

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO THE RECONSTRUCTION AND VOLUNTARY WINDING UP OF HENDERSON DIVERSIFIED INCOME TRUST PLC ON WHICH SHAREHOLDERS ARE BEING ASKED TO VOTE AND IN RELATION TO WHICH SHAREHOLDERS HAVE THE RIGHT TO MAKE AN ELECTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IF YOU ARE IN THE UNITED KINGDOM, OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE IN A TERRITORY OUTSIDE OF THE UNITED KINGDOM, WITHOUT DELAY.

If you have sold or otherwise transferred all your Shares in Henderson Diversified Income Trust plc (the “**Company**”), please send this document (but not the accompanying personalised Forms of Proxy or Form of Election) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The prospectus (the “**HHI Prospectus**”) published by Henderson High Income Trust plc (“**Henderson High Income**” or “**HHI**”) should not be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, New Zealand, or the Republic of South Africa or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions. Shareholders who are resident in, or citizens of, territories outside the United Kingdom should read the section titled “Overseas Shareholders” in Part 3 of this document.

The New HHI Shares are not and will not be registered under the U.S. Securities Act of 1933, as amended (the “**US Securities Act**”), and the New HHI Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of “U.S. persons” as defined in Regulation S under the US Securities Act except pursuant to an exemption from the registration requirements of the US Securities Act. Additionally, Henderson High Income is not, and does not intend to be, registered as an investment company under the U.S Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and HHI Shareholders are not, and will not be, entitled to the benefits of the US Investment Company Act. No issuance, offer, purchase, sale or transfer of New HHI Shares may be made except in a manner which would not require Henderson High Income to register under the US Investment Company Act. There has been and will be no public offer of the New HHI Shares in the United States.

The definitions used in this document are set out in Part 7 of this document.

Henderson Diversified Income Trust plc

*(Incorporated in England and Wales with registered number 10635799)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

Recommended proposals for the reconstruction and winding-up of the Company and Notices of General Meetings

This document should be read in conjunction with the HHI Prospectus which is available on HHI's website, <https://www.janushenderson.com/combination-with-henderson-diversified-income-trust-plc/>. The Proposals described in this document are conditional, amongst other things, on Shareholder approval. Your attention is drawn to Part 5 of this document which contains a summary of the risks associated with the Proposals. Your attention is further drawn to the letter from the Chairman of the Company set out in Part 1 of this document which contains, among other things, the recommendation of the Board that Shareholders vote in favour of the Resolutions to be proposed at the General Meetings referred to below. This document should be read in its entirety before deciding what action you should take.

Notices of two general meetings of the Company to be held on 8 January 2024 and on 16 January 2024 respectively (the “**General Meetings**”) are set out at the end of this document. Both General Meetings will be held at 201 Bishopsgate, London EC2M 3AE.

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the General Meetings and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf. Forms of Proxy for use in conjunction with the General Meetings are enclosed. To be valid for use at the General Meetings, the Forms of Proxy must be completed and returned in accordance with the instructions printed thereon to the Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible, but in any event so as to be received no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting. Alternatively, you may appoint a proxy or proxies electronically by visiting www.investorcentre.co.uk/eproxy and following the instructions. Proxies submitted via www.investorcentre.co.uk/eproxy must be transmitted so as to be received by the Registrars by no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting. Shareholders who hold their Shares in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notices of the General Meetings set out at the end of this document). Proxies submitted via CREST for the General Meetings must be transmitted so as to be received by the Registrars as soon as possible and, in any event, by no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting.

Shareholders who hold Shares in certificated form will also find enclosed with this document a Form of Election for use in connection with the Proposals. To be valid, Forms of Election must be completed and returned to the Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH so as to arrive as soon as possible and in any event not later than 1.00 p.m. on 8 January 2024. Shareholders who hold their Shares in uncertificated form will not receive a Form of Election and should elect in accordance with the instructions contained in the section of this document titled “Ordinary Shares held in uncertificated form (that is, in CREST)”, which can be found in Part 3 of this document. All Elections will be irrevocable without the consent of the Directors. Failure to return a Form of Election or to submit a TTE Instruction (as applicable) or the return of a Form of Election which is not validly completed will result in the relevant Shareholder being deemed to have elected for the Rollover Option in respect of their entire holding. Overseas Shareholders should read the section titled “Overseas Shareholders” in Part 3 of this document.

J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove (“**JPMC**”) and is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the UK, is acting for the Company and no one else in connection with the Proposals and will not be responsible to anyone other than Company for providing the protections afforded to customers of JPMC or for providing advice in relation to the Proposals, the contents of this document and the accompanying documents or any other matter referred to herein or therein.

It is important that you complete and return the Forms of Proxy, or appoint a proxy or proxies electronically or use the CREST electronic voting service in the manner referred to above, and if you wish to elect for the Cash Option in whole or in part return the Form of Election or submit a TTE Instruction (as applicable) as soon as possible. Your attention is drawn to the section titled “Action to be taken by Shareholders” on pages 5 and 6 of this document.

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EXPECTED TIMETABLE

2024

Ex-dividend date for the pre-liquidation interim dividend to Shareholders	4 January
Latest time and date for receipt of Forms of Proxy for the First General Meeting	11.00 a.m. on 4 January
Record date for the pre-liquidation interim dividend to Shareholders	5 January
First General Meeting	11.00 a.m. on 8 January
Latest time and date for receipt of Forms of Election and/or TTE Instructions	1.00 p.m. on 8 January
Record Date for entitlements under the Scheme	6.00 p.m. on 8 January
Settlement of Shares disabled in CREST	6.00 p.m. on 8 January
Trading in the Shares on the London Stock Exchange is suspended	7.30 a.m. on 9 January
Calculation Date	market close on 10 January
Latest time and date for receipt of Forms of Proxy for the Second General Meeting	10.30 a.m. on 12 January
Payment date for the pre-liquidation interim dividend	15 January
Reclassification of the Shares (and commencement of dealings in Reclassified Shares)	8.00 a.m. on 15 January
Suspension of listing of Reclassified Shares and Company's Register closes	7.30 a.m. on 16 January
Second General Meeting	10.30 a.m. on 16 January
Effective Date for implementation of the Scheme	16 January
Announcement of the results of Elections, the Cash NAV per Share, the HDIV FAV per Share and the HHI FAV per Share	16 January
CREST accounts credited with, and dealings commence in, New HHI Shares	8.00 a.m. on 17 January
Share certificates in respect of New HHI Shares despatched	week commencing 22 January
Cheques and electronic payments despatched to Shareholders who elect for the Cash Option in accordance with their entitlements and CREST accounts credited with cash	week commencing 22 January
Cancellation of listing of Reclassified Shares	as soon as practicable after the Effective Date

Note: All references to time in this document are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the General Meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

ACTION TO BE TAKEN BY SHAREHOLDERS

Full details of the action to be taken by Shareholders are set out in Part 3 of this document and in the instructions on the Forms of Proxy and the Form of Election. You should read this whole document when deciding what action to take. The attention of Overseas Shareholders is drawn to the section headed “Overseas Shareholders” in Part 3 of this document.

To vote on the Proposals



Complete and return the **PINK Form of Proxy** for the First General Meeting so as to be received as soon as possible, but in any event **by no later than 11.00 a.m. on 4 January 2024**.

AND

Complete and return the **GREEN Form of Proxy** for the Second General Meeting so as to be received as soon as possible, but in any event **by no later than 10.30 a.m. on 12 January 2024**.

Alternatively, you may appoint a proxy or proxies electronically by visiting www.investorcentre.co.uk/eproxy and following the instructions. Proxies submitted via www.investorcentre.co.uk/eproxy must be transmitted so as to be received by the Registrars by no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting.

Shareholders who hold their Shares in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual. Proxies submitted via CREST for the General Meetings must be transmitted so as to be received by the Registrars as soon as possible and, in any event, by no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting.

To elect to rollover into HHI in full (the Rollover Option)



No Form of Election should be completed or TTE Instruction submitted. However, Shareholders should nevertheless vote on the Proposals, as set out above.

To elect for the Cash Option in full or in part



If you hold your Shares in certificated form (that is, not in CREST) you **MUST** complete and return the **Form of Election** in accordance with the instructions contained therein so as to be received as soon as possible, but in any event **by no later than 1.00 p.m. on 8 January 2024**.

If you hold your Shares in uncertificated form (that is, in CREST) you **MUST** send a **TTE Instruction** in respect of any Shares for which you wish to make an Election for the Cash Option **by no later than 1.00 p.m. on 8 January 2024**.

If you have any questions relating to the completion and return of your Forms of Proxy and/or the Form of Election, please contact the Receiving Agent's Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on +44 370 702 0000. Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline can only provide information regarding the completion of Forms of Proxy and/or the Form of Election and cannot provide you with financial, tax, investment or legal advice.

Only Shareholders who hold Shares as at 6.00 p.m. on 8 January 2024 are able to elect for the Cash Option in respect of those Shares. The extent to which a Shareholder elects for the Cash Option is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and investment objectives. Shareholders should seek advice from their own independent financial adviser.

Overseas Shareholders are entitled to participate in the Scheme. However, to the extent that Henderson High Income and/or the Liquidators and/or the Directors, acting reasonably, consider that any issue of New HHI Shares to an Overseas Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction or may violate any applicable legal or regulatory requirements or may require Henderson High Income to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and Henderson High Income and/or the Liquidators and/or the Directors, as the case may be, have not been provided with evidence reasonably satisfactory to them from the relevant Overseas Shareholder that such Overseas Shareholder is permitted to hold New HHI Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that Henderson High Income would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding.

Overseas Shareholders who wish to participate in the Scheme should contact the Company directly by no later than 5.00 p.m. on 4 January 2024 if they are able to demonstrate, to the satisfaction of the Directors and the HHI Directors, that they can be issued New HHI Shares without breaching any relevant securities laws.

PART 1

LETTER FROM THE CHAIRMAN

HENDERSON DIVERSIFIED INCOME TRUST PLC

*(Incorporated in England and Wales with registered number 10635799)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

Directors

Angus Macpherson (*Chairman*)
Denise Hadgill
Win Robbins
Lord Wood of Anfield
Ian Wright

Registered Office

201 Bishopsgate
London
EC2M 3AE

12 December 2023

Dear Shareholder

Recommended proposals for the reconstruction and winding-up of the Company and opportunity for Shareholders to elect to receive cash and/or ordinary shares in Henderson High Income Trust plc

Introduction

The Board announced on 4 October 2023 that it had agreed heads of terms for a combination of the assets of the Company with Henderson High Income Trust plc (“**Henderson High Income**” or “**HHI**”) by means of a scheme of reconstruction and members’ voluntary winding up of the Company under section 110 of the Insolvency Act (the “**Scheme**”) and the issue of New HHI Shares to Shareholders who elect, or are deemed to have elected, to roll over their investment into Henderson High Income (the “**Proposals**”).

Pursuant to the Proposals, which are conditional upon, amongst other things, the approval of Shareholders at the General Meetings and the approval of HHI Shareholders of the issue of the New HHI Shares, Shareholders will be entitled to elect to receive in respect of some or all of their Shares:

- (a) New HHI Shares (the “**Rollover Option**”); and/or
- (b) cash (the “**Cash Option**”).

The default option under the Scheme is for Shareholders to receive New HHI Shares meaning that Shareholders who, in respect of all or part of their holding of Shares, do not make a valid election or who do not make an election at all under the Scheme will be deemed to have elected for New HHI Shares in respect of such holding. However, Overseas Shareholders should ensure they have read the section titled “Overseas Shareholders” in Part 3 of this document. Shareholders should note that the issue price for New HHI Shares under the Rollover Option may be above the market price of the HHI Shares if the HHI Shares continue to trade at a discount to their underlying net asset value. This discount was 7.41 per cent. as at 7 December 2023 (being the latest practicable date prior to the publication of this document).

Shareholders can make different Elections in respect of different parts of their holdings. There is no limit on the amount of Shares which may be elected for the Cash Option.

The choice between the options available under the Proposals will be a matter for each Shareholder to decide upon and will be influenced by his or her investment objectives and by his or her personal, financial and tax circumstances. Accordingly, Shareholders should, before making any Election, read carefully all the information in this document and in the HHI Prospectus.

In order to effect the Scheme and the proposed amendments to the Articles of Association in relation to the Scheme, Shareholder approval is required at the First General Meeting. If the Scheme is approved at the First General Meeting, Shareholder approval is required at the Second General Meeting to wind up the Company voluntarily and to appoint and grant authority to the Liquidators to implement the Scheme.

The purpose of this document is to explain the Proposals in detail and the actions required to be taken in order for them to be implemented and to convene the General Meetings, notices of which are set out at the end of this document. Further details of the Resolutions to be proposed at the General Meetings are set out below under the section titled "General Meetings". The expected timetable associated with the Proposals is provided on page 4 of this document.

The Board considers the Proposals to be in the best interests of Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions at the General Meetings.

The Proposals

Background to and rationale for the Proposals

The Board has for some time been concerned that the diversified income strategy envisaged for the Company at launch in 2017 had not anticipated the economic conditions which have subsequently prevailed; for example, it has proved difficult for the portfolio managers to take advantage of their ability to invest in loans. The Board is concerned about the effectiveness of the investment strategy in maintaining income levels and the capital value of the Company in real terms in the future. The diminishing size of the Company, with its consequential impact on costs, returns and liquidity, is also a concern for the Board.

The Board invited proposals from several investment companies, with alternative investment processes which could offer greater scope to provide a more consistent return to Shareholders, as well as examining various other options for the Company, including liquidation.

Following a review of those options put forward for the future of the Company, the Board believes that the proposed combination with Henderson High Income offers numerous benefits to those Shareholders who elect to rollover into HHI, whilst at the same time, importantly, offering Shareholders the option of a full cash exit at a value close to liquidation value.

Summary information on Henderson High Income

Henderson High Income is a UK investment trust whose investment objective is to invest in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth.

