

REPORT ON DIRECTORS' REMUNERATION

Introduction

The Report on Directors' Remuneration contains the following information:

- a description of the role of the Company's Remuneration Committee;
- a summary of the remuneration policy of the Group including a statement of the Company's policy on Directors' remuneration;
- details of the terms of the service contracts and the remuneration of each Director for the preceding financial year;
- details of the share options and awards under long-term incentive schemes held by the Directors; and
- details of each Director's interest in ordinary shares of the Company.

Corporate governance

This Report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 (the Regulations) under the Companies Act 1985. The report also meets the requirements of the Listing Rules of the UK Listing Authority and the relevant provisions of the Companies Act 1985. It also sets out how the principles of the Combined Code and the ASX Principles (as referred to in the Corporate Responsibility Report) relating to Executive Directors' remuneration are applied by the Group.

A resolution will be put at the AGM on 1 May 2008 inviting shareholders to consider and approve this report.

Membership and responsibilities of the Remuneration Committee

Role of the Remuneration Committee

The Remuneration Committee reviews and approves, where appropriate, the Group's remuneration and compensation plans, policies and practices. Its duties are to:

- review and recommend to the Board the Company's remuneration protocols and practices, which are performance based and aligned with the Company's vision, values and overall business objectives;
- determine annually the remuneration of the Board Chairman, the Chief Executive and his direct reports, including other Executive Directors;
- approve the terms and conditions of employment and other contractual matters relating to the Group's executive management team; and
- approve the policy and terms of the Group's employee and executive share incentive plans.

The full terms of reference of the Remuneration Committee are available on the Company's website and on request from the Company Secretary.

No Director or member of the Group's executive management team is involved in any decision on his own remuneration.

Membership

The Remuneration Committee consists entirely of independent Non-Executive Directors. During 2007, and as at 26 February 2008, the Remuneration Committee comprised Gerald Aherne (Committee Chairman), Anthony Hotson and Duncan Ferguson.

The Board Chairman and the Chief Executive may attend meetings of the Remuneration Committee at the Remuneration Committee's invitation, save that they may not attend if their own remuneration is under consideration.

Meetings

The Remuneration Committee meets regularly and takes advice on a range of matters, including the scale and composition of the total remuneration package payable in comparable financial institutions to people with similar qualifications, skills and experience.

Internal support is provided to the Remuneration Committee by the Company Secretary and the Director of Human Resources, who are invited to attend and speak at meetings, except when their own remuneration is under consideration.

The Remuneration Committee Chairman and the Chief Executive make recommendations on matters relating to the remuneration of senior executives who report to the Chief Executive. The Board Chairman is additionally consulted in relation to the remuneration of all Executive Directors.

The Remuneration Committee met four times in 2007.

Advisors

During the year, where considered appropriate, the Remuneration Committee took advice on technical aspects of compensation policy from independent external consultants appointed by the Remuneration Committee. These were Towers Perrin, a specialist remuneration consulting firm which provided advice on executive pay and share plan issues, and Watson Wyatt LLP, which provided advice on pension issues to the Group.

Additional remuneration survey data published by McLagan Partners was also presented to the Remuneration Committee.

None of the above advisors has any connection with the Company other than providing compensation data and information on remuneration developments.

Policy statement

Reward policy

The Remuneration Committee considers that a successful remuneration policy should be sufficiently flexible to take account of future changes in the Company's business environment and in remuneration practice and, therefore, the Group's policy is subject to change.

The Company has established a remuneration framework, which is designed to be market competitive and motivate employees to improve individual and corporate performance, retain key employees and align employee actions with the interests of shareholders.

The Company's remuneration framework is based on a total reward approach designed to deliver top quartile pay for top performance. There are three key components:

- basic salary – paid within appropriate market range;
- annual bonus – paid under a short-term incentive plan where individuals have the opportunity to receive a bonus based on business and individual performance against targets; and
- long-term incentive – is performance based for senior executives and certain professionals such as key senior fund managers.

