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If you have sold or otherwise transferred all of your Shares in Henderson High Income Trust plc, please forward this document (but not the accompanying personalised Form of Proxy or Voting Instruction Form) immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **HENDERSON HIGH INCOME TRUST PLC**

*(A company incorporated in England and Wales with registered number 02422514)  
(Registered as an investment company under section 833 of the Companies Act 2006)*

**Recommended proposals relating to the issue  
of new ordinary shares in connection with  
(i) the scheme of reconstruction and winding up  
of Threadneedle UK Select Trust Limited and  
(ii) a 12 month share issuance programme,  
including an initial placing and offer**

**and**

**Notice of General Meeting**

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Notice of a general meeting of Henderson High Income Trust plc to be held at 2.00 p.m. on 20 June 2017 at 201 Bishopsgate, London EC2M 3AE is set out at the end of this document. To be valid, the Form of Proxy accompanying this document must be completed and returned, in accordance with the instructions printed on it, so as to be received by the Company's registrar, Computershare Investor Services PLC, Corporate Action Projects, Bristol BS99 6AH, as soon as possible, but in any event not later than 2.00 p.m. on 16 June 2017. Investors holding Shares in the Company through Halifax Share Dealing Products (run by Halifax Share Dealing Limited), who transferred from the products formerly managed by Henderson Global Investors Limited ("HGI") or who have subsequently been introduced via HGI, will have received with this document a Voting Instruction Form which must be completed and returned in accordance with the instructions printed on it not later than 2.00 p.m. on 9 June 2017.

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## EXPECTED TIMETABLE

2017

### **General Meeting of the Company**

Latest time and date for receipt of Voting Instruction Forms	2.00 p.m. on 9 June
Latest time and date for receipt of Forms of Proxy from Shareholders	2.00 p.m. on 16 June
General Meeting	2.00 p.m. on 20 June

### **Issue of new Ordinary Shares to UKT Shareholders**

Calculation Date for the Scheme	close of business on 26 June
Results of Scheme announced	28 June
Effective Date for implementation of the Scheme and commencement of the voluntary winding up of UKT	28 June
Admission to listing and dealings commence in the Scheme New Shares	8.00 a.m. on 29 June

### **Issue of new Ordinary Shares under the Share Issuance Programme**

Share Issuance Programme, including the Initial Placing and Offer, opens	30 May
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#### *Initial Placing and Offer*

Latest time and date for receipt of Application Forms under the Offer	3.00 p.m. on 26 June
Latest time and date for receipt of commitments under the Initial Placing	3.00 p.m. on 26 June
Initial Placing and Offer Price announced	28 June
Results of Initial Placing and Offer announced	28 June
Admission and dealings commence in the New Shares issued pursuant to the Initial Placing and Offer	8.00 a.m. on 29 June
New Shares issued pursuant to the Initial Placing and Offer issued in uncertificated form credited to CREST accounts	29 June
Share certificates in respect of the New Shares issued pursuant to the Initial Placing and Offer despatched (if applicable)	week commencing 10 July

#### *Further issues under the Share Issuance Programme*

Admission and dealings in New Shares issued pursuant to Share Issuance Programme commence	29 June 2017 to 29 May 2018
Publication of Share Issuance Programme Price in respect of each Share Issuance Programme Issue	as soon as practicable following each Share Issuance Programme Issue
Admission and crediting of CREST accounts in respect of New Shares issued pursuant to each Share Issuance Programme Issue	8.00 a.m. on each Business Day Issue New Shares are issued pursuant to each Share Issuance Programme Issue
Share certificates in respect of New Shares issued pursuant to each Share Issuance Programme Issue despatched (if applicable)	approximately one week following the admission of any Issue New Shares issued pursuant to each Share Issuance Programme Issue
Share Issuance Programme closes	29 May 2018

#### **Notes:**

- (1) The above times and/or dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
- (2) All references to times in this document are to London times.

## PART 1

### LETTER FROM THE CHAIRMAN

# HENDERSON HIGH INCOME TRUST PLC

*(A company incorporated in England and Wales with registered number 02422514)  
(Registered as an investment company under section 833 of the Companies Act 2006)*

#### *Directors*

Margaret Littlejohns (*Chairman*)  
Andrew Bell  
Zoe King  
Anthony Newhouse  
Janet Walker

#### *Registered Office*

201 Bishopsgate  
London  
EC2M 3AE

30 May 2017

Dear Shareholder

**Recommended proposals relating to the issue of new ordinary shares in connection with  
(i) the scheme of reconstruction and winding up of Threadneedle UK Select Trust Limited and  
(ii) a 12 month share issuance programme, including an initial placing and offer**

#### **Introduction**

In line with the Board's continued aim of seeing the Company grow, the Company announced on 17 March 2017 the following proposals (the "**Proposals**") in respect of the Company.

- Firstly, that the Board had agreed heads of terms with the Board of Threadneedle UK Select Trust Limited ("**UKT**") and Henderson Investment Funds Limited ("**Henderson**") in respect of the issue of New Shares to UKT Shareholders who elect to rollover their investment, to be effected by way of a scheme of reconstruction and voluntary winding up of UKT (the "**Scheme**").
- Secondly, in addition to the issue of New Shares in connection with the Scheme, to put in place a prospectus for a 12 month share issuance programme (the "**Share Issuance Programme**"), which would enable the Company to issue further New Shares commencing with an initial placing and offer for subscription (the "**Initial Placing and Offer**") to complete at the same time as the Scheme. The New Shares to be issued pursuant to the Initial Placing and Offer will be issued at a one per cent. premium to the HHIT FAV. Further issues of New Shares under the Share Issuance Programme will only be carried out where the Board considers such issues are in the best interests of Shareholders and at a price determined by the Board at the time of such issue.