HHI's benchmark is a composite of 80 per cent. of the FTSE All-Share Index (total return) and 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually. As at 7 December 2023, HHI had a net asset value with debt at fair value of approximately £213,773,000 after deducting for HHI's fourth interim dividend in respect of the financial year ended 31 December 2023 of 2.625 pence per HHI Share.

A substantial majority of HHI's assets are currently invested in the ordinary shares of listed companies, with the balance invested in listed fixed interest securities and preference shares. As at 30 November 2023, excluding cash 87.4 per cent. of the portfolio was listed equities, 11.0 per cent. was fixed interest securities and 1.6 per cent. was preference shares.

HHI invests predominantly in the securities of UK companies but can also invest up to 30 per cent. of gross assets outside of the UK.

HHI has an active policy of using appropriate levels of gearing, both in the form of bank and longer-term borrowings, with the objective of enhancing income returns and also achieving capital growth over time. A portion of gearing is usually employed with respect to HHI's fixed interest securities to generate additional income.

Janus Henderson Fund Management UK Limited ("**JHFM**") is appointed as alternative investment fund manager to both the Company and to HHI. JHFM delegates the provision of investment management

services to Janus Henderson Investors UK Limited (“JHI”), which is also the incumbent investment manager of the Company, a global asset management firm, which has over £250 billion under management. JHI in total manages 13 investment trusts.

Following completion of the Scheme, it is intended that the HHI portfolio will continue to be managed on the same basis as it is currently. In particular, the HHI investment objective and investment policy will not be amended in connection with the Scheme and the portfolio will continue to be managed by David Smith CFA as the lead portfolio manager, supported by the 15-person strong Janus Henderson Global Equity Income team and the fixed income team for the bond allocation.

Further details on HHI, including details of its performance track record, are set out in Part 2 of this document and in the HHI Prospectus.

Benefits of the Proposals

The Board believes that the Proposals have the following benefits for Shareholders:

- **Opportunity for full cash realisation:** An unlimited cash exit option will give Shareholders the option to realise all or part of their holding at a 1.0 per cent. discount to HDIV’s net asset value per share.
- **Continuity of investment manager for Shareholders electing for the Rollover Option:** Janus Henderson has a recognised equity income franchise which offers shareholders the potential for greater total return. HHI includes a fixed income allocation which is selected by the Company’s current fund managers.
- **Continuity of high income levels:** As at 30 November 2023, the HHI Shares stood on a 6.7 per cent. dividend yield, representing a significant premium to the FTSE All-Share Index’s yield, and have generated compound average dividend growth of 2.1 per cent. per annum over the last 10 years.
- **Strong investment track record:** As at 30 November 2023, HHI had outperformed its benchmark (being a composite of 80 per cent. of the FTSE All Share Index (total return) and, 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually) over one, three, five and 10 years. HHI had also delivered a 20-year share price capital and total return of 40.7 per cent. and 383.2 per cent., respectively, and a NAV (with debt at fair value) capital and total return of 52.9 per cent. and 416.3 per cent., respectively⁽¹⁾.
- **Lower costs:** HHI has a competitive management fee of 0.50 per cent. on average adjusted gross assets up to £325 million and 0.45 per cent. above, a fee below that currently paid by Shareholders (0.65 per cent. of net assets). HHI’s latest ongoing charges ratio, which would be expected to decrease post the Scheme given greater scale, is 0.84 per cent., versus 0.98 per cent. for HDIV.
- **Narrower discount:** HHI has a record of trading at a tighter discount to its underlying NAV when compared to the Company over the past three years. The Company’s three year average discount to NAV as at 7 December 2023 was 5.91 per cent. whereas HHI’s was 1.61 per cent. (the Company’s discount to NAV as at 7 December 2023 was 5.47 per cent. whereas HHI’s was 7.41 per cent. and the Company’s discount to NAV on 3 October 2023, the day prior to the announcement of the Proposals, was 9.81 per cent., compared to HHI’s discount of 1.68 per cent. on the same date).
- **Costs contribution from Janus Henderson:** Janus Henderson will offer a contribution to the costs of the Proposals, which may be made by way of an offset against part, or all, of its ongoing management fees otherwise payable by HHI and, if applicable, HDIV, of 1.25 per cent. of the value of the assets rolling over to HHI, up to a maximum of £1.1 million, which will be allocated first to pay the fixed costs of HHI (up to £550,000) and any balance towards the Company’s costs (the “**Janus Henderson Contribution**”). Janus Henderson will also waive any fee that would otherwise be payable on termination of its investment management agreement with the Company.

⁽¹⁾ Source: Morningstar Direct, Janus Henderson Investors. Data to 30 November 2023 (being the latest practicable date for this data). 20 year performance data based on ex income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date.

- **Increase in scale:** An enlarged HHI will allow fixed costs to be spread over a larger equity base, alongside improving liquidity and aiding marketing.
- **Ability to stay invested in a tax efficient manner:** Pursuant to the Scheme, Shareholders electing to roll over their investment into HHI may do so without triggering a charge to capital gains tax.

Dividends

The Board has announced a pre-liquidation interim dividend of 0.55 pence per Share which, subject to the Resolutions to be proposed at the First General Meeting being passed, will be paid to Shareholders prior to the Effective Date. This dividend is to be paid as an interest distribution for UK tax purposes from the Company's revenue account and reserves.

Shareholders receiving New HHI Shares under the Scheme will rank fully for all dividends declared by Henderson High Income with a record date falling after the date of the issue of those New HHI Shares to them. For the avoidance of doubt, Shareholders receiving New HHI Shares under the Scheme will not be entitled to receive Henderson High Income's fourth interim dividend in relation to the financial year ending 31 December 2023, which was announced on 28 November 2023 and will be paid on 26 January 2024 to holders registered at the close of business on 8 December 2023.

Details of the Scheme

Management of the Company's portfolio prior to implementation of the Scheme

Ahead of the Effective Date, the Company's investment portfolio will be realigned in the most cost-effective manner to ensure that the Company has sufficient cash to meet the amounts expected to be due under the Cash Option and assets suitable for transfer to HHI, taking account of HHI's investment objective and policy.

Scheme mechanics

Under the Scheme, each Shareholder on the Register on the Record Date may elect to receive New HHI Shares and/or cash. Shareholders are entitled to elect for the Cash Option in respect of all or part of their holdings of Shares.

The default option under the Scheme is for Shareholders to receive New HHI Shares meaning that Shareholders (other than a Sanctions Restricted Person and certain Overseas Shareholders) who, in respect of all or part of their holding of Shares, do not make a valid election or who do not make an election at all under the Scheme will be deemed to have elected for New HHI Shares in respect of such holding.

Shareholders can make different Elections in respect of different parts of their holdings.

On or shortly after the Calculation Date, the Board, in consultation with the proposed liquidators, shall finalise the division of the Company's undertaking, cash and other assets into three separate and distinct pools (the Liquidation Pool, the Cash Pool and the Rollover Pool). First, there shall be appropriated to the Liquidation Pool such undertaking, cash and other assets of the Company of a value sufficient to meet the outstanding current and future liabilities, including contingent liabilities, of the Company, including the costs associated with the Proposals to be borne by the Company and a retention to meet unknown and unascertained liabilities of the Company (the "**Retention**"). After allocating cash and other assets to the Liquidation Pool, there shall be appropriated to the Cash Pool and the Rollover Pool the remaining assets of the Company in the manner described in paragraph 3.2 of Part 4 of this document.

Subject to the passing of the Resolutions (and satisfaction of the other conditions of the Scheme, full details of which are set out in paragraph 14 of Part 4 of this document), the Company will be placed into members' voluntary liquidation and the Scheme will take effect from the Effective Date.

On the Effective Date, the cash, undertaking and other assets of the Company comprising the Rollover Pool shall be transferred to Henderson High Income. In consideration for the transfer of the Rollover Pool to Henderson High Income under the Transfer Agreement, the relevant number of New HHI Shares will be allotted to the Liquidators who will renounce the New HHI Shares in favour of Shareholders who elect or are deemed to have elected for the Rollover Option.

Shortly following the Effective Date, the Liquidators, through Computershare and pursuant to the Scheme as set out in Part 4 of this document, will distribute the cash held in the Cash Pool to Shareholders who have elected for the Cash Option in accordance with their respective entitlements under the Scheme.

To the extent that any part of the Liquidation Pool, including the Retention, is not subsequently required to discharge the Company's liabilities, it will be distributed in cash to Shareholders on the Register on the Effective Date provided that if any such amount payable to any Shareholder is less than £5.00, it shall not be paid to the Shareholder but instead shall be paid by the Liquidators to the Nominated Charity.

Entitlements under the Scheme

Shareholders who elect, or are deemed to elect, for the Cash Option will be entitled to receive the net realisation proceeds of such portion of the Cash Pool to which they are entitled. The appropriation of the Company's assets to the Cash Pool will be based on the value of the Company NAV per Share less a discount of 1.0 per cent. (the "**Cash Option Discount**") (the "**Cash NAV per Share**") multiplied by the number of Shares so elected (calculated to six decimal places). The value of the Cash Pool will be equal to the Cash NAV per Share multiplied by the number of Shares that have elected for the Cash Option (the "**Cash Pool NAV**"). As described below, the value arising from the application of the Cash Option Discount shall be allocated to the value of the Rollover Pool for the benefit of Shareholders electing, or who are deemed to have elected, for the Rollover Option. **As the appropriation of the Company's assets to the Cash Pool will occur on or shortly after the Calculation Date, the value of Shareholders' entitlements may be adversely affected by movements in the value of the assets contained in the Cash Pool between the Calculation Date and the date of electronic payment or cheque despatch in respect of entitlements under the Cash Option (expected to be during the week commencing 22 January 2024).**

The issue of New HHI Shares under the Scheme will be effected on a formula asset value ("**FAV**") for formula asset value basis as at the Calculation Date as described below and in detail in Part 4 of this document.

Shareholders who elect, or are deemed to elect, for the Rollover Option will be entitled to receive New HHI Shares on the basis of the ratio of the HDIV FAV per Share to the HHI FAV per Share, multiplied by the number of Shares so elected. The value of the Rollover Pool will be calculated on the basis of the Company NAV adjusted for: (a) the value of the Liquidation Pool, including the Retention; (b) any costs of the Proposals payable by the Company (to the extent the same do not form part of the value of the Liquidation Pool); and (c) the benefit of the Janus Henderson Contribution, if any, less the Cash Pool NAV and plus the benefit of the Cash Option Discount (being the "**HDIV FAV**"). The HDIV FAV per Share will be equal to the HDIV FAV divided by the total number of Shares that have elected for the Rollover Option (calculated to six decimal places).

The calculation of the HHI FAV will take into account: (i) the fixed costs and expenses to HHI of the Proposals; (ii) any dividends declared but not paid by HHI to HHI Shareholders prior to the Effective Date; (iii) the Janus Henderson Contribution; and (iv) a premium of 1.0 per cent. The HHI FAV per Share will be equal to the HHI FAV divided by the number of HHI Shares in issue (excluding any treasury shares) on the Calculation Date (calculated to six decimal places).

Illustrative entitlements

For illustrative purposes only, had the Calculation Date been market close on 7 December 2023 and assuming that no Shareholders exercise their right to dissent from participation in the Scheme, after deduction of the pre-liquidation interim dividend of 0.55 pence per Share and assuming 50 per cent. of the Company's current issued Share capital is elected for the Cash Option:

- the Cash NAV per Share would have been 70.001574 pence and the HDIV FAV per Share would have been 70.916929 pence. The Cash NAV per Share and the HDIV FAV per Share may be compared with the Company's share price and cum-income NAV per Share as at 7 December 2023 which, when adjusted on a pro forma basis for the deduction of the pre-liquidation interim dividend of 0.55 pence per Share, were 66.850000 pence and 70.708661 pence, respectively; and

- the HHI FAV per Share would have been 166.345569 pence which, for the Rollover Option, would have produced a conversion ratio of 0.426322 and, in aggregate, 38,810,802 New HHI Shares would have been issued to Shareholders electing for the Rollover Option under the Scheme, representing approximately 23 per cent. of the issued ordinary share capital of the enlarged Henderson High Income immediately following completion of the Scheme. The enlarged Henderson High Income would also then have paid listing fees in relation to the listing of the New HHI Shares equal to 0.082280 pence per HHI Share, which would have resulted in a cum-income NAV per HHI Share with debt at fair value of 164.995498 pence. This may be compared with HHI's share price and cum-income NAV per share (with debt at fair value and after deducting for HHI's fourth interim dividend in respect of the financial year to 31 December 2023 of 2.625 pence per share) as at 7 December 2023 of 152.5 pence and 164.7 pence, respectively.

Costs of the Proposals

The Company and Henderson High Income have each agreed to bear their own costs in relation to the Scheme. The costs of the Scheme payable by the Company are expected to be approximately £745,540 inclusive of VAT which, for the purposes of this calculation, is assumed to be irrecoverable where applicable. This estimate of costs excludes the Liquidators' retention to cover unknown liabilities (estimated at £50,000) and does not take account of any dealing costs which will be incurred by the Company in disposing of assets to meet Elections made and in realigning the portfolio in respect of the Rollover Pool to be established pursuant to the Scheme, prior to the Effective Date.

Assuming 50 per cent. of the Company's current issued Share capital is elected for the Cash Option, the fixed costs of the Proposals payable by Henderson High Income are expected to be approximately £461,300 inclusive of VAT which, for the purposes of this calculation, is assumed to be irrecoverable, where applicable. In addition, Henderson High Income will also incur listing fees in respect of the listing of the New HHI Shares and SDRT based on the value and constitution of the Rollover Pool.

In the event either or both of the Company and Henderson High Income resolve not to proceed to implement the Scheme on the terms described in this document (including if Shareholders and/or HHI Shareholders do not approve any resolutions required to implement the Scheme) then each party will bear its own costs. If the Scheme is not implemented, dealing costs (including SDRT) may still have been incurred by the Company in disposing of assets in order to meet Elections made and in realigning the Company's portfolio in respect of the Cash Pool and Rollover Pool to be established pursuant to the Scheme.