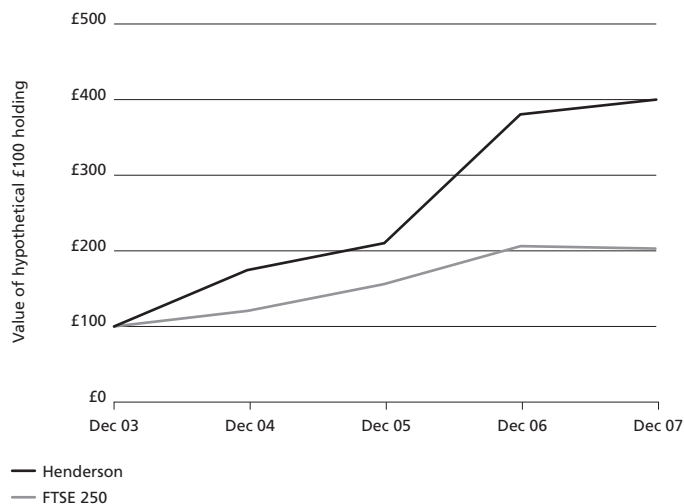
Report on Directors' Remuneration (continued)
Policy statement (continued)

Total Shareholder Return (TSR) performance

The graphs below show the Company's share price performance, and compare this against the movement in the FTSE 250 Index and the FTSE 350 General Financial Index. These two indices were selected as the most appropriate indices for the Company. The share price in 2007 ranged from 137.75 pence on 1 January 2007, peaked at 189.75 pence on 26 October 2007 (adjusted to 192.94 pence following the share consolidation carried out in association with the special dividend approved by the shareholders at the EGM on 9 October 2007) and closed at 126.25 pence on 31 December 2007.

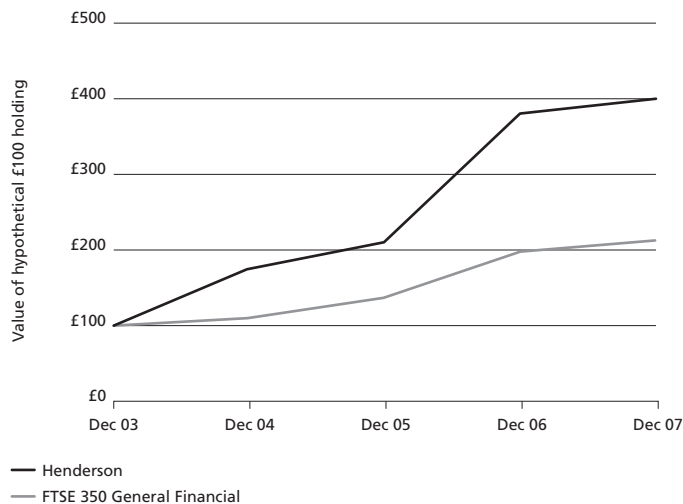
Historical TSR performance

Growth in the value of a hypothetical £100 holding since December 2003
FTSE 250 Index comparison based on 30 trading day average values



Historical TSR performance

Growth in the value of a hypothetical £100 holding since December 2003
FTSE 350 General Financial Index comparison based on 30 trading day average values



Source: Graphs provided by Towers Perrin and calculated according to a methodology that is compliant with the Directors' Remuneration Report Regulations 2002.
 Data sources: FTSE and Datastream

Executive Directors' remuneration: individual elements

Overall structure

Executive Directors' remuneration comprises:

- basic salary;
- annual bonus;
- pension benefits;
- benefits in kind; and
- the opportunity to participate in certain Group-wide incentive schemes, such as the Long-Term Incentive Plan (LTIP), the Restricted Share Plan (RSP) and the Sharesave scheme (SAYE).

The LTIP and the annual bonus are performance related and the Remuneration Committee regards them as key elements in the Executive Directors' remuneration packages. The Sharesave scheme is available to all employees and is not performance related. As set out in the UK Listing Particulars, awards to Executive Directors under the RSP can be made and may be subject to performance conditions. No RSP awards have been made to any Executive Director of the Company since its listing in December 2003, however an award is proposed to the Chief Financial Officer in 2008.

Performance linkage

Each element of the Executive Directors' reward package supports the achievement of key business measures as illustrated in the table below:

Element	Structure	Purpose	Performance measure
Basic salary	Fixed	Reflects the competitive market rate for the job, the individual's contribution and prior contractual arrangements	Experience and qualifications
Annual bonus	Variable	Rewards the delivery of operational goals and financial targets	Return on equity, pre-tax operating profit, cost ratios, net fund flows and investment performance
Long-term incentive	Variable	Supports superior business performance in relation to competitor companies and aligns executives' with shareholders' interests	Relative TSR