The purpose of this document is to provide you with further details of the Proposals and to convene a General Meeting of the Company to seek approval for the implementation of the Proposals. At the General Meeting, you will be asked to consider and, if thought fit, approve (i) the issue of New Shares under the Scheme and (ii) the issue of New Shares pursuant to the Share Issuance Programme on a non pre-emptive basis, including, for the avoidance of doubt, the issue of New Shares pursuant to the Initial Placing and Offer.

Under the Proposals, existing Shareholders will have the opportunity to make a further investment into the Company through the Offer. As noted above, the New Shares issued pursuant to the Initial Placing and Offer will be issued at a one per cent. premium to the HHIT FAV. Over the preceding 12 months, HHIT has issued 675,000 new shares in the Company at an average premium to NAV of 3.3 per cent. The comparatively high premium to NAV on such issues reflects that these were issues on a significantly smaller scale and therefore the costs of such issues were spread across significantly fewer Ordinary Shares.

An Application Form in relation to participation in the Offer is appended to the HHIT Prospectus which accompanies this document.

## Benefits of the Proposals

The Directors consider the Proposals have the following benefits.

- The size of the Company's asset base will be increased, spreading its fixed costs over a larger capital base thereby potentially reducing the ongoing charges ratio.
- The liquidity of the Ordinary Shares on the secondary market should potentially improve to the benefit of all Shareholders.
- Existing Shareholders and new investors will get an opportunity to invest in the Company in a cost effective manner due to the economies of scale resulting from the issue of New Shares under the Scheme and the costs contribution from Henderson (as noted below).

## The Scheme

Under the Scheme, UKT will be wound up voluntarily pursuant to a solvent scheme of reconstruction under the laws of the island of Guernsey. The Scheme provides for a proportion of the assets and undertaking of UKT to be transferred to the Company in consideration for the issue of New Shares to UKT Shareholders who have elected (or are deemed to have elected) to roll over their investment in UKT into the Company (the "**Rollover Option**").

New Shares will be issued to UKT Shareholders who have elected, or are deemed to have elected, for the Rollover Option based on the ratio of the HHIT NAV to the UKT NAV, taking into account certain adjustments in order to calculate the HHIT FAV per Share and the UKT FAV per Share as set out in Part 2. The relevant net asset values for the purposes of the Scheme will be calculated in accordance with the respective company's normal accounting policies adjusted for any dividends to which UKT Shareholders are not entitled. The New Shares issued pursuant to the Scheme will rank *pari passu* in all respects with the existing Ordinary Shares in the Company, save that UKT Shareholders will not qualify for any HHIT dividends announced prior to the Scheme becoming effective, in particular the second interim dividend announced by the Company on 9 May 2017.

The assets and undertaking to be transferred to the Company under the Scheme will consist of cash, cash equivalents and UK quoted securities which fall within the Company's investment policy and have been approved in advance by the Manager.

The Scheme is subject to, amongst other conditions, its approval by UKT Shareholders. The issue of New Shares pursuant to the Scheme is subject to, amongst other conditions, approval by HHIT Shareholders.

The Board of UKT has unanimously recommended that UKT Shareholders vote in favour of the Scheme.

## The Share Issuance Programme, including the Initial Placing and Offer

The Board is proposing a 12 month share issuance programme in order that New Shares may be issued by the Company to satisfy any increased investor demand throughout the 12 month period. New Shares will be issued under the Share Issuance Programme only (i) at a premium to net asset value; and (ii) when the Directors believe that it is in the best interests of the Company and its Shareholders to do so. The Board is proposing that the first issuance under the Share Issuance Programme will be conducted by way of an Initial Placing and Offer, which is available to all existing Shareholders. The Initial Placing and Offer will complete at the same time as the Scheme.

As a result of the economies of scale of issuing New Shares under the Scheme and the costs contribution from Henderson referred to below, New Shares to be issued pursuant to the Initial Placing and Offer will be issued at a one per cent. premium to the HHIT FAV.

The premium applicable to the Initial Placing and Offer should not be taken as a guide as to the price that may apply to further New Shares issued under the Share Issuance Programme.

The New Shares issued pursuant to the Initial Placing and Offer will rank *pari passu* in all respects with the existing Ordinary Shares, save that investors in receipt of such New Shares will not qualify for the second interim dividend announced by the Company on 9 May 2017.

Under the Share Issuance Programme, the Company is proposing to issue a maximum of 50 million New Shares in aggregate on a non-pre-emptive basis (representing approximately 45 per cent. of the

issued share capital of the Company as at 24 May 2017 (being the latest practicable date prior to the publication of this document)). The Directors will apply the net proceeds of any Share Issuance Programme Issue in accordance with the Company's investment policy.

Further details of the Share Issuance Programme Issues, including those pursuant to the Initial Placing and Offer, are set out in Part 3.

### **Costs and expenses**

Henderson has agreed to make a contribution to the costs of the Company participating in the Scheme, equating to a sum that is equivalent to 18 months' base management fee of the total assets that rollover from UKT into the Company. The financial value of this amount will first be credited against the proportion of the costs incurred by the Company in respect of the Proposals represented by the New Shares issued to UKT Shareholders and the balance (if any) will be paid to UKT. Henderson has