Janus Henderson Contribution and termination fee waiver

Janus Henderson has agreed to make a contribution to the costs of the Proposals. This contribution will be calculated as 1.25 per cent. of the HDIV FAV (excluding the value of the Janus Henderson Contribution), up to a maximum of £1.1 million and subject to a minimum contribution amount of £360,000 (the "**Janus Henderson Contribution**"). The Janus Henderson Contribution may be made by way of an offset against part, or all, of the ongoing management fees otherwise payable to Janus Henderson by HHI and, if applicable, the Company.

The Janus Henderson Contribution will be allocated first to pay towards HHI's fixed costs (which excludes the listing fees to be borne by HHI in respect of the listing of the New HHI Shares and SDRT based on the value and constitution of the Rollover Pool), up to a cap of £550,000, with any balance of the Janus Henderson Contribution allocated to pay towards the Company's costs.

To the extent that the amount of any ongoing management fees payable by the Company to Janus Henderson at the Effective Date is less than the amount of the Janus Henderson Contribution required to be allocated to pay the Company's costs (the "**Shortfall**"), the Shortfall shall be paid by Janus Henderson to the Company.

If the Scheme is implemented, the Janus Henderson Contribution will be reflected in the HHI FAV per Share and, if applicable, the HDIV FAV per Share.

In addition, Janus Henderson has agreed to waive, subject to the Scheme becoming effective, the termination fee which would otherwise be payable to it in respect of the termination of its investment management agreement with the Company.

Conditions of the Proposals

Implementation of the Proposals is subject to a number of conditions, including:

- the passing of the Resolutions to be proposed at the First General Meeting and the Resolution to be proposed at the Second General Meeting (or any adjournment of those General Meetings), and any conditions of such Resolutions being fulfilled;
- the HHI Resolution being passed and becoming unconditional in all respects;
- the approval of the Financial Conduct Authority and the London Stock Exchange of the Admission of the New HHI Shares to the Official List and to trading on the Main Market, respectively; and
- the Directors and HHI Directors resolving to proceed with the Scheme.

If any condition is not satisfied, the Proposals will not become effective, the Company will not proceed with the members' voluntary winding up and instead will continue in existence and will continue to be managed under the current investment policy. In such circumstances the Directors would reassess the options available to the Company at that time.

General Meetings

Both General Meetings will be held at 201 Bishopsgate, London EC2M 3AE.

First General Meeting

The First General Meeting will be held on 8 January 2024 at 11.00 a.m.

The Resolutions to be considered at the First General Meeting (each of which will be proposed as a special resolution) will, if passed, approve the terms of the Scheme set out in Part 4 of this document, amend the Articles to give effect to the Scheme and authorise the Liquidators to enter into and give effect to the Transfer Agreement with Henderson High Income, to distribute New HHI Shares to Shareholders in accordance with the Scheme and to purchase the interests of any dissenters to the Scheme. Each Resolution will require at least 75 per cent. of the votes cast in respect of it, whether in person or by proxy, to be voted in favour to be passed. The Scheme will not become effective unless and until, *inter alia*, the Resolution to be proposed at the Second General Meeting has also been passed.

Second General Meeting

The Second General Meeting will be held on 16 January 2024 at 10.30 a.m.

At the Second General Meeting, a special resolution will be proposed which, if passed, will place the Company into liquidation, appoint the Liquidators and agree the basis of their remuneration, instruct the Company Secretary to hold the books to the Liquidators' order, and provide the Liquidators with appropriate powers to carry into effect the amendments to the Articles made at the First General Meeting. The Resolution to be proposed at the Second General Meeting is conditional upon the passing of the Resolutions at the First General Meeting, the HHI Resolution being passed and becoming unconditional in all respects, the approval of the Financial Conduct Authority and the London Stock Exchange of the Admission of the New HHI Shares to the Official List and to trading on the Main Market of the London Stock Exchange, respectively, and the Directors and the HHI Directors resolving to proceed with the Scheme. The Resolution will require at least 75 per cent. of the votes cast in respect of it, whether in person or by proxy, to be voted in favour to be passed.

Overseas Shareholders

The attention of Overseas Shareholders is drawn to the paragraph titled "Overseas Shareholders" in Part 3 of this document.

No action has been taken or will be taken in any jurisdiction other than the UK where action is required to be taken to permit the distribution of this document and/or the HHI Prospectus. Accordingly, such documents may not be used for the purpose of, and do not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Overseas Shareholders are entitled to participate in the Scheme. However, to the extent that Henderson High Income and/or the Liquidators and/or the Directors, acting reasonably, consider that any issue of New HHI Shares to an Overseas Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction or may violate any applicable legal or regulatory requirements or may require Henderson High Income to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and Henderson High Income and/or the Liquidators and/or the Directors, as the case may be, have not been provided with evidence reasonably satisfactory to them from the relevant Overseas Shareholder that such Overseas Shareholder is permitted to hold New HHI Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that Henderson High Income would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding.

Overseas Shareholders who wish to participate in the Scheme should contact the Company directly by no later than 5.00 p.m. on 4 January 2024 if they are able to demonstrate, to the satisfaction of the Directors and the HHI Directors, that they can be issued New HHI Shares without breaching any relevant securities laws.

Sanctions Restricted Persons

Any Ordinary Shares held by a Sanctions Restricted Person will be deemed to have been elected for the Cash Option. Any distribution of such Cash Entitlements will be at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulation.

Taxation

Shareholders are advised to read carefully the section titled "UK Taxation" in Part 6 of this document which sets out a general guide to certain aspects of current UK tax law and HMRC published practice.

Shareholders who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction other than the UK are strongly advised to consult their own professional advisers.

Recommendation

The Board, which has received financial advice from JPMC, considers the Proposals and the Resolutions to be proposed at the General Meetings to be in the best interests of Shareholders as a whole. In providing advice to the Board, JPMC has relied on the Board's commercial assessment of the Proposals.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meetings, as the Directors intend to do in respect of their own beneficial holdings, which in aggregate amount to 188,988 Shares, representing approximately 0.10 per cent. of the Company's issued share capital as at 7 December 2023.

The Board cannot, and does not, give any advice or recommendation to Shareholders as to whether, or as to what extent, they should elect for either of the options under the Proposals. The choice between the options available under the Proposals will be a matter for each Shareholder to decide and will be influenced by his or her individual investment objectives and by his or her personal, financial and tax circumstances. Accordingly, Shareholders should, before deciding what action to take, read carefully all the information in this document and in the HHI Prospectus. Shareholders who are in any doubt as to the contents of this document or the HHI Prospectus or as to the action to be taken should seek their own personal financial advice from their financial adviser authorised under FSMA.

Yours sincerely

Angus Macpherson
Chairman

PART 2

HENDERSON HIGH INCOME TRUST PLC

Any investment in Henderson High Income will be governed by the HHI Prospectus which is available on HHI's website at <https://www.janushenderson.com/combination-with-henderson-diversified-income-trust-plc/>. Accordingly, Shareholders should read the HHI Prospectus and in particular the risk factors contained therein.

Introduction and history

Henderson High Income is a closed-ended public limited company incorporated on 13 September 1989 in England and Wales with registered number 02422514. It is an investment company as defined under section 833 of the Companies Act and operates as an investment trust in accordance with section 1158 of the Corporation Tax Act. Henderson High Income's share capital comprises ordinary shares with a nominal value of 5 pence which are listed on the premium segment of the Official List and traded on the Main Market.

Henderson High Income's investment objective is to invest in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth. Henderson High Income's benchmark is a composite of 80 per cent. of the FTSE All-Share Index (total return) and 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually (the "**Benchmark Index**").

As at 7 December 2023, Henderson High Income had a net asset value with debt at fair value of approximately £213,773,000 after deducting for HHI's fourth interim dividend in respect of the financial year ended 31 December 2023 of 2.625 pence per HHI Share.

Henderson High Income's investment manager

Henderson High Income's alternative investment fund manager is Janus Henderson Fund Management UK Limited (the "**AIFM**" or "**JHFM**"), which has delegated certain responsibilities, including the day-to-day management of the portfolio, to Janus Henderson Investors UK Limited (the "**Investment Manager**" or "**JHI**"). Both the AIFM and the Investment Manager are wholly owned subsidiaries of Janus Henderson Group plc and are authorised and regulated by the FCA.

David Smith is Henderson High Income's lead fund manager and is a portfolio manager in the Janus Henderson Global Equity Income Team, a position he has held since 2008. As well as managing Henderson High Income, David also manages the UK portfolio of The Bankers Investment Trust PLC and a number of UK equity institutional funds. He is also the deputy portfolio manager of The City of London Investment Trust plc and the Janus Henderson UK Responsible Income Fund. He joined Janus Henderson in 2002, initially working in operations and progressing to the UK Equities Team and is now part of the Global Equity Income Team.

David graduated with a BSc degree (Hons) in chemistry from Bristol University. He holds the Investment Management Certificate and the Chartered Financial Analyst designation. David has 21 years of financial industry experience and has been involved in the management of Henderson High Income since January 2012 and became the lead portfolio manager in July 2015.

Henderson High Income's investment objective and policy

Investment objective

As noted above, Henderson High Income's investment objective is to invest in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth.

Investment policy

In normal circumstances Henderson High Income will invest up to 80 per cent. of its gross assets in equities and up to 20 per cent. of its gross assets in fixed income (in companies of any size that are

either listed in, registered in, or whose principal business is in the UK). Within these limits a maximum of 30 per cent. of gross assets may be invested outside of the UK.

No single investment will exceed 15 per cent. of total gross assets at the time of investment and no more than 15 per cent. of gross assets may be invested in other listed investment companies (including investment trusts) or collective investment schemes. Henderson High Income may from time to time use financial instruments known as derivatives for the purpose of efficient portfolio management or to generate additional income while maintaining a level of risk consistent with the risk profile of Henderson High Income.

As an investment trust, Henderson High Income aims to comply with section 1158 of the Corporation Tax Act, which imposes on Henderson High Income an obligation to spread investment risk.

Any material change in the investment policy will require the approval of HHI Shareholders at a general meeting. In the event of a breach of the investment policy, the HHI Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

Gearing policy

The HHI Board is responsible for setting the HHI gearing policy and for the limits on gearing.

HHI has an active policy of using appropriate levels of gearing, both in the form of bank and longer-term borrowings, with the objective of enhancing income returns and also achieving capital growth over time. A portion of gearing is usually employed with respect to HHI's fixed interest securities to generate additional income.

HHI can borrow up to 40 per cent. of gross assets. The drawdown of floating rate borrowings can be in non-sterling currencies, provided that these borrowings do not exceed the market value of non-sterling assets.

HHI's gearing as at 7 December 2023 was 23.73 per cent. (being HHI's total gross debt as a proportion of HHI Shareholders' funds (being the sum of the issued share capital of HHI, its retained profits and any other reserves) with debt at fair value).

Investment strategy

HHI invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth. To gain a full understanding of these companies, the stock selection process places emphasis on examining what each company does, its market position and the dynamics of its market. Combining this with analysis of the company's financial health provides valuable insight into a company's ability to not only sustain its dividend but grow it in the long-term, a crucial element for generating total returns for HHI Shareholders. The stock selection process is broken down into three key component parts: fundamentals, financials and valuation.

The first step taken by the Investment Manager when considering potential investments is to analyse a company's fundamentals. The Investment Manager believes that analysing a company's fundamentals is the starting point to understanding its qualities and whether its business is sustainable in the long-term. Emphasis is placed on assessing the company's strength of industry position, barriers to entry, senior management and their ability to sustain or improve a company's performance. Greater weight is given to long-term views over short-term considerations and trends in the market or sector.

The second step is to gain a clear understanding of the company's financial health and its ability to invest for future growth, sustain profitability and return value to its shareholders. In particular, focus is given to: (i) sustainability of profits; (ii) robustness of balance sheet; (iii) how well-invested its asset base is; (iv) strength of cash generation; and (v) sustainability of its dividend.

Valuation is the final part of analysing a company, but underpins the whole process. Even when companies with strong fundamentals and financials are found, the Investment Manager believes their valuations also need to be attractive, otherwise capital appreciation may be limited. Various valuation metrics are used, such as price to earnings ratios, to assess whether the qualities that have been identified in a company are already discounted in the current share price.

The Investment Manager believes that applying this disciplined stock selection allows Henderson High Income to benefit from a well-diversified portfolio of good quality companies in strong financial health that can pay and grow their dividends, but also offer the potential for capital growth over the long-term.

Performance track record

As at 30 November 2023, Henderson High Income had outperformed the Benchmark Index over one, three, five and 10 years. HHI had also delivered a 20-year share price capital and total return of 40.7 per cent. and 383.2 per cent., respectively, and a NAV (with debt at fair value) capital and total return of 52.9 per cent. and 416.3 per cent., respectively⁽¹⁾.

From 30 June 2023 to 30 November 2023, Henderson High Income's NAV total return per HHI Share (with debt at fair value) increased by 1.40 per cent., which can be compared against the Benchmark Index which rose by 1.52 per cent. over the same period. The HHI Share price over the same period fell by 6.42 per cent. to 153.0 pence and ended the period trading at a discount of 6.66 per cent. to the NAV per HHI Share (with debt at fair value) as at 30 November 2023.

	1 year (%)	3 years (%)	5 years (%)	10 years (%)
NAV total return (with debt at fair value)	3.1	27.6	29.0	72.3
HHI Share price total return	(4.1)	26.0	24.4	54.0
Benchmark Index total return	1.9	17.9	21.9	57.1

Source: Morningstar Direct, Janus Henderson Investors. Data to 30 November 2023 (being the latest practicable date for this data). Performance data based on cum-income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date. Past performance is not a reliable indicator of future results.

Management fees and ongoing expenses

The annual management fee payable to the AIFM by Henderson High Income is 0.50 per cent. of the average adjusted value of the gross assets up to £325 million and 0.45 per cent. of the average adjusted value of the gross assets above £325 million. For fee purposes, the average value is calculated by using the values of HHI's assets and liabilities on the last day of each of the two calendar years preceding the reporting year. Average adjusted gross assets are gross assets less current liabilities and less the value of any holdings in Janus Henderson managed funds or Janus Henderson Group plc shares held within the portfolio. Any debt used for investment purposes, including that recorded in current liabilities, is not deducted from gross assets. The management fee is payable quarterly in arrears. In addition, a supplemental base management fee is paid on any new funds in relation to share issues in the year they were raised at the *pro rata* annual rate. For the following year any funds raised are added to prior year assets for the purposes of calculating the management fee.