The Remuneration Committee intends that, for target levels of performance, at least 60% of total compensation (excluding pension) should be performance related. The expected value of awards made under the LTIP was calculated by the Group's advisor, Towers Perrin, using a proprietary methodology. Its methodology considers TSR rank at which payment begins, the payment level at this threshold, the maximum payment under the plan and the rank at which this maximum is achieved. The methodology also takes into account the correlation of the Company's stock with those companies in the peer group, starting from the premise that the value of the shares awarded at the end of the performance period is correlated with the TSR ranking. The Remuneration Committee is satisfied that the overall structure constitutes a well-considered set of arrangements for Executive Directors' remuneration. It is kept under review to take account of changing circumstances and was also reviewed by the Board in 2007. Some changes to the LTIP (outlined on this page) will be made from 2008 to ensure the plan continues to reward superior performance. Incentive payments are not taken into account for pension purposes.

Basic salary

Salaries are reviewed annually for each Executive Director. In 2007, the salaries of the Chief Executive and the Chief Financial Officer remained unchanged at £350,000 per annum and £300,000 per annum respectively.

Roger Yates is also a Non-Executive and Senior Independent Director of IG Group Holdings plc and he retains the fees of £35,000 per annum paid by IG Group Holdings plc for this purpose.

Annual bonus

At the discretion of the Remuneration Committee, each Executive Director may receive a cash bonus subject to the achievement of performance targets established by the Remuneration Committee. Payment of bonuses (if any) will be made to the relevant Executive Director annually, in February, conditional upon achievement of the performance targets in the preceding calendar year, though the Remuneration Committee has the flexibility to take into account other factors in determining any bonus. The bonus range is zero to a specified maximum, with target being the midpoint. The maximum bonus entitlement is based on a percentage of annual basic salary. The maximum entitlements for 2007 performance are 600% of salary for the Chief Executive (2006: 600%) and 200% of salary for the Chief Financial Officer (2006: 200%).

For each Executive Director, the corporate performance targets relate to Company Performance measures as set out in the Performance linkage section on page 22. The Group performance measures in 2007 were return on equity, cost ratios, pre-tax operating profit, net fund flows and investment performance. Approximately 70% of the weighting of these variables relates to return on equity, pre-tax operating profit and the cost to income ratio.

The Remuneration Committee and the Board review the performance of each Executive Director on an annual basis against these targets.

Long-term incentives

Under the LTIP, the Remuneration Committee may make awards to Executive Directors up to a maximum number of ordinary shares determined by the Remuneration Committee at the date of grant. Vesting of awards is conditional on the achievement of a performance target measured over a three year period and the Executive Director's continued employment during the performance period. The primary performance measure is TSR and the Remuneration Committee must be satisfied that the Company's TSR performance reasonably reflects its underlying financial performance over the performance period.

The Company made awards under the LTIP to Executive Directors in March 2007. The aggregate market value of the ordinary shares capable of being acquired under these awards was equivalent to 428% of salary in the case of the Chief Executive and 175% of salary in the case of the Chief Financial Officer.

The Remuneration Committee intends to make an award under the LTIP to the Executive Directors in 2008.

Changes in 2008 to vesting criteria of the LTIP

In line with good practice, the Remuneration Committee reviews the Directors' remuneration arrangements, particularly the incentive arrangements, from time to time. In 2007, a formal review of the LTIP arrangements was undertaken with external independent consultants. The outcome of this review was that the structure and amount of the LTIP capable of being awarded were unchanged. However, the Remuneration Committee has decided that the calculation determining the extent to which an award can vest will change from the next award in 2008.

At present, the proportion of the LTIP awards that will vest is determined by reference to the growth in the Company's TSR over a three year period, compared to that achieved over the same period by the companies in the FTSE 250 Index at the same start date. The Remuneration Committee felt that a better measure of outperformance would be the Company's TSR ranking within a comparator group, and the Remuneration Committee has selected the companies within the FTSE 350 General Financial Index (approximately 38 companies including all UK listed fund managers) for this purpose. The performance period for awards will remain at three years and previous LTIP awards will not be changed to the new basis. The existing requirement that the Remuneration Committee must be satisfied that the Company's TSR performance reasonably reflects its underlying financial performance over the performance period will also be maintained.

Additionally, the Remuneration Committee has determined that for future awards, 25% of the award will vest at median performance (currently 35%), with full vesting occurring at upper quartile as at present. Also, the leaver provisions have been slightly amended: for any approved leavers a pro rata award will now be received at the end of the LTIP period instead of receiving it at the date of leaving.

