 2017. The event will provide the opportunity for the Fund Managers to give a presentation on the investment strategy and performance. Angus Macpheson, who will succeed Paul Manduca as Chairman following the AGM, will also be present. The event will include light refreshments.

If you wish to attend, please return the yellow attendance card which is enclosed with this Notice. A map of the venue for the shareholder event is provided below.

## Shareholder event venue



The shareholder event will be held at Henderson's Offices (12th floor) at 201 Bishopsgate, London EC2M 3AE. It is a few minutes walk from Liverpool Street Station and from Moorgate Underground Station.

# Notes to the Notice of Annual General Meeting

Resolutions 1 to 8 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 9, 10 and 11 are proposed as special resolutions. For resolutions 9 and 10 at least two thirds of the votes cast must be in favour of each of the resolutions to pass and for resolution 11 at least three quarters of the votes cast must be in favour of the resolution.

## 1 Voting record date

Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those shareholders entered on the register of members of the Company as at 8:30 am on 24 April 2017 or, in the event that the meeting is adjourned, on the register of members forty eight 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 the entries on the register of members after 8:30 am on 24 April 2017 or, in the event that the meeting is adjourned, in the register of members forty eight hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the Articles of Association of the Company or other instrument to the contrary.

## 2 Rights to attend and vote

A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed.

## 3 Rights to appoint proxies

Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to arrive not less than forty eight hours before the time fixed for the Meeting. Earlier times and alternate delivery addresses are applicable to Halifax holders. Please see relevant Voting Instruction Form.

## 4 Receipt and termination of proxies

A Form of Proxy is enclosed and to be valid must be lodged with the Company's Registrar (Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY) before 8:30 am on 24 April 2017. 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.

## 5 Communication with the Company

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

## 6 Electronic receipt of proxies

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual, which is available to download from the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the Issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified in note (ii) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as valid a CREST Proxy Instruction in the circumstances set out in Article 33 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

# Notes to the Notice of Annual General Meeting continued

## 7 Voting instruction form

If you are a participant in the Halifax Share Dealing Products (run by Halifax Share Dealing Limited ('HSDL')) who transferred from the products formerly managed by Henderson Global Investors Limited ('Henderson') or who have subsequently been introduced via Henderson, a pink Voting Instruction Form will have been sent to you with this document. In accordance with the arrangements made between HSDL and Henderson, you are given the opportunity to instruct the nominee company of HSDL to exercise the voting rights appertaining to your shares. Voting instruction forms should be returned as soon as possible, in accordance with the instructions given on them, so as to be received back no later than Monday 17 April 2017. This timetable is to enable the nominee company to submit a Form of Proxy forty eight hours before the Annual General Meeting.

## 8 Documents available for inspection

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 Annual General Meeting from 15 minutes prior to the commencement of the Meeting until its conclusion. No Director has a contract of service with the Company.

## 9 Website

A copy of the Notice of the Meeting, including these explanatory notes, is included on the Company's website, [www.hendersondiversifiedincome.com](http://www.hendersondiversifiedincome.com)

## 10 Total voting rights

As at 23 February 2017 the Company's issued share capital comprised 179,568,240 ordinary shares of no par value. Each ordinary share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 23 February 2017 was 179,568,240.

### Warning to shareholders

Shareholders should be wary of unsolicited telephone calls or correspondence concerning the Company and offering investment advice, offers to buy shares at a discount or free company reports.

It is extremely unlikely that Henderson Diversified Income Limited, its Manager (Henderson Investment Funds Limited) its Secretary/Administrator (BNP Paribas Securities Services, S.C.A. Jersey Branch) or its Registrar (Computershare Investor Services (Jersey) Limited) would make unsolicited telephone calls to shareholders. In the event that the Company or its advisers did make unsolicited calls, shareholders would never be asked to confirm their personal details and such calls would relate only to official documentation already circulated to shareholders and never be in respect of offering investment advice, or unpublished investment or financial information regarding the Company.

If you are in any doubt about the veracity of an unsolicited phone call, please call the Corporate Secretary at the telephone number provided on page 15 of the Annual Report.