Dividend policy

Henderson High Income's dividend policy is to usually pay quarterly interim dividends from current revenue and add to the revenue reserve where possible each year. The purpose of this reserve is to enable Henderson High Income to support dividend payments in difficult market conditions. When deciding on whether to pay each quarterly interim dividend, the HHI Board has regard to a variety of factors, including current and forecast levels of income (including any special dividends received) and the historic dividend schedule. The HHI Board also considers a range of stress tests which forecast revenue under different scenarios in order to form a view on the sustainability of Henderson High Income's dividends.

Henderson High Income conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, Henderson High Income does not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period. The HHI Board may resolve to pay special dividends on the HHI Shares from time to time in order to comply with these requirements.

⁽¹⁾ Source: Morningstar Direct, Janus Henderson Investors. Data to 30 November 2023 (being the latest practicable date for this data). 20 year performance data based on ex income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date.

Henderson High Income paid dividends totalling 10.15 pence per HHI Share in respect of the financial year ended 31 December 2022. As at 7 December 2023, HHI had paid three interim dividends in respect of the financial year to 31 December 2023, each of 2.575 pence per HHI Share, and had declared a fourth interim dividend in respect of the financial year to 31 December 2023 of 2.625 pence per HHI Share.

Shareholders rolling over into Henderson High Income will not be entitled to receive Henderson High Income's fourth interim dividend in relation to the financial year ending 31 December 2023 which is expected to be paid on 26 January 2024 to HHI Shareholders on the register as at close of business on 8 December 2023, but such Shareholders will participate in any dividends declared or paid by Henderson High Income with a record date after the date of the issue of New HHI Shares to them.

General

Further details of Henderson High Income and the New HHI Shares are set out in the HHI Prospectus.

PART 3

ACTION TO BE TAKEN BY SHAREHOLDERS

Before taking any action, Shareholders are recommended to read the information set out in this document in its entirety and the HHI Prospectus.

To vote on the Proposals

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the General Meetings and, if the Shares are not held directly, to arrange for their nominee to vote on their behalf.

Shareholders are requested to complete and return proxy appointments to the Registrar by one of the following means:

- (i) by logging on to www.investorcentre.co.uk/eproxy and following the instructions; or
- (ii) by completing and signing the PINK Form of Proxy for use in relation to the First General Meeting and the GREEN Form of Proxy for use in relation to the Second General Meeting, in accordance with the instructions printed thereon and returning by post, by courier or by hand; or
- (iii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the respective notices of the General Meetings.

In each case, the proxy appointments must be received by the Company as soon as possible and, in any event, so as to arrive by no later than 48 hours (excluding non-working days) before the time of the relevant General Meeting. To be valid, the relevant proxy appointment should be completed in accordance with the instructions accompanying it and lodged with the Registrar by the relevant time.

Completion and return of Forms of Proxy will not prevent you from attending and voting in person at the General Meetings should you wish to do so.

If any of the Resolutions to be proposed at the General Meetings are not passed, the Proposals will not be implemented. In these circumstances, the Board will reassess the options available to the Company at that time.

Elections

The default option under the Scheme is to receive New HHI Shares meaning that Shareholders who, in respect of all or part of their holding of Shares, do not make a valid Election or who do not make an Election at all under the Scheme will be deemed to have elected for New HHI Shares in respect of such holding. If you wish to receive New HHI Shares in respect of your entire holding of Shares, there is no need to complete and return a Form of Election (which you will receive if you hold your Shares in certificated form) or to submit a TTE Instruction (if you hold your Shares in uncertificated form).

If you wish to receive cash in respect of all or part of your holding of Shares, you must either complete and return a Form of Election (if you hold your Shares in certificated form) or submit a TTE Instruction (if you hold your Shares in uncertificated form) in respect of the number of Shares for which you wish to make an Election for the Cash Option. You will be deemed to have elected to receive New HHI Shares in respect of the remainder of your holding if you do not elect for the Cash Option in respect of your full holding of Shares.

Ordinary Shares held in uncertificated form (that is, in CREST)

If you hold your Shares in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares in respect of which you wish to make an Election for the Cash Option, specifying Computershare Investor Services PLC in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the TTE Instruction is made no later than 1.00 p.m. on 8 January 2024.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Shares.

To make an Election for the Cash Option you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Shares. This is GB00BF03YC36;
- the number of Shares in relation to the relevant Election;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, Computershare Investor Services PLC, in its capacity as a CREST receiving agent. This is: 8RA23;
- the member account ID of the escrow agent, Computershare Investor Services PLC. This is: HENDER01;
- the Corporate Action Number for the Scheme. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible after receipt of your Election and in any event by no later than 1.00 p.m. on 8 January 2024;
- the standard delivery instruction with Priority 80; and
- contact name and telephone number inserted in the share noted field.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Computershare as your escrow agent until completion or lapsing of the Scheme.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 1.00 p.m. on 8 January 2024. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Ordinary Shares held in certificated form

Shareholders who hold their Shares in certificated form (i.e. not in CREST) who wish to make an Election for the Cash Option in respect of all or part of their holding of Shares should complete and sign the enclosed personalised Form of Election inserting in Box 2 the total number of Shares they wish to elect for the Cash Option and return the Form of Election using the relevant enclosed reply-paid envelope (for use within the UK only), to the Receiving Agent by post to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH as soon as possible but, in any event, so as to be received by not later than 1.00 p.m. on 8 January 2024. Forms of Election, once submitted, will be irrevocable without the consent of the Directors.

If you hold Shares in certificated form, but under different designations, you should complete a separate Form of Election in respect of each designation. Similarly, if you hold Shares in CREST but under different member account IDs, you should submit a separate TTE Instruction in respect of each member account ID. If you hold Shares in both certificated and uncertificated form, you should complete a Form of Election or a TTE Instruction for each holding (as appropriate).

If you have any questions relating to completion and return of your Forms of Proxy and/or the Form of Election, please contact the Receiving Agent's Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on +44 370 702 0000. Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline can provide information only regarding the completion of Forms of Proxy and/or the Form of Election but cannot provide you with financial, tax, investment or legal advice.

Settlement and dealings in New HHI Shares

Applications will be made by Henderson High Income to the Financial Conduct Authority for the New HHI Shares to be admitted to a premium listing on the Official List and to the London Stock Exchange for such shares to be admitted to trading on the premium segment of the Main Market. If the Scheme becomes effective, it is expected that the New HHI Shares will be admitted to the Official List and that the first day of dealings in such securities will be 17 January 2024.

New HHI Shares will be issued in registered form and may be held in either certificated or uncertificated form. Shareholders who held their Shares in certificated form at the Record Date and who have elected (or are deemed to have elected) for New HHI Shares will receive their New HHI Shares in certificated form. It is expected that share certificates in respect of such New HHI Shares will be despatched to the Shareholders entitled thereto during the week commencing 22 January 2024 or as soon as practicable thereafter. Shareholders who are recorded in the books of the Registrar as "gone away" will not have their share certificate issued until they contact the Registrar for security reasons.

Shareholders who held their Shares in uncertificated form at the Record Date and who have elected (or are deemed to have elected) for New HHI Shares will receive their New HHI Shares in uncertificated form on 17 January 2024, although Henderson High Income reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by Henderson High Income's Registrar in connection with CREST. Henderson High Income will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New HHI Shares in uncertificated form.

Fractional entitlements to New HHI Shares issued pursuant to the Scheme will not be issued under the Proposals and entitlements will be rounded down to the nearest whole number. No cash payment shall be made or returned in respect of any fractional entitlements which will be retained for the benefit of Henderson High Income.

Cheques and electronic payments in respect of the cash amounts due to Shareholders who validly elect for the Cash Option are expected to be despatched to them during the week commencing 22 January 2024. Shareholders who are recorded in the books of the Registrar as "gone away" will not have their cheque or electronic payment issued until they contact the Registrar for security reasons. It is expected that Shareholders who hold their Shares in CREST will receive their Cash Entitlements through CREST during the week commencing 22 January 2024.

Share certificates

Existing certificates in respect of Shares will cease to be of tradable value following suspension of dealings in the Shares.

General

All documents and remittances despatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at Shareholders' own risk.

Overseas Shareholders

The issue of New HHI Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders should inform themselves about and observe any legal requirements in the relevant jurisdiction. In particular:

- the New HHI Shares have not been and will not be registered under the US Securities Act, or qualify under applicable United States state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan, New Zealand or the Republic of South Africa;
- the New HHI Shares have not been and will not be registered under the US Investment Company Act, and investors are not entitled to the benefits of that Act; and
- no offer is being made, directly or indirectly, under the Scheme, in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa.

It is the responsibility of Shareholders with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New HHI Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Shareholders who are subject to taxation outside the UK should consult their own professional advisers as soon as possible.

Overseas Shareholders are entitled to participate in the Scheme. However, to the extent that Henderson High Income and/or the Liquidators and/or the Directors, acting reasonably, consider that any issue of New HHI Shares to an Overseas Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction or may violate any applicable legal or regulatory requirements or may require Henderson High Income to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and Henderson High Income and/or the Liquidators and/or the Directors, as the case may be, have not been provided with evidence reasonably satisfactory to them from the relevant Overseas Shareholder that such Overseas Shareholder is permitted to hold New HHI Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that Henderson High Income would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding.

Overseas Shareholders who wish to participate in the Scheme should contact the Company directly by no later than 5.00 p.m. on 4 January 2024 if they are able to demonstrate, to the satisfaction of the Directors and the HHI Directors, that they can be issued New HHI Shares without breaching any relevant securities laws.

Sanctions Restricted Persons

Any Ordinary Shares held by a Sanctions Restricted Person will be deemed to have been elected for the Cash Option. Any distribution of such Cash Entitlements will be at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulation.

Dissenting Shareholders

Provided that a Shareholder does not vote in favour of the Resolutions to be proposed at the First General Meeting, such Shareholder may, within seven days following the First General Meeting, express his or her dissent to the Liquidators in writing at the registered office of the Company and require the Liquidators to purchase the Shareholder's interest in the Company. The Liquidators will offer to purchase the interests of the Dissenting Shareholders at the realisation value, this being an estimate of the amount a Shareholder would receive per Share in an ordinary winding up of the Company if all the assets of the Company had to be realised and distributed to Shareholders after repayment of the liabilities of the Company.

In order to purchase the interests of any Dissenting Shareholders, the Board, in consultation with the Liquidators, will appropriate an amount of the cash, undertaking and other assets of the Company to the Liquidation Pool which it believes is sufficient to purchase the interests of such Shareholders. Save as otherwise provided, any Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act shall be disregarded for the purposes of the Scheme and shall be treated as if those Shares were not in issue.

Common Reporting Standards

Investment trusts are required to report the tax residence of their shareholders. Subject to the Scheme becoming effective, those Shareholders of the Company that are not already on the register of Henderson High Income and who hold their New HHI Shares in certificated form will be sent a document along with their new share certificate in the enlarged Henderson High Income which those Shareholders should complete and return to the Registrar.

PART 4

THE SCHEME

1 Definitions and interpretation

Words and expressions defined in Part 7 of this document have the same meanings when used in this Scheme. Save as otherwise provided in this Part 4, any Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act shall be disregarded for the purposes of this Part 4 and shall be treated as if those Shares were not in issue.

2 Elections and entitlements under the Scheme

- 2.1 There will be no limit on the amount of Shares which may be elected for the Cash Option. Shareholders are entitled to elect to receive the Cash Option in respect of the entirety of their individual holdings of Shares on the Record Date.
- 2.2 Subject to the Resolutions contained in the notice of the First General Meeting being passed and in the case of the first Resolution, becoming unconditional:
 - 2.2.1 the Shares in respect of which the holders have made, or are deemed to have made, valid Elections for the Rollover Option will be reclassified as Shares with “A” rights; and
 - 2.2.2 the Shares in respect of which the holders have made, or are deemed to have made, valid Elections for the Cash Option will be reclassified as Shares with “B” rights.
- 2.3 The rights of the Shares following the passing of the Resolutions contained in the notice of the First General Meeting will be the rights as set out in Article 6(D) to be inserted in the Articles of the Company pursuant to the first Resolution contained in the notice of the First General Meeting and references to Shareholders will be construed accordingly.
- 2.4 In advance of the Calculation Date, the Company (or its agents) will have, to the extent practicable, realised or realigned the undertakings and business carried on by the Company in accordance with the Scheme and the Elections made or deemed to have been made thereunder so that, so far as practicable, the Company will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to Henderson High Income by virtue of the Transfer Agreement.
- 2.5 Holders of Reclassified Shares with “B” rights will receive the net realisation proceeds of such portion of the Cash Pool to which they are entitled.
- 2.6 Holders of Reclassified Shares with “A” rights will receive such number of New HHI Shares as is calculated pursuant to paragraph 8.1 of this Part 4.