The Remuneration Committee received advice that the changes to the LTIP were not significant or substantive, nor to the advantage of eligible employees. The change to a lower amount of any award vesting at median is not to the advantage of employees and the change to the FTSE 350 General Financial Index as the comparator index would not have led to more shares vesting than under the current plans. Therefore, the Remuneration Committee agreed that no shareholder approval is required either under the Combined Code or under the LTIP rules.

2007 LTIP award

The proportion of the 2007 LTIP awards that will vest will be determined by reference to the growth in the Company's TSR over the three year period commencing 1 January 2007, compared to that achieved over the same period by the companies in the FTSE 250 Index at the same start date. If the Company's TSR performance is below the 50th percentile, none of the shares awarded will vest. If the Company's TSR performance is at the 50th percentile, 35% of the shares awarded will vest and if it is at or above the 75th percentile, 100% of the shares awarded will vest. Vesting between these latter two points will be calculated on a straight-line basis. Additionally, awards will only be capable of vesting after 2 March 2010.

2006 LTIP award

The awards made in 2006 continue to be held, subject to the TSR performance condition, until the end of 2008.

2005 LTIP award

The TSR performance condition for this award was satisfied at the end of 2007, with 100% of the shares in the award being capable of exercise. The award will vest in March 2008.

2004 LTIP award

As disclosed in the 2004, 2005 and 2006 Full Annual Financial Report and Accounts, the LTIP awards would normally vest at the end of a three year performance period. However, in 2005 the Remuneration Committee considered it appropriate, in the circumstances of the sale of the Life Services business and the subsequent return of capital to shareholders, to allow two thirds of the 2004 award granted to employees of the remaining group to vest in 2005.

The remaining one third of the 2004 LTIP awards vested in April 2007. The amount that vested was determined by the satisfaction of the TSR performance condition over the prior three calendar years, which resulted in 100% of the shares in the remaining award being capable of exercise.

Shareholding requirement

The Remuneration Committee has also determined that, over time, each Executive Director should be required to maintain a target shareholding of ordinary shares in the Company, equivalent to 100% of base salary, in order to align the interests of Executive Directors more closely with those of shareholders. This is expected to be attained mainly through vesting of awards under the LTIP and was achieved as at 31 December 2007 by the Executive Directors.

All-employee share schemes

The Sharesave scheme, a savings-related share option scheme, is available to all employees. It operates within specific UK tax legislation (including a requirement to finance exercise of the option using the proceeds of a monthly savings contract) and exercise of the option is not subject to satisfaction of a performance target since this is an all-employee scheme. Executive Directors are eligible to participate in the Company's all-employee Sharesave scheme on the same terms as other employees.

The Buy As You Earn Share Plan (BAYE), previously the Share Incentive Plan (SIP), is an all-employee scheme that operates within specific UK tax legislation and was established following shareholder approval at the 2004 AGM. The BAYE represents a further opportunity for employees to increase their share ownership in the Company, which is an important tool in attracting and retaining staff in the asset management industry. The BAYE enables participants to acquire ordinary shares out of deductions from gross salary, for which the Company provides 2:1 matching shares. The BAYE also allows for limited annual awards of free shares up to Inland Revenue (UK tax authority) limits. Executive Directors are not eligible to participate in the BAYE.

The Employee Share Ownership Plan (ESOP) provides an opportunity for employees to further increase their ownership in the Company. Employees are able to purchase Henderson Group plc shares up to a set limit through the Deferred Equity Plan and, subject to continued employment over a specified period, the Company provides one further matching share for each share purchased. Executive Directors are not eligible to participate in the ESOP.

All Company share awards are made through on market purchases except for the Sharesave scheme and an element of the BAYE, which are satisfied by issuing shares. The current dilution of such plans amounts to 0.97% of issued share capital.

Pensions

Retirement benefits are designed to be both market and cost-effective. The Company is the sponsoring employer of the Henderson Group Pension Scheme (the Scheme), which has both a defined benefit section (closed to new members) and a defined contribution section. As a result of the statutory cap on earnings, the Company also has unapproved pension arrangements, which apply to certain current and former Group employees. In addition, the Group has pension arrangements in place for its non UK-based employees, which are in line with market conditions overseas. In the UK, the Company replaced the statutory earnings cap abolished on 6 April 2006 by the Finance Act 2004 with an internal scheme earnings cap, which is broadly the same as the previous statutory figure adjusted for inflation.

The Executive Directors participate in non-contributory sections of the Scheme providing Scheme benefits on a defined benefit basis.

The Chief Executive is entitled to a pension accruing at 1/30th of uncapped pensionable salary for each year of pensionable service. The Scheme will provide the Chief Executive with a pension of 1/30th of pensionable salary below the Scheme earnings cap (2007/8: £112,512) for each year of pensionable service, with the balance provided by participation in an unfunded unapproved retirement benefits scheme. In addition, the Chief Executive receives an annual contribution of up to £175,000 towards a self invested personal pension. Whilst he is a Director, the investment holdings are required to be in products of Henderson Global Investors.

The Chief Financial Officer is entitled to a pension accruing at 1/45th of pensionable salary up to the Scheme earnings cap for each year of pensionable service under the Scheme. Since 23 December 2003, the Chief Financial Officer has participated in an unfunded unapproved pension arrangement to provide benefits in respect of his pensionable earnings above the Scheme earnings cap.

In 2006, the Company consulted with employees and agreed with the Scheme's trustee to alter future benefits for all employees (including Executive Directors) in both the defined benefit and defined contribution sections. These changes started to come into effect in 2007.

The defined benefit section was closed to new members in 1999, but with effect from 2007 any growth in existing members' salary will be restricted for pension purposes to the lower of inflation or 2.5% per annum. In addition, for service accrued from 2007, increases to pensions in payment will also be restricted to the lower of inflation or 2.5% per annum.

The defined contribution section was created in 1999 and allows, for some staff, an element of annual bonuses to be considered pensionable. This will be phased out by 2009 so that only basic salary will be pensionable.

In 2007, the Company introduced a Self Invested Personal Pension (SIPP) that allows UK employees to make voluntary contributions into a wider range of funds and also the ability to transfer Company shares from maturing share plans in a tax effective manner. The Company ran a number of pension planning seminars in 2007. To encourage employees to save more for their future, the Company rebates some of the national insurance savings to employees' SIPP accounts. Although the Chief Executive does have a SIPP, it is outside the Group SIPP and therefore does not qualify for any additional Company contribution. The Chief Financial Officer made no contributions to the Group SIPP in 2007 that qualified for any rebate.

Benefits and benefits in kind

The Executive Directors are contractually entitled to a lump-sum life assurance benefit of four times salary, permanent health insurance and medical insurance. The Chief Financial Officer is entitled to a car allowance of £11,000 per annum.

The Executive Directors also benefit from indemnity arrangements in respect of their services as Directors, and Directors' and Officers' liability insurance, under separate Deeds of Indemnity.

Contracts and termination provisions

The Company's policy is to employ Executive Directors on annual rolling contracts although, in exceptional circumstances on recruitment, longer initial terms may be approved by the Remuneration Committee. To date, it has not exercised this power. The Remuneration Committee will, consistent with the best interests of the Company, seek to minimise termination payments.

The Executive Directors have service agreements terminable on not less than 12 months' written notice by the Company or on not less than six months' written notice by the relevant Executive Director.

The service agreements allow the Company to suspend the Executive Directors from their duties at any time after notice has been given by either party provided they continue to receive full pay. Under certain circumstances (such as serious misconduct), the Company may terminate employment immediately with no liability to make any further payment (other than amounts accrued to the date of termination).

There are no other provisions for compensation payable on early termination in the above contracts. In relation to their participation in incentive-related pay, Executive Directors are subject to the LTIP rules in the same manner as other participants.

Chairman and other Non-Executive Directors

The remuneration of the Board Chairman is determined by the Chairman of the Remuneration Committee and the other Non-Executive Directors, and for other Non-Executive Directors, is determined by the Chairman and the Executive Directors, both on the basis of external independent advice. The Board Chairman and other Non-Executive Directors serve the Company under letters of appointment that are terminable by the Company on one month's notice without liability for compensation; they do not have service agreements. It is the Company's policy that the Board Chairman and other Non-Executive Directors do not participate in any of the Group's bonus, incentive or pension schemes, nor are they entitled to any retirement benefits. Under their respective letters of appointment:

- the annual fee payable to each Non-Executive Director (other than the Board Chairman and the Audit and Remuneration Committee Chairmen) is £40,000;
- Rupert Pennant-Rea is Non-Executive Chairman of the Company. His fees are £150,000 per annum (inclusive of all other fees as a Director or Officer); he is also entitled to a fee of £1,000 per annum for travel expenses;
- John Roques is entitled to additional fees of £15,000 per annum as Chairman of the Audit Committee and £5,000 per annum as Senior Independent Director; and
- Gerald Aherne is entitled to additional fees of £15,000 per annum as Chairman of the Remuneration Committee.