3 Apportionment of the Company’s total assets

- 3.1 Subject to the Resolutions contained in the notice of the First General Meeting being passed at such meeting and becoming unconditional, on the Calculation Date, or as soon as possible thereafter, the Directors, in consultation with the proposed Liquidators, shall calculate the aggregate value of the total assets of the Company, the Company NAV, the Company NAV per Share, the Cash Pool NAV, the Cash NAV per Share, the HDIV FAV and the HDIV FAV per Share, in accordance with paragraph 4 below.
- 3.2 On the Calculation Date, or as soon as practicable thereafter, the Company and Janus Henderson, in consultation with the proposed Liquidators, shall procure the finalising of the division of the Company’s undertaking, cash and other assets into three separate and distinct pools, namely the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:

3.2.1 first, there shall be appropriated to the Liquidation Pool cash and other assets of the Company which the Liquidators may call in, realise and convert into cash as they consider necessary, of a value calculated in accordance with paragraph 4.1 of this Part 4 and estimated by the proposed Liquidators to be sufficient to meet the current and future, actual and contingent liabilities of the Company, including, without prejudice to the generality of the foregoing (and save to the extent that the same have already been paid or already deducted in calculating the total assets of the Company):

- (a) the costs and expenses incurred and to be incurred by the Company and the proposed Liquidators in formulating, preparing and implementing the Proposals and the Scheme and in preparing this document and all associated documents in each case as not otherwise paid prior to the liquidation;
- (b) the costs and expenses incurred and to be incurred by the Company and the Liquidators in preparing and implementing the Transfer Agreement;
- (c) the costs of purchasing (or making provision for the purchase of) the interests of Shareholders who have validly exercised their rights to dissent from the Scheme under section 111(2) of the Insolvency Act;
- (d) any unclaimed dividends of the Company (so far as not previously paid) and any declared but unpaid dividends of the Company;
- (e) the costs and expenses of winding up the Company, including the fees and expenses of the proposed liquidators;
- (f) the costs and expenses of liquidating the Company, including the fees and expenses of the Liquidators and the Registrar;
- (g) any tax liabilities of the Company; and
- (h) an amount considered by the proposed liquidators to be appropriate to provide for any unascertained, unknown or contingent liabilities of the Company (such amount not expected to exceed £50,000 in aggregate (the “**Retention**”)),

in each case including any VAT in respect thereof; and

3.2.2 second, there shall be appropriated to the Cash Pool and the Rollover Pool all the undertaking, cash and other assets of the Company remaining after the appropriation referred to in paragraph 3.2.1 above, in terms of value determined at the Calculation Date, to the value attributable to the Reclassified Shares with “A” rights and “B” rights respectively on the following basis:

- (a) there shall be first appropriated to the Cash Pool such proportion of the undertaking, cash and other assets as shall equal the Cash Pool NAV as set out in paragraph 4.5 of this Part 4; and
- (b) there shall be appropriated to the Rollover Pool the balance of the undertaking, cash and other assets of the Company, including, for the avoidance of doubt, the benefit of the Cash Option Discount as defined below and any Janus Henderson Contribution, as the Company, acting by its Liquidators in consultation with the other parties to the Transfer Agreement, shall determine as being suitable for the purpose and taking due account of Henderson High Income’s investment objective and policy.

3.3 Interest, income and other rights or benefits accruing in respect of any of the undertaking, cash or other assets comprised in any of the Liquidation Pool, Cash Pool or Rollover Pool shall form part of that pool, provided that any income, dividend, distribution, interest or other right or benefit on any investment marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Calculation Date shall be deemed to form part of the Liquidation Pool.

4 Calculations of value

4.1 Except as otherwise provided in the Scheme, for the purposes of calculating the value of the Company's assets at any time and date at which the calculation of value is required by the Scheme, the assets and liabilities of the Company shall be valued on the following basis:

- 4.1.1 investments which are listed, quoted or traded on any recognised stock exchange will be valued by reference to the bid price on the principal stock exchange where the relevant investment is listed, quoted or traded at the Relevant Time and according to the prices shown by the relevant exchange's method of publication of prices for such investments or, in the absence of such recognised method by the latest price available prior to the Relevant Time. If the relevant exchange is not open for business at the Relevant Time, the investments will be valued as at the latest day prior to the relevant date on which the relevant stock exchange was open for business;
- 4.1.2 quoted investments which are subject to restrictions on transferability or which, in the opinion of the Directors (or a duly constituted committee thereof) are otherwise illiquid shall be valued at their fair value as determined by the Directors and any unquoted assets shall be valued at nil;
- 4.1.3 cash and deposits with, or balances at, a bank together with all bills receivable, money market instruments and other debt securities not included in paragraphs 4.1.1 or 4.1.2 above and held by the Company as at the Relevant Time will be valued at par (together with interest accrued up to the Calculation Date);
- 4.1.4 any sums owing from debtors (including any dividends due but not paid and any accrual of interest on debt-related securities to the extent not already taken into account under paragraphs 4.1.1 or 4.1.2 above) as at the Relevant Time shall be valued at their actual amount less such provision for diminution of value (including provisions for bad or doubtful debts or discount to reflect the time value of money) as may be determined by the Directors;
- 4.1.5 assets denominated in currencies other than Sterling will be converted into Sterling at the closing mid-point rate of exchange of Sterling and such other currencies prevailing as at the Relevant Time as may be determined by the Directors; and
- 4.1.6 liabilities shall be valued in accordance with the Company's normal accounting policies.

In this paragraph 4.1, the "**Relevant Time**" means the time and date at which any calculation of value is required by the Scheme to be made. The Directors shall consult with the Liquidators in making determinations pursuant to this paragraph 4.1.

- 4.2 Notwithstanding the foregoing, the Directors or a duly authorised committee thereof, may, in their absolute discretion (but in consultation with the Liquidators), permit an alternative method of valuation to be used if, acting in good faith, they consider that such valuation better reflects the fair value of any asset or security. None of the Directors, the Company or the Liquidators will be under any liability by reason of the fact that a valuation believed to be appropriate may subsequently be found not to have been appropriate.
- 4.3 None of the Directors, the HHI Directors, the Investment Manager, the AIFM nor the Liquidators shall be under any liability by reason of the fact that a price reasonably believed to be the appropriate market price of any listed investment or any valuation reasonably believed to be appropriate may subsequently be found not to have been the appropriate market price or valuation, except in the case of fraud or bad faith.
- 4.4 The Company NAV shall be equal to the net asset value of the Company, being the value of the Company's assets less any liabilities it has (which includes a deduction for any dividends declared but not paid to Shareholders prior to the Calculation Date but excluding any provision for the costs of the Proposals or any costs of the Proposals already accrued in the Company's net asset value as at the Calculation Date, the Janus Henderson Contribution, the winding-up or the Retention), calculated in accordance with the Company's normal accounting policies on a cum-income debt at par basis. The Company NAV per Share shall be equal to the Company NAV

divided by the total number of Shares in issue (excluding Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down).

- 4.5 The Cash NAV per Share shall be equal to the Company NAV per Share less a discount of 1.0 per cent. (the **"Cash Option Discount"**) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down). The Cash Pool NAV shall be equal to the Cash NAV per Share multiplied by the total number of Reclassified Shares with "B" rights.
- 4.6 The HDIV FAV shall be equal to the Company NAV adjusted for: (a) the value of the Liquidation Pool, including the Retention; (b) any costs of the Proposals payable by the Company (to the extent the same do not form part of the value Liquidation Pool); and (c) the benefit of the Janus Henderson Contribution, if any, less the Cash Pool NAV and plus the benefit of the Cash Option Discount. The HDIV FAV per Share shall be equal to the HDIV FAV divided by the total number of Reclassified Shares with "A" rights (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down).

5 Provision of information by the Liquidators

On the Effective Date, the Liquidators shall procure that there shall be delivered to Henderson High Income (or its nominee) particulars of the undertaking, cash and other assets comprising the Rollover Pool in accordance with the terms of the Transfer Agreement and a list, certified by the Registrar, of the names and addresses of each holder of Reclassified Shares with "A" rights and the number of Reclassified Shares with "A" rights held by each of them.

6 Transfer of assets

- 6.1 On the Effective Date, the Liquidators (in their personal capacity and on behalf of the Company) shall enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto), whereby the Liquidators shall procure the transfer of the cash, undertaking and other assets of the Company comprising the Rollover Pool to Henderson High Income (or its nominee) in consideration for the allotment of New HHI Shares to the Liquidators (as nominees for the Shareholders entitled to them), such shares to be renounced by the Liquidators in favour of the holders of Reclassified Shares with "A" rights on the basis referred to in paragraph 8 below.
- 6.2 The Transfer Agreement provides that the assets to be transferred to Henderson High Income shall be transferred with such rights and title as the Company may have in respect of the same or any part thereof subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, including the right to all income, dividends, distributions, interest and other rights and benefits attaching thereto or accruing therefrom but excluding any such income, dividend, distribution, interest or other right or benefit on any investment marked "ex" that income, dividend, distribution, interest or other right or benefit (as applicable) at or prior to the Calculation Date (which shall be deemed to form part of the Liquidation Pool). The Transfer Agreement further provides that the Company, acting by the Liquidators, insofar as they are reasonably able to do so by law or otherwise, shall comply with all reasonable requests made by Henderson High Income (or its nominee) in respect of the cash, undertaking and other assets of the Company to be acquired and shall, in particular, account to Henderson High Income for all income, dividends, distributions, interest and other rights and benefits in respect of such cash, undertaking and other assets, received after the Effective Date.

7 Distribution of the Cash Pool

Cash Entitlements payable to the holders of Reclassified Shares with "B" rights shall be distributed by the Liquidators, through Computershare and pursuant to the Scheme, in cash to each Shareholder who has elected, or is deemed to have elected, for the Cash Option in proportion to its respective holding of Reclassified Shares with "B" rights which shall be equal to such Shareholder's entitlement to the net realisation proceeds of the Cash Pool pursuant to the Scheme (the **"Cash Entitlement"**) and rounded down to the nearest penny.

8 Issue of New HHI Shares

8.1 In consideration for the transfer of the Rollover Pool to Henderson High Income in accordance with paragraph 6 above, the New HHI Shares shall be issued on the following basis:

8.1.1 the issue of New HHI Shares shall be made to holders of Shares with "A" rights on the basis that the number of such Shares to which each such holder is entitled shall be determined in accordance with the following formula (rounded down to the nearest whole number of New HHI Shares):

$$\text{Number of New HHI Shares} = \frac{A}{B} \times C$$

where:

A = is the HDIV FAV per Share (as at the Calculation Date);

B = is the HHI FAV per Share (as at the Calculation Date); and

C = is the aggregate number of Reclassified Shares with "A" rights held by the relevant Shareholder.

8.2 No value shall be attributable to Shares held in treasury by the Company. Fractions of New HHI Shares will not be issued under the Scheme and entitlements to such New HHI Shares will be rounded down to the nearest whole number. Any assets representing a fraction of the entitlements of those holders of Reclassified Shares with "A" rights and whose holding of New HHI Shares is rounded down shall be retained by Henderson High Income and represent an accretion to its assets.

8.3 The New HHI Shares to be issued pursuant to paragraph 8.1 will be allotted, credited as fully paid, to the Liquidators (as nominee for the Shareholders entitled thereto) as soon as practicable after the delivery to Henderson High Income (or its nominee) of the particulars referred to in paragraph 5 above, whereupon the Liquidators will renounce the allotments of New HHI Shares in favour of Shareholders entitled to them under the Scheme. On such renunciation, Henderson High Income will issue the New HHI Shares to the Shareholders entitled thereto. Henderson High Income shall:

8.3.1 in the case of the New HHI Shares issued in certificated form, arrange for the despatch of certificates for such shares issued under the Scheme to the Shareholders entitled thereto at their respective addresses in the Register (and, in the case of joint holders, to the address of the first-named) or to such other person and address as may be specified by such persons in writing, in each case at the risk of the persons entitled thereto; and

8.3.2 in the case of the New HHI Shares issued in uncertificated form, procure that Euroclear is instructed on the Business Day following the Effective Date (or as soon as practicable thereafter) to credit the appropriate stock accounts in CREST of the Shareholders entitled thereto with their respective entitlements to New HHI Shares issued under the Scheme.

8.4 Henderson High Income shall be entitled to assume that all information delivered to it in accordance with paragraph 8.3 above is correct and to utilise the same in procuring registration in the Henderson High Income register of members of the holders of the New HHI Shares issued under the Scheme.

9 Application of Liquidation Pool

On or following the Effective Date, the Liquidation Pool shall be applied by the Company (acting by the Liquidators) in discharging the liabilities of the Company. The remaining balance of the Liquidation Pool, if any, shall be distributed in cash by the Liquidators pursuant to the Scheme to all Shareholders (in each case being those Shareholders on the Record Date in proportion to the respective holdings of Shares on the Record Date) provided that if any such amount payable to any Shareholder is less than £5.00, it shall not be paid to the Shareholder but instead shall be paid by the Liquidators to the Nominated Charity. The Liquidators will also be entitled to make interim payments to Shareholders in

proportion to their holdings of Shares. The Liquidators shall only make such distribution if there is sufficient cash available and if the Liquidators are of the view that it is cost effective to make an interim distribution. For these purposes, any Shares held by Dissenting Shareholders will be ignored.

10 Forms of Election

For the purposes of the Forms of Election, the provisions of which form part of the Scheme:

- 10.1 if, on any Form of Election, the total of a Shareholder's Elections is greater than his/her actual holding as at the Record Date, each Election made by such Shareholder on that Form of Election shall be decreased so that the total of such Election(s) shall equal their total holding and, in any such case, such decreased Election(s) shall be deemed to be the Election(s) made by such Shareholder on the Form of Election for all purposes of this Scheme;
- 10.2 if, on any Form of Election, the total of a Shareholder's Elections is less than their actual holding as at the Record Date, then for the balance of such Shareholder's Shares, that Shareholder will be deemed to have elected for New HHI Shares;
- 10.3 a Shareholder who makes no Election by the latest time and date for receipt of the Forms of Election, or in respect of whom no Form of Election has been duly and validly completed in accordance with the instructions therein, shall be deemed to have made an Election for the Rollover Option in respect of all of the Shares held by him/her for all purposes of the Scheme;
- 10.4 by signing and delivering a Form of Election and in consideration of the Company agreeing to process the Form of Election, a Shareholder agrees that the Election made on the Form of Election will be irrevocable (other than with the consent of the Directors) and, by such signature and delivery, such Shareholder represents and warrants that their Election is valid and binding and is made in accordance with all applicable legal requirements (including the requirements of any applicable jurisdiction outside the UK); and
- 10.5 any questions as to the extent (if any) to which Elections will be met and as to the validity of any Form of Election shall be at the discretion of the Directors, whose determination shall be final.

11 Modifications

The provisions of the Scheme will have effect subject to such non-material modifications or additions as the Directors and the parties to the Transfer Agreement may from time to time approve in writing.