The fees were unchanged in 2007. A review of fees using independent advisors took place in 2007 and the Chairman has determined that the basic fees paid to other Non-Executive Directors will rise by £5,000 to £45,000 per annum effective on 1 January 2009. Additional fees for the Audit and Remuneration Committee Chairmen and the Senior Independent Director will remain unchanged but will be reviewed again in 2008.

The Board also reviewed the fees payable to the Chairman of the Board and has determined that they will rise from £150,000 to £170,000 per annum effective on 1 January 2009, and the separate travel expenses fee will cease.

The following tables provide greater detail in respect of each of the Directors' emoluments, pension entitlements and share interests, which have been audited by the Company's auditors.

Directors' emoluments in 2007

The emoluments (cash payments and benefits in kind, but not including any pension) of the Directors of the Company in respect of the period for which they were in office in the relevant year, including their remuneration in respect of subsidiary undertakings, comprised:

	Salary and fees £'000	Benefits in kind £'000	Annual cash bonus £'000	Current employment arrangement £'000	Share plan vesting £'000	Other £'000	2007 total £'000	2006 total £'000
Chairman								
R. Pennant-Rea (Chairman and Non-Executive Director)	150	–	–	150	–	2	152	150
Executive Directors								
R.P. Yates (Chief Executive)	350	59	1,680	2,089	1,692	178	3,959	2,519
N.T. Hiscock (Chief Financial Officer)	311	3	540	854	561	–	1,415	893
Non-Executive Directors								
A.C. Hotson	40	–	–	40	–	–	40	47
J. Roques	60	–	–	60	–	–	60	60
D. Ferguson	40	–	–	40	–	–	40	40
G. Aherne	55	–	–	55	–	–	55	55
Total	1,006	62	2,220	3,288	2,253	180	5,721	3,764

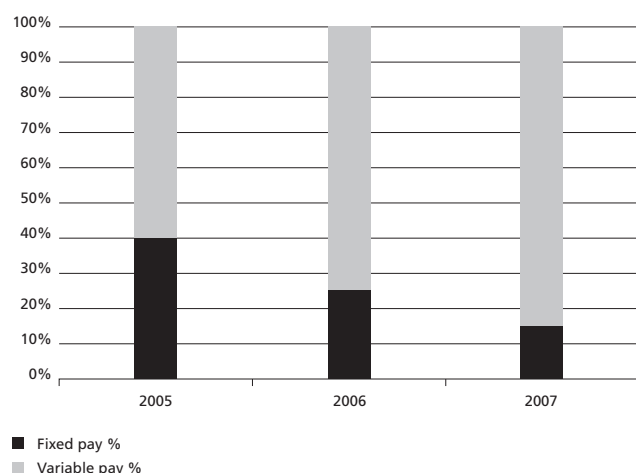
Notes

1. There were no amounts paid to the Executive Directors in respect of their qualifying services by way of expenses allowance that was chargeable to UK income tax. Emoluments of all Directors are stated with effect from 1 January 2007.
2. The non-cash elements of the Executive Directors' remuneration packages (disclosed in the table above as benefits in kind) consist of the provision of life assurance and private medical insurance.
3. The payment under Other in the table above relates to a rebate of hedge fund commission charges, contribution towards a self invested personal pension and expenses.
4. In addition to the cash bonus shown above, the Chief Financial Officer will receive a Restricted Share Plan award to the value of £60,000 in Company shares that, subject to employment conditions, will vest in June 2011.

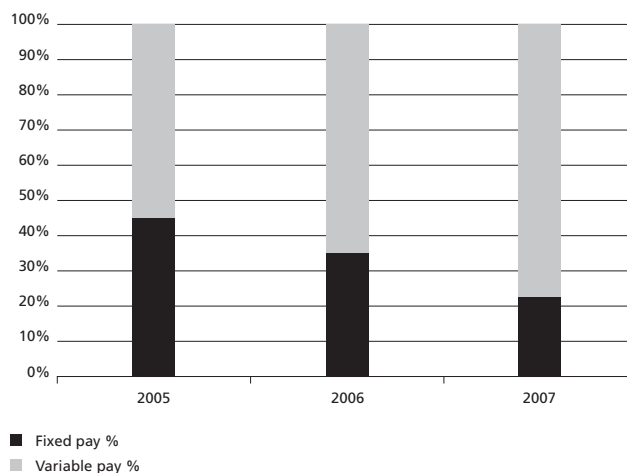
Report on Directors' Remuneration (continued)
Directors' emoluments in 2007 (continued)

The graphs below illustrate the fixed and variable elements of the Executive Directors' emoluments in recent years:

Total emoluments – Chief Executive



Total emoluments – Chief Financial Officer



Long-term incentives

Pensions

In accordance with the Regulations, the tables below show the Company's and members' contributions, the increase in accrued entitlement during the year and the accrued entitlement at the end of the year.

Directors' pension entitlements

The following table gives details of the accrued pension benefit at 31 December 2007 for Directors who have participated in the defined benefit section of the Scheme during the year to 31 December 2007. The final column represents the Company's funding obligations for 2007.

	Service at 31 Dec 2007	Accrued benefit at 31 Dec 2007 £'000	Additional pension earned during year to 31 Dec 2007 £'000	Transfer value of accrued benefit at 31 Dec 2007 (A) £'000	Transfer value of accrued benefit at 31 Dec 2006 (B) £'000	The amount of (A) – (B) less contributions made by Directors during 2007 £'000
R.P. Yates (Chief Executive)	8 years 3 months	180	12	2,168	1,986	182
N.T. Hiscock (Chief Financial Officer)	15 years 8 months	56	8	660	580	80
Total		236	20	2,828	2,566	262

In line with disclosures required under the Listing Rules of the UK Listing Authority, the increase in the accrued pension during the year above inflation for the Chief Executive and Chief Financial Officer was £5,580 and £5,915 respectively. The increase in the transfer value of the accrued benefit in excess of inflation for the Chief Executive and Chief Financial Officer was £67,362 and £58,963 respectively.

Directors' share interests

At 26 February 2008 and at 31 December 2007 and 2006, the Directors had the following beneficial interests in shares in the Company:

	26 February 2008 no. 12.5 pence shares	31 December 2007 no. 12.5 pence shares	31 December 2006 no. 10 pence shares
Chairman			
R. Pennant-Rea	29,952	29,952	37,440
Executive Directors			
R.P. Yates (Chief Executive)	1,260,253	1,260,253	1,231,650
N.T. Hiscock (Chief Financial Officer)	257,595	257,595	121,785
Non-Executive Directors			
A.C. Hotson	13,416	13,416	16,770
J. Roques	27,488	27,488	9,360
D. Ferguson	7,488	7,488	9,360
G. Aherne	0	0	18,720
Total	1,596,192	1,596,192	1,445,085

Notes

- As part of the 2007 return of cash, under the share consolidation in October 2007, each holder of ordinary shares (including the Directors) received four new ordinary shares of 12.5 pence each for every five existing ordinary shares of 10 pence each.
- Beneficial interests in the table above represent shares held by a Director, either directly or through a nominee, and any holdings of their spouse and children under 18. They do not include any awards held in the SAYE or LTIP.

Directors' interests in share awards

The following table shows the Executive Directors' interests in the SAYE and LTIP:

	Interests at 31 Dec 2006			Awards made or vested during 2007					Interests at 31 Dec 2007	
	SAYE no.	Maximum LTIP award no.	Target LTIP award no.	SAYE vested no.	LTIP vested no.	Maximum LTIP award no.	SAYE award no.	Target LTIP award no.	SAYE no.	Maximum LTIP no.
R.P. Yates (Chief Executive)	22,656	5,363,011	2,247,102	22,656	1,096,011	1,070,000	7,797	448,330	7,797	5,337,000
N.T. Hiscock (Chief Financial Officer)	22,656	1,844,224	727,730	22,656	350,724	375,000	7,797	157,125	7,797	1,868,500
Total	45,312	7,207,235	2,974,832	45,312	1,446,735	1,445,000	15,594	605,455	15,594	7,205,500