12 Reliance on information

The Company, the Directors, the Liquidators, the Investment Manager, the AIFM and Henderson High Income shall be entitled to act and rely, without enquiry, on any information furnished or made available to them or any of them (as the case may be) in connection with the Scheme and the Transfer Agreement, including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Company, the Directors (or any of them), Henderson High Income, the HHI Directors (or any of them), the Investment Manager, the AIFM, the Registrar, custodians, auditors, bankers or other professional advisers, and no such person shall be liable or responsible for any loss suffered as a result thereof by the Company, any Shareholder, Henderson High Income or any HHI Shareholder.

13 Liquidators' liability

Nothing in the Scheme or in any document executed under or in connection with the Scheme will impose any personal liability on the Liquidators or either of them save for any liability arising out of any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties and this will, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme, the Transfer Agreement or any act which the Liquidators do or omit to do at the request of Henderson High Income.

14 Conditions

- 14.1 The Scheme is conditional upon:
- 14.1.1 the passing of the Resolutions to be proposed at the First General Meeting and the Resolution to be proposed at the Second General Meeting or any adjournment of those meetings and upon any conditions of such Resolutions being fulfilled;
 - 14.1.2 the Financial Conduct Authority agreeing to amend the listing of the Shares to reflect their reclassification as Reclassified Shares for the purposes of implementing the Scheme;
 - 14.1.3 the HHI Resolution being passed and becoming unconditional in all respects;
 - 14.1.4 the Financial Conduct Authority having acknowledged to Henderson High Income or its agents (and such acknowledgement not having been withdrawn) that the application for the admission of the New HHI Shares to the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (“listing conditions”)) will become effective as soon as notice of admission to the Official List has been issued by the Financial Conduct Authority and any listing conditions having been satisfied and the London Stock Exchange having acknowledged to Henderson High Income or its agents (and such acknowledgement not having been withdrawn) that the New HHI Shares will be admitted to trading on the Main Market, subject only to allotment; and
 - 14.1.5 the Directors and the HHI Directors resolving to proceed with the Scheme.
- 14.2 In the event that any of the conditions in paragraphs 14.1.1 (other than in relation to the Resolution to be proposed at the Second General Meeting) to 14.1.5 fails to be satisfied, the Second General Meeting will be adjourned indefinitely and the Scheme will lapse.
- 14.3 Subject to paragraphs 14.1 and 14.5, the Scheme will become effective on the date on which the Resolution for the winding up of the Company to be proposed at the Second General Meeting (or any adjournment thereof) is passed.
- 14.4 If it becomes effective, the Scheme will, subject to the rights of any Shareholders who have validly exercised their rights under section 111(2) of the Insolvency Act, be binding on all Shareholders and on all persons claiming through or under them.
- 14.5 Unless the conditions set out in paragraph 14.1 have been satisfied or, to the extent permitted, waived by both the Company and Henderson High Income on or before 29 February 2024, the Scheme shall not become effective.
- 14.6 An application will be made to the Financial Conduct Authority for the listing of the Reclassified Shares to be suspended, subject to paragraphs 14.1.1 (other than in relation to the Resolution to be proposed at the Second General Meeting) to 14.1.5 above, at 7.30 a.m. on 16 January 2024 and it is intended that, subject to paragraph 14.1, such listing will be cancelled with effect from or as soon as possible after the Effective Date, or such other date as the Liquidators will determine.

15 Overseas Shareholders

- 15.1 To the extent that Henderson High Income and/or the Liquidators and/or the Directors, acting reasonably, consider that any issue of New HHI Shares under the Scheme to an Overseas Shareholder(s) would or may involve a breach of the securities laws or regulations of any jurisdiction, or if Henderson High Income and/or the Liquidators and/or the Directors reasonably believe that the same may violate any applicable legal or regulatory requirements or may require Henderson High Income to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and Henderson High Income and/or the Liquidators and/or the Directors, as the case may be, have not been provided with evidence reasonably satisfactory to them from the relevant Overseas Shareholder(s) that such Overseas Shareholder(s) is/are permitted to hold New HHI Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that Henderson High Income would not be subject

to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas Shareholder(s) will be deemed to have elected for the Cash Option in respect of their entire holding.

- 15.2 The provisions of this Scheme relating to Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Directors and the HHI Directors in their absolute discretion.

16 Sanctions Restricted Persons

Any Ordinary Shares held by a Sanctions Restricted Person will be deemed to have been elected for the Cash Option. Any distribution of such Cash Entitlements will be at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulation.

17 General

- 17.1 All mandates in force at the Record Date relating to payment of dividends on the Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the Effective Date to be valid and effective mandates or instructions to HHI.
- 17.2 If, within seven days after the passing of the Resolutions proposed at the First General Meeting, Shareholders validly exercise their rights under section 111(2) of the Insolvency Act 1986 in respect of more than five per cent. in nominal value of the issued Shares, the Directors (or a duly authorised committee thereof) may, but will not be obliged to, resolve not to proceed with the Scheme. Any such resolution by the Directors (or a duly authorised committee thereof) will only be effective if passed prior to the passing of the Resolution for winding up the Company to be proposed at the Second General Meeting (or any adjournment thereof).
- 17.3 Shares which are held in treasury by the Company shall not have any entitlements under the Scheme.
- 17.4 The Scheme shall be governed by, and construed in accordance with, the laws of England and Wales.

PART 5

RISK FACTORS

The risks referred to in this section are the material risks known to the Directors at the date of this document which the Directors believe Shareholders should consider prior to deciding how to cast their votes on the Resolutions at the General Meetings. Any investment in Henderson High Income (pursuant to the Scheme or otherwise) will be governed by the HHI Prospectus and the HHI Articles. Accordingly, Shareholders are strongly advised to read the HHI Prospectus, and, in particular, the risk factors contained therein. Shareholders in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 without delay.

The Scheme

Implementation of the Proposals is conditional, *inter alia*, upon the Resolutions being passed at the General Meetings and the HHI Resolution being passed by HHI Shareholders. In the event that any of the Resolutions to be proposed at the General Meetings are not passed, or any other condition of the Proposals is not met, the Proposals will not be implemented and the Company will bear certain costs associated with the Proposals, in addition to dealing costs (including SDRT) which may have been incurred by the Company in disposing of assets in order to meet Elections made and in realigning the Company's portfolio in respect of the Rollover Pool and the Cash Pool to be established pursuant to the Scheme.

The Board will then consider alternative proposals for the future of the Company, the implementation of which would likely result in additional costs being incurred.

Cash Option

A Shareholder who elects for the Cash Option will be entitled to receive the net realisation proceeds of such portion of the Cash Pool to which they are entitled. As the appropriation of the Company's assets to the Cash Pool will occur on or shortly after the Calculation Date, the value of Shareholders' entitlements may be adversely affected by movements in the value of the assets contained in the Cash Pool between the Calculation Date and the date of electronic payment or cheque despatch in respect of entitlements under the Cash Option (expected to be during the week commencing 22 January 2024).

Rollover Option

Any investment in New HHI Shares issued by Henderson High Income will be governed by the HHI Prospectus and the HHI Articles. Shareholders should read the full text of the HHI Prospectus, including the section containing the risk factors.

An investment in Henderson High Income is suitable only for investors who are capable of evaluating the risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment (which may be equal to the whole amount invested).

Shares in Henderson High Income are designed to be held over the long-term and may not be suitable as short-term investments. The value of an investment in Henderson High Income and the income derived from it, if any, may go down as well as up. There can be no guarantee that any appreciation in the value of Henderson High Income's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objective of Henderson High Income will be achieved or provide the returns sought by Henderson High Income.

The past performance of Henderson High Income is not a guide to its future performance.

Henderson High Income has a board of non-executive directors and has no employees. Henderson High Income is dependent on the skills and experience of the Investment Manager to manage its investments. In particular, the Company is reliant on David Smith, the lead portfolio manager. If the Investment Manager ceases to act as Henderson High Income's investment manager or if key personnel cease to remain with the Investment Manager or be involved in the management of the

Henderson High Income portfolio, there is no assurance that suitable replacements will be found. If this occurs there may be an adverse effect on the performance of the Henderson High Income portfolio and the value of the HHI Shares.

The price of shares in an investment trust is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount or premium to the net asset value per HHI Share. This discount or premium is itself variable as conditions for supply and demand for HHI Shares change. This can mean that the price of a HHI Share can fall when the net asset value per share rises, or vice versa.

Henderson High Income is a closed-ended vehicle. Accordingly, Shareholders will have no right to have their New HHI Shares repurchased at any time. Shareholders wishing to realise their investment in Henderson High Income may therefore be required to dispose of their New HHI Shares in the market. Although the New HHI Shares will be listed on the Official List and admitted to trading on the Main Market, there can be no guarantee that a liquid market in the HHI Shares will exist or be maintained. Accordingly, Shareholders may be unable to realise their New HHI Shares at the quoted market price (or at the prevailing net asset value per New HHI Share).

Taxation

Representations in this document concerning the taxation of Shareholders are based on current UK taxation law and HMRC published practice, which are subject to change (possibly with retrospective effect). The information in this document relating to UK taxation law and HMRC published practice is given by way of general summary and does not constitute legal or tax advice to Shareholders. The Board has been advised that the Scheme should be treated as a scheme of reconstruction for the purposes of UK taxation of capital gains. Clearance has been granted by HMRC under section 138 of the TCGA that section 136 of the TCGA will not be prevented from applying to the Scheme by virtue of section 137(1) of the TCGA. HMRC have also advised that no counteraction notice under section 698 of the Income Tax Act nor under section 746 of the Corporation Tax Act should be served in respect of the transaction.

However, a subsequent disposal of HHI Shares should constitute a disposal for tax purposes and may, depending on a Shareholder's particular circumstances, give rise to a liability to UK taxation.

The Directors have been advised that the proposed method of winding up the Company and the scheme of reconstruction is such that the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement. Accordingly, the transfer of the Company's assets in the Rollover Pool and the realisation of the Company's assets in the Cash Pool and the Liquidation Pool under the Scheme should not give rise to a liability to UK corporation tax for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period would mean the Company would be liable to pay UK corporation tax on its net capital gains in that period.

PART 6

ADDITIONAL INFORMATION

1 Transfer Agreement

Provided that all the conditions to the Scheme are satisfied and the Scheme becomes effective, the Company will enter into the Transfer Agreement with the Liquidators (in their personal capacity) and Henderson High Income pursuant to the Scheme. The Transfer Agreement is, as at the date of this document, in a form agreed between the Company, the Liquidators and Henderson High Income. The Transfer Agreement provides, among other things, that the cash, undertaking and other assets of the Company in the Rollover Pool are to be transferred to Henderson High Income in consideration for the allotment by Henderson High Income of New HHI Shares to the Liquidators as nominees for Shareholders entitled to them in accordance with the Scheme. Thereafter, the Liquidators will renounce the allotments of the New HHI Shares in favour of such Shareholders and such New HHI Shares will be issued to such Shareholders pursuant to the Scheme. The Transfer Agreement excludes any liability on the part of the Liquidators for entering into and carrying into effect the Transfer Agreement, save for customary carve-outs.

The Transfer Agreement will be available for inspection as stated in paragraph 5 below.

2 Dissenting Shareholders

The Scheme is a reconstruction to which section 111(2) of the Insolvency Act applies. Under section 111(2) of the Insolvency Act, any Shareholder who does not vote in favour of the Resolutions to approve the Scheme to be proposed at the First General Meeting may, within seven days of the passing of the Resolutions at the First General Meeting, express their dissent in writing to the proposed Liquidators at the registered office of the Company for the attention of the proposed Liquidators (such Shareholder being a “**Dissenting Shareholder**”).

If Dissenting Shareholders validly exercise their rights under section 111 in respect of more than five per cent., in aggregate, of the issued Share capital of the Company, the Directors have discretion under the Scheme to decide that the Scheme should not proceed.

The Liquidators may, at their discretion, abstain from implementing the Scheme or else purchase the interest(s) of the Dissenting Shareholders. The purchase price for Dissenting Shareholders' Shares will not exceed that which the Dissenting Shareholders would receive on a straightforward winding up of the Company and will be paid once all liabilities have been settled in the liquidation.

3 UK Taxation

The information set out below relates to UK taxation applicable to the Company and its Shareholders who are resident in the UK for tax purposes and who hold Shares as an investment (this information may not relate to certain categories of Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment who may be taxed differently). The information is based on existing UK taxation law and HMRC published practice in force as at the date of this document and is, therefore, subject to any subsequent changes (possibly with retrospective effect). The information is given by way of general summary only and does not constitute legal or tax advice to any person.

You are advised to consult your professional advisers in relation to these arrangements.

The Company

The Company has obtained approval from HMRC as satisfying the conditions for approval as an investment trust under section 1158 of the Corporation Tax Act and Chapter 1 of Part 2 of The Investment Trust (Approved Company) (Tax) Regulations 2011.

The Proposals should not prejudice the ability of the Company to retain its investment trust status in respect of the current accounting period, which will end on the day immediately preceding the Effective Date if the Company is placed into members' voluntary liquidation. Furthermore, the proposed method of winding up the Company and the scheme of reconstruction is such that the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement under sections 15 and 16 of The Investment Trust (Approved Company) (Tax) Regulations 2011. Accordingly, the transfer of the Company's assets in the Rollover Pool and the realisation of the Company's assets in the Cash Pool and the Liquidation Pool under the Scheme should not give rise to a liability to UK taxation of chargeable gains for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period would mean the Company would, subject to any available reliefs, be liable to pay UK taxation on its chargeable gains in that period.

Shareholders

Reclassified Shares

For the purposes of UK taxation of chargeable gains, a Shareholder should not be regarded as having disposed of their Shares on their reclassification into Shares with "A" rights and Shares with "B" rights (as relevant). Instead, the Shareholder should be regarded as having acquired the Reclassified Shares at the same time and for the same aggregate base cost as their original holding of Shares.