Notes

- Under the SAYE, after 36 monthly contributions of up to £250, SAYE participants may exercise their options to acquire Henderson Group plc shares at a pre-defined issue price set at a 20% discount to the closing mid-market value on a pre-defined date. There was no SAYE in 2005. Although a SAYE was offered to all employees in 2006, the Executive Directors were ineligible to participate, already having the maximum monthly savings allowed by HM Revenue and Customs under the 2004 SAYE. As the 2004 SAYE vested in April 2007, both Executive Directors were able to join the 2007 SAYE for which the discounted price was 121.2 pence per share.
- Maximum LTIP award – this is the number of shares initially awarded. The number of shares awarded is based on the three month average market value of the shares prior to the date of award. The 2005 award was based on the three month average market value of the shares prior to the date of award, 13 April 2005, this being 61.25 pence per share. The number of shares awarded in 2006 was based on the three month average market value of the shares prior to the date of award, 2 March 2006, this being 82.5 pence per share. The number of shares awarded in 2007 was based on the three month average market value of the shares prior to the date of award, 2 March 2007, this being 140.2 pence per share.
- The vested LTIP relates to the remaining one third of the 2004 award. Although the LTIP 2004 award was granted with a three year cycle (1 January 2004 to 31 December 2007), as discussed in the long-term incentives section, for Mr Yates and Mr Hiscock, two thirds vested on the sale of the Life Services business, with the remaining one third award subject to the three year cycle. On exercise, awards were satisfied by the transfer to participants of shares purchased on market by the LTIP trustee.
- Target LTIP award – this number reflects the number of shares that would vest on the vesting date, based on an expected level of achievement (41.9%) of the TSR performance target at the time of award.
- The 52 week high and low share price in 2007 was 189.75 (adjusted 192.94) pence per share and 123.5 pence per share respectively. At 31 December 2007, the share price was 126.25 pence per share.

Additional Remuneration Information

Disclosure of non-Director executive remuneration is not required either by UK laws that apply to the Company or by UK corporate governance or best practice guidelines, nor is it market practice in the UK for this information to be disclosed. The Principles of Good Corporate Governance and Best Practice Recommendations issued by the ASX Corporate Governance Council recommend certain information to be disclosed about the remuneration of the five highest paid non-Director executives. Details of the remuneration of each individual and the value of the component parts of their remuneration have not been disclosed. The Company considers this information to be commercially sensitive. However, generic disclosures are as follows.

The five highest paid non-Director executives during 2007 were:

Name	Position
James Darkins	Managing Director, Property
Andrew Formica	Co-Managing Director, Listed Assets, and Head of Equities
Shirley Garrood	Chief Operating Officer
Roger Greville	Managing Director, Private Equity
David Jacob	Co-Managing Director, Listed Assets, and Head of Fixed Income

The aggregate annual remuneration for the executives listed above was £9,909,602 made up of the following:

- basic salary;
- discretionary annual bonus, which is dependent on stipulated Company, divisional and individual performance measures;
- discretionary performance fee or transaction fee awards in 2007;
- company non-contributory (i.e. the employee does not contribute and the Company bears all the costs) pension plan in the defined contribution section of the plan;
- other benefits including private medical insurance, car allowance, season ticket loans and life assurance and free shares under the BAYE; and
- vesting of discretionary share plan awards, refund of commission charges on mandatory deferral into hedge funds and cash payment of BAYE dividend awards that exceeded the Inland Revenue annual dividend limit.

In March 2007, the Remuneration Committee made awards to non-Director executives under the LTIP as described on page 23. In 2007, the aggregate market value of the ordinary shares (averaged over the three month period immediately prior to the date of grant) capable of being acquired by any non-Director executives under these awards is a maximum of 125% of salary, depending on the role and responsibilities of the relevant executive. The vesting criteria set out on page 23 will apply to these awards. The executives were awarded 875,000 shares under the LTIP in March 2007, the vesting of which is described in the long-term incentives section of the Report on Directors' Remuneration on page 23. Non-Director executives are entitled to participate in the Sharesave scheme and BAYE as described on page 24.

Non-Director executives may also be invited to participate in the Deferred Equity Plan under which participants receive part of their annual bonus, principally since 2004, in the form of the Company's shares or, exceptionally, an interest in an investment fund at the end of a specified restricted period, subject to the executive continuing to be employed by the Group. The restricted period will normally be one to three years, but cannot be less than one year or more than five years. The investment fund will be units in a UK authorised unit trust, ordinary shares in an investment trust company, shares in the capital of an Open-Ended Investment Company or shares in the capital of a société d'investissement SICAV (in all cases, the assets of which are managed by a company in the Group).

The structure of the remuneration packages for non-Director executives is designed to support the achievement of the same key measures as for Executive Directors (as set out on page 22), and to ensure that executive pay complies with the Board's remuneration policy (as described on pages 21 to 25).

Signed on behalf of the Board



Gerald Aherne
Chairman of the Remuneration Committee
26 February 2008