Where a Shareholder's Shares are reclassified into both Shares with "A" rights and Shares with "B" rights, the Shareholder's base cost in his/her original holding of Shares will be apportioned by reference to the respective market values of the Shares with "A" rights and Shares with "B" rights received, as at the time the Reclassified Shares are first listed.

Cash Option

Shareholders who receive cash under the Scheme pursuant to the Cash Option will be regarded as having made a disposal of their Reclassified Shares with "B" rights on the distribution of cash by the Liquidators and may be subject to UK taxation of chargeable gains depending on the particular circumstances of the Shareholder concerned.

Rollover Option

The Company has been advised that the exchange of Shares with "A" rights for New HHI Shares pursuant to the Rollover Option should constitute a scheme of reconstruction for the purposes of the UK taxation of chargeable gains, and that such exchange should not constitute a disposal of the Shares with "A" rights for the purposes of the UK taxation of chargeable gains. Instead, the New HHI Shares issued pursuant to the Rollover Option should be treated as replacing the Shares with "A" rights for which they were exchanged and should be treated as having been acquired at the same time and for the same base cost as those Shares with "A" rights are treated as having been acquired.

Any subsequent disposal of the New HHI Shares may result in the holder of those New HHI Shares realising a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains, depending on the holder's particular circumstances.

Liquidation Pool surplus

To the extent holders of Reclassified Shares with "A" rights or "B" rights receive a distribution from the Liquidation Pool, the amount received will generally be treated as consideration for a disposal of their Shares. This is subject to an exception for certain "small" capital distributions which, if applicable, may instead allow the Shareholder to treat the base cost attributable to their relevant shares as reduced by the amount of the small capital distribution (to the extent it does not exceed the base cost).

HMRC clearance

Shareholders are advised that a clearance has been obtained from HMRC pursuant to section 138 of the TCGA that the treatment described above under "Rollover Option" is not to be prevented, by virtue of section 137(1) of the TCGA, from applying to them. HMRC has also confirmed that no counteraction notice under section 698 of the Income Tax Act 2007 or section 746 of Corporation Tax Act should be served in respect of the transaction.

Dissenting Shareholders

If the Liquidators exercised their discretion to purchase the Shares of a Dissenting Shareholder, the purchase price paid for their Shares will not exceed that which the Dissenting Shareholder would receive on a straightforward winding up of the Company. A Dissenting Shareholder who receives such a cash payment will be treated as disposing of the relevant Shares and may, depending on that Shareholder's particular circumstances, realise a chargeable gain or allowable capital loss for the purposes of UK taxation of chargeable gains.

ISAs and SIPPs

The New HHI Shares are eligible for inclusion in an ISA or SIPP. Accordingly, where Shares currently held within an ISA or SIPP are exchanged for New HHI Shares pursuant to the Rollover Option, those New HHI Shares can generally be retained within the ISA or SIPP, subject to the specific terms applicable to the ISA or SIPP. Similarly, where cash is received pursuant to the Cash Option in respect of Shares held within an ISA or SIPP, that cash may also generally be retained within the ISA or SIPP.

Stamp Duty and SDRT

It is not expected that any UK stamp duty or UK SDRT will be payable by the Company or the Shareholders in relation to the liquidation of the Company or on the receipt by Shareholders of New HHI Shares under the Rollover Option. SDRT will be incurred by Henderson High Income in relation to the transfer of chargeable assets within the Rollover Pool.

4 Miscellaneous

- 4.1 JPMC has given and not withdrawn its written consent to the inclusion of its name and references to it in this document in the form and context in which they appear.
- 4.2 The Liquidators have given and not withdrawn their written consent to the inclusion of their names and references to them in this document in the form and context in which they appear.
- 4.3 As at close of business on 7 December 2023, the Company held 5,361,586 Shares in treasury.

5 Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this document up to and including the close of business on the Effective Date:

- 5.1 the Articles of Association of the Company (containing the full terms of the amendments proposed to be made at the First General Meeting);
- 5.2 the HHI Prospectus;
- 5.3 the HHI Articles;
- 5.4 letters of undertaking from the Liquidators and Henderson High Income to enter into the Transfer Agreement;
- 5.5 the Transfer Agreement, in a form agreed amongst the Company, the Liquidators and Henderson High Income as at the date of this document;
- 5.6 the letters of consent from JPMC and the Liquidators referred to in paragraphs 4.1 and 4.2 of this Part 6, respectively; and
- 5.7 this document.

The Articles of Association of the Company (including the articles of association of the Company containing the full terms of the amendments proposed to be made) will be available at the First General Meeting for at least 15 minutes prior to and during that meeting. The proposed amended articles of association will also be available for inspection on the Company's website from the date of this document.

12 December 2023

PART 7

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“A” rights	the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Rollover Option
“Admission”	the admission of the New HHI Shares to be issued pursuant to the Scheme to listing on the premium segment of the Official List and to trading on the Main Market
“AIFM” or “JHFM”	Janus Henderson Fund Management UK Limited, the Company’s and HHI’s alternative investment fund manager
“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time
“B” rights	the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Cash Option
“Benchmark Index”	HHI’s benchmark index, being a composite of 80 per cent. of the FTSE All-Share Index (total return) and 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually
“Board” or “Directors”	the board of directors of the Company
“Business Day”	a day on which the London Stock Exchange is open for business
“Calculation Date”	the time and date to be determined by the Directors (but expected to be market close on 10 January 2024), at which the value of the Company’s assets and liabilities will be determined for the creation of the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the Company NAV, the Company NAV per Share, the Cash Pool NAV, the Cash NAV per Share, the HDIV FAV, the HDIV FAV per Share, the HHI FAV and the HHI FAV per Share will be calculated for the purposes of the Scheme
“Cash Entitlement”	in respect of any Shareholder who elects for the Cash Option and to the extent that such Election is accepted, an amount equal to such Shareholder’s entitlement to the net realisation proceeds of the Cash Pool pursuant to the Scheme
“Cash NAV per Share”	the Company NAV per Share less the Cash Option Discount (expressed in pence) and calculated to six decimal places (with 0.000005 rounded down)
“Cash Option”	the option for Shareholders to receive cash under the terms of the Scheme
“Cash Option Discount”	a discount of one per cent.

“Cash Pool”	the fund comprising the pool of assets attributable to the Reclassified Shares with “B” rights
“Cash Pool NAV”	an amount equal to the Cash NAV per Share multiplied by the total number of Reclassified Shares with “B” rights
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form
“Companies Act”	the Companies Act 2006, as amended from time to time
“Company” or “HDIV”	Henderson Diversified Income Trust plc
“Company NAV”	the net asset value of the Company (including a deduction for any dividends declared but not paid to Shareholders prior to the Calculation Date but excluding any provision for the costs of the Proposals or any costs of the Proposals already accrued in the Company’s net asset value as at the Calculation Date, the Janus Henderson Contribution, the winding-up or the Retention) on a cum-income debt at par basis
“Company NAV per Share”	the Company NAV divided by the number of Shares in issue (excluding any Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
“Corporation Tax Act”	the Corporation Tax Act 2010, as amended from time to time
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
“CREST Manual”	the compendium of documents titled the “CREST Manual” issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“Dissenting Shareholder”	a Shareholder who has validly dissented from the Scheme pursuant to section 111(2) of the Insolvency Act
“Effective Date”	the date on which the Scheme becomes effective (which is expected to be 16 January 2024)
“Election”	the choice made by a Shareholder for the Rollover Option and/or the Cash Option pursuant to the Scheme (including, where the context so permits, a deemed choice for the Rollover Option or the Cash Option) and any reference to “elect” or “elected” shall, except where the context requires otherwise, mean “elect or is deemed to elect” or “elected or deemed to have elected”
“Euroclear”	Euroclear UK and International Limited, in its capacity as the operator of CREST
“FAV”	formula asset value

“FCA”	the Financial Conduct Authority of the United Kingdom, including any replacement or substitute thereof and any regulatory body or person succeeding, in whole or in part, to the functions thereof
“First General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 8 January 2024, or any adjournment of that meeting
“Form of Election”	the personalised form of election for use by Shareholders holding their Shares in certificated form in relation to the Scheme, which accompanies this document
“Form(s) of Proxy”	the personalised form(s) of proxy for use by Shareholders at the First General Meeting and/or the Second General Meeting, as the context requires, which accompany this document
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time
“General Meetings”	the First General Meeting and/or the Second General Meeting, as the context requires
“HDIV FAV”	the Company NAV adjusted for: (a) the value of the Liquidation Pool, including the Retention; (b) any costs of the Proposals payable by the Company, to the extent the same do not already form part of the value of the Liquidation Pool; and (c) the benefit of the Janus Henderson Contribution, if any, less the Cash Pool NAV plus the benefit of the Cash Option Discount
“HDIV FAV per Share”	the HDIV FAV divided by the total number of Reclassified Shares with “A” rights (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
“Henderson High Income” or “HHI”	Henderson High Income Trust plc
“HHI Articles”	the articles of association of Henderson High Income, as amended from time to time
“HHI Board” or “HHI Directors”	the board of directors of Henderson High Income
“HHI FAV”	the net asset value of HHI as at the Calculation Date post any fixed costs of the Proposals payable by HHI but not accrued in HHI’s net asset value as at the Calculation Date (but not any listing fees to be borne by HHI in respect of the listing of the New HHI Shares and SDRT based on the value and constitution of the Rollover Pool) and adjusted to take account of the Janus Henderson Contribution and any dividends declared but not paid prior to the Effective Date where such dividends have not accrued to HHI’s net asset value as at the Calculation Date, plus a premium of 1.0 per cent., on a cum-income debt at fair value basis
“HHI FAV per Share”	the HHI FAV divided by the number of HHI Shares in issue (excluding any HHI Shares held in treasury) on the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)

“HHI General Meeting”	the general meeting of HHI convened for 8 January 2024 at 12.00 p.m., or any adjournment thereof
“HHI Prospectus”	the prospectus dated on or around 12 December 2023 relating to the issue of New HHI Shares pursuant to the Scheme
“HHI Resolution”	the resolution to be proposed at the HHI General Meeting to sanction the issue of New HHI Shares by HHI pursuant to the Scheme
“HHI Shareholders”	holders of HHI Shares
“HHI Shares”	ordinary shares of 5 pence each in the capital of Henderson High Income, including the New HHI Shares if the context requires
“HMRC”	HM Revenue & Customs
“Income Tax Act”	the Income Tax Act 2007, as amended from time to time
“Insolvency Act”	the Insolvency Act 1986, as amended from time to time
“Investment Manager” or “JHI”	Janus Henderson Investors UK Limited
“ISA”	an individual savings account
“Janus Henderson”	JHFM and/or JHI, as the context requires or permits
“Janus Henderson Contribution”	the contribution by Janus Henderson to the costs of the Proposals, as defined and described in Part 1 of this document
“JPMC”	J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove
“Liquidation Pool”	the pool to be retained by the Liquidators to meet all known and unknown liabilities of the Company and other contingencies, as further provided in paragraph 3.2 of Part 4 of this document
“Liquidators”	the liquidator(s) of the Company being, initially, the persons appointed jointly and severally upon the resolution to be proposed at the Second General Meeting becoming effective
“Listing Rules”	the listing rules of the FCA made pursuant to section 73A of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the main market for listed securities operated by the London Stock Exchange
“NAV” or “net asset value”	the value of all of the assets of the Company or Henderson High Income, as appropriate, less its liabilities (including provisions for such liabilities) determined by the relevant board of directors in their absolute discretion
“New HHI Shares”	the ordinary shares of 5 pence each in HHI to be issued to Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme
“Nominated Charity”	means United Nations Association

“Official List”	the Official List maintained by the FCA
“Overseas Shareholders”	Shareholders who have a registered address outside, or who are residents in, or citizens, residents or nationals of, jurisdictions outside the United Kingdom
“Proposals”	the proposals for the members’ voluntary winding up of the Company and combination with Henderson High Income Trust plc by way of the Scheme
“Reclassified Shares”	the Shares reclassified under the Scheme as Shares with “A” rights or “B” rights
“Record Date”	6.00 p.m. on 8 January 2024 (or such other date as determined at the sole discretion of the Directors), being the record date for determining Shareholders’ entitlements under the Scheme
“Register”	the register of members of the Company
“Registrars” or “Receiving Agent” or “Computershare”	Computershare Investor Services PLC
“Regulatory Information Service”	the regulatory information service provided by the London Stock Exchange
“Relevant Time”	has the meaning given to it in paragraph 4.1 of Part 4 of this document
“Resolution” or “Resolutions”	the special resolutions to be proposed at the General Meetings or any of them as the context may require
“Retention”	the retention to be made by the Liquidators to meet unknown and unascertained liabilities of the Company
“Rollover Option”	the option for Shareholders under the Scheme to elect to receive New HHI Shares in respect of some or all of their holding of Shares on the winding up of the Company
“Rollover Pool”	the pool of cash, undertaking and other assets attributable to the Reclassified Shares with “A” rights to be established under the Scheme to be transferred to Henderson High Income pursuant to the Transfer Agreement
“Sanctions Authority”	<p>each of:</p> <ul style="list-style-type: none"> (i) the United States government; (ii) the United Nations; (iii) the United Kingdom; (iv) the European Union (or any of its member states); (v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or <p>the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury</p>

“Sanctions Restricted Person”	<p>each person or entity:</p> <p>(i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or</p> <p>(ii) that is, or is directly or indirectly owned or controlled by a person that is, described or designated in (a) the current “Specially Designated Nationals and Blocked Persons” list (which as at the date of this document can be found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf; and/or (b) the current “Consolidated list of persons, groups and entities subject to EU financial sanctions” (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (c) the current “Consolidated list of financial sanctions targets in the UK” (which as at the date of this document can be found at: https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.pdf); or</p> <p>(iii) that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current “Sectoral Sanctions Identifications” list (which as at the date of this document can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the “SSI List”), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the “EU Annexes”), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes</p>
“Scheme”	the proposed scheme of reconstruction and voluntary winding up of the Company under section 110 of the Insolvency Act set out in Part 4 of this document
“SDRT”	stamp duty reserve tax
“Second General Meeting”	the general meeting of the Company convened for 10.30 a.m. on 16 January 2024, or any adjournment of that meeting
“Shareholders”	holders of Shares
“Shares”	ordinary shares of 1 penny each in the capital of the Company
“SIPP”	a UK self-invested personal pension scheme
“TCGA”	Taxation of Chargeable Gains Act 1992
“Transfer Agreement”	the agreement for the transfer of the cash, assets and undertaking of the Company comprising the Rollover Pool to Henderson High Income pursuant to the Scheme, the terms of which are summarised in paragraph 1 of Part 6 of this document

“TTE Instruction”	a transfer to escrow instruction (as described in the CREST Manual)
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (i.e. in CREST) and title to which may be transferred by using CREST
“United States”	the United States of America, its territories, possessions, any state of the United States of America, and the District of Columbia
“US Investment Company Act”	the U.S Investment Company Act of 1940, as amended
“US Securities Act”	the U.S. Securities Act of 1933, as amended
“VAT”	value added tax

NOTICE OF FIRST GENERAL MEETING

HENDERSON DIVERSIFIED INCOME TRUST PLC

(Incorporated in England and Wales with registered number 10635799)

(An investment company within the meaning of section 833 of the Companies Act 2006)

NOTICE IS HEREBY GIVEN that a general meeting of Henderson Diversified Income Trust plc (the “**Company**”) will be held at 11.00 a.m. on 8 January 2024 at 201 Bishopsgate, London EC2M 3AE for the purpose of considering and, if thought fit, passing the following resolutions, both of which will be proposed as special resolutions:

SPECIAL RESOLUTIONS

1 THAT:

- 1.1 with effect from the date on which the amendment to the Official List of the Financial Conduct Authority to reflect the reclassification of the ordinary shares of 1 penny each in the capital of the Company (the “**Shares**”) (the “**Amendment**”) becomes effective but subject always to paragraph 1.5 of this Resolution, each of the Shares in issue at the date of the passing of this Resolution (other than any Shares held by the Company in treasury) shall be reclassified as shares the holder of which has (or is deemed to have) elected to have reclassified as shares with “A” rights or “B” rights as the case may be, (the “**Reclassified Shares**”), in such respective numbers as may be required to give effect to any election validly made (or deemed to have been made) by the holder of the Shares and otherwise in accordance with the terms of the Scheme set out in Part 4 of the circular dated 12 December 2023 to Shareholders of the Company of which this notice forms part (the “**Circular**”), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chairman of the meeting;
- 1.2 for the purposes of this Resolution:
 - 1.2.1 to the extent any holder of Shares shall have validly elected (or shall be deemed to have validly elected) to receive New HHI Shares, such Shares shall be reclassified as shares with “A” rights; and
 - 1.2.2 to the extent any holder of Shares shall have validly elected (or shall be deemed to have validly elected) to receive cash, such Shares shall be reclassified as shares with “B” rights;
- 1.3 each of the holders of the shares with the rights set out in paragraph 1.2 above shall have the respective rights set out in the Articles of Association of the Company as amended by this Resolution;
- 1.4 with effect from the date on which the Amendment becomes effective, but subject always to paragraph 1.5 of this Resolution, the Articles of Association be and are hereby amended by:
 - 1.4.1 the insertion of the following as a new Article 6 (C):

“Every reference in these articles to Ordinary Shares shall be construed as a reference to the ordinary shares of 1 penny each in the capital of the Company which are designated as shares with either “A” rights or “B” rights as set out in article 6 (D) below. Notwithstanding anything to the contrary in these articles, each class of Ordinary Share will have attached to it the respective rights and privileges and be subject to the respective limitations and restrictions set out in article 6 (D).”;

1.4.2 the insertion of the following as a new Article 6 (D):

“Words and expressions defined in the circular to shareholders of the Company dated 12 December 2023 (the “Circular”) shall bear the same meanings in this article 6 (D), save where the context otherwise requires:

The rights attaching to the shares with “A” rights and the shares with “B” rights shall be identical to each other, save that in a winding up of the Company for the purposes of the reconstruction described in the Circular, notwithstanding anything to the contrary in these articles:

- (i) the rights of holders of shares with “A” rights in respect of the assets of the Company shall be satisfied by the issue to the holders thereof of the number of New HHI Shares to which they shall respectively be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme;*
- (ii) the rights of holders of shares with “B” rights in respect of the assets of the Company shall be satisfied by the payment to the holders thereof of the amount of cash to which they shall respectively be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme; and*
- (iii) any cash arising in the Company after the transfer of the Rollover Pool and any surplus remaining in the Liquidation Pool (“Relevant Cash”) shall be distributed in accordance with the Scheme.”;*

1.4.3 such further amendments to the Articles of Association of the Company as may be required to give effect to this Resolution;

1.5 if the Scheme does not become unconditional by the end of the Second General Meeting, the amendments to the Articles of Association effected by paragraph 1.4 of this Resolution shall be further amended such that the insertion of new Article 6 (c) and the insertion of new Article 6 (D) shall cease to have effect as from the close of that meeting (or any adjourned meeting), the reclassification of Shares provided for by this Resolution shall be reversed and each Reclassified Share shall revert to being a Share ranking *pari passu* in all respects; and

1.6 the terms defined in the Circular have the same meanings in this Resolution.

2 THAT subject to: (i) the passing of Resolution 1 above at this meeting (or at any adjournment hereof) and it becoming unconditional; (ii) the Scheme becoming unconditional in accordance with its terms on or prior to 29 February 2024; and (iii) the passing at a general meeting of the Company convened for 16 January 2024 (or any adjournment thereof) of a resolution for the voluntary winding-up of the Company and the appointment of the Liquidators:

2.1 the Scheme set out in Part 4 of the circular to Shareholders of the Company dated 12 December 2023 (the “Circular”), a copy of which has been laid before this meeting and signed for the purpose of identification by the Chairman of the meeting, be and is hereby approved and the liquidators of the Company when appointed (jointly and severally the “Liquidators”) be and hereby are authorised to implement the Scheme and to execute any document and do any thing for the purpose of carrying the Scheme into effect;

2.2 the Liquidators, when appointed, will be and hereby are authorised and directed:

2.2.1 under this special resolution and the Articles of Association, as amended and as provided in Resolution 1 above, and pursuant to section 110 of the Insolvency Act 1986, to enter into and give effect to the Transfer Agreement (in their personal capacity and on behalf of the Company) referred to in the Circular with Henderson High Income and in the form of the draft laid before the meeting and signed for the purposes of identification by the Chairman with such amendments as the parties thereto may from time to time agree;

- 2.2.2 to request Henderson High Income to allot and issue New HHI Shares, credited as fully paid, on the basis described in the Transfer Agreement for distribution among the holders of Shares in the capital of the Company entitled thereto under the Scheme (or to the Liquidators as nominee on their behalf) by way of satisfaction and discharge of their respective interests in so much of the property and assets of the Company as shall be transferred to Henderson High Income in accordance with the Transfer Agreement and with the Scheme;
- 2.2.3 to procure that the Rollover Pool be vested in Henderson High Income (or its nominees) on and subject to the terms of the Transfer Agreement;
- 2.2.4 to realise for cash the undertaking, cash and other assets comprising the Cash Pool;
- 2.2.5 to distribute cash among the holders of Shares with “B” rights by way of satisfaction and discharge of their interests in so much of the Company as shall comprise the Cash Pool in accordance with the Scheme;
- 2.2.6 to convert into cash any assets in the Liquidation Pool and to raise the money to purchase the interest of any member of the Company who validly dissents from this Resolution under section 111(2) of the Insolvency Act 1986 from the Liquidation Pool;
- 2.2.7 to transfer any surplus in the Liquidation Pool in accordance with the Scheme; and
- 2.2.8 to apply for the admission of the Shares to the premium segment of the Official List and to trading on the Main Market to be cancelled with effect from such date as the Liquidators may determine;
- 2.3 the Articles of Association be and are hereby amended by inserting the following as a new Article 154:
- “Notwithstanding the provisions of these articles, upon the winding up of the Company in connection with the scheme (the “Scheme”) set out in Part 4 of the circular to shareholders of the Company dated 12 December 2023 (the “Circular”), the Liquidators of the Company will give effect to the Scheme and will enter into and give effect to the transfer agreement with Henderson High Income Trust plc (as duly amended where relevant) a draft of which was tabled at the general meeting of the Company convened for 8 January 2024 by a notice attached to the Circular, in accordance with the provisions of this article and articles 6 (C) and 6 (D) and the holders of Ordinary Shares will be entitled to receive New HHI Shares and/or cash, in each case in accordance with the terms of the Scheme. The definitions in the Circular have the same meanings in this article 154, save where the context otherwise requires.”; and*
- 2.4 the terms defined in the Circular have the same meanings in this Resolution.

Registered office:
201 Bishopsgate
London EC2M 3AE

By Order of the Board
Janus Henderson Secretarial Services UK Limited
Corporate Secretary

12 December 2023

Notes:

- 1 As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the Form of Proxy. You may not use any electronic address provided either in this notice or any related documents to communicate with the Company for any purpose other than those expressly stated.
- 2 To be valid any Form of Proxy or other instrument appointing a proxy, together with any Power of Attorney or other authority under which it is signed or a certified copy thereof, must be delivered by post or (during normal business hours only) by hand to the Registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or electronically by visiting www.investorcentre.co.uk/eproxy no later than two days (excluding non-working days) before the time of the General Meeting or any adjourned General Meeting.
- 3 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and/or by logging on to the website: 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.
- 4 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID 3RA50) no later than two days (excluding non-working days) before the time of the General Meeting or any adjournment of the General Meeting. 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 application host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 5 CREST members and, where applicable, their CREST sponsors, or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. 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/her 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 members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 6 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 7 The return of a completed Form of Proxy or other instrument of proxy will not prevent you attending the General Meeting and voting in person if you wish.
- 8 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act the Company specifies that to be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company no later than two days (excluding non-working days) prior to the commencement of the General Meeting or any adjourned General Meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
- 9 Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
- 10 The statement of the rights of Shareholders in relation to the appointment of proxies in Notes 1 and 2 above does not apply to Nominated Persons. The rights described in those Notes can only be exercised by Shareholders of the Company.
- 11 Information regarding the General Meeting, including information required by section 311A of the Companies Act, is available from the Company's website at www.hendersondiversifiedincome.com.
- 12 Members have the right to ask questions at the meeting in accordance with section 319A of the Companies Act.
- 13 As at 7 December 2023 (being the last practicable day prior to the publication of this notice) the Company's issued share capital consisted of 182,072,717 Shares, carrying one vote each, of which 5,361,586 Shares were held in treasury. Therefore, the total voting rights in the Company as at 7 December 2023 were 176,711,131 votes.
- 14 Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the chairman of the General Meeting as his/her proxy will need to ensure that both he/she and his/her proxy complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
- 15 A copy of the current articles of association of the Company and the proposed new articles of association of the Company will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) and for at least 15 minutes before and during the General Meeting at the registered office of the Company at 201 Bishopsgate, London EC2M 3AE, being the place of the General Meeting. The proposed new articles of association will also be available for inspection on the Company's website from the date of this Notice of General Meeting.

NOTICE OF SECOND GENERAL MEETING

HENDERSON DIVERSIFIED INCOME TRUST PLC

(Incorporated in England and Wales with registered number 10635799)

(An investment company within the meaning of section 833 of the Companies Act 2006)

NOTICE IS HEREBY GIVEN that a general meeting of Henderson Diversified Income Trust plc (the “**Company**”) will be held at 10.30 a.m. on 16 January 2024 at 201 Bishopsgate, London EC2M 3AE for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT (provided that the Directors shall not have resolved, prior to the date of this meeting (or any adjournment hereof) to abandon the Scheme;

- (a) the Company be and is hereby wound up voluntarily under the provisions of the Insolvency Act 1986 and Stuart Arthur Gardner and Derek Neil Hyslop, both licensed insolvency practitioners of Ernst & Young LLP be and they are hereby appointed joint liquidators (the “**Liquidators**”) of the Company for the purposes of such winding up and distributing the assets of the Company in accordance with the Scheme and any power conferred on them by law, the Articles of Association or this Resolution, may be exercised by them jointly or by each of them alone;
- (b) the remuneration (plus VAT) of the Liquidators be determined by reference to the time properly spent by them and their staff in attending to matters arising prior to and during the winding up of the Company (including, without limitation, the implementation of the Scheme and any matters outside the statutory duties of the Liquidators and undertaken at the request of the members or a majority of them) and the Liquidators be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them to give effect to the Scheme;
- (c) the Company’s books and records be held by its Company Secretary to the order of the Liquidators until the expiry of 12 months after the date of dissolution of the Company, when they may be disposed of (save for financial and trading records which shall be kept for a minimum of six years following the vacation of the Liquidators from office);
- (d) the Liquidators be empowered and directed to carry into effect the provisions of the Articles of Association as amended by the Resolutions set out in the notice of the First General Meeting of the Company contained in the circular to Shareholders of the Company dated 12 December 2023 (the “**Circular**”);
- (e) the Liquidators be and are hereby authorised pursuant to section 165 of the Insolvency Act 1986 to exercise the powers set out in Part 1 of Schedule 4 to that Act as may be necessary or desirable in their judgment, acting jointly and severally, to give effect to the Scheme and/or to carry out the winding up of the Company; and
- (f) terms defined in the Circular have the same meanings in this Resolution.

Registered office:
201 Bishopsgate
London EC2M 3AE

By Order of the Board
Janus Henderson Secretarial Services UK Limited
Corporate Secretary

12 December 2023

Notes:

- 1 As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the Form of Proxy. You may not use any electronic address provided either in this notice or any related documents to communicate with the Company for any purpose other than those expressly stated.
- 2 To be valid any Form of Proxy or other instrument appointing a proxy, together with any Power of Attorney or other authority under which it is signed or a certified copy thereof, must be delivered by post or (during normal business hours only) by hand to the Registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or electronically by visiting www.investorcentre.co.uk/eproxy no later than two days (excluding non-working days) before the time of the General Meeting or any adjourned General Meeting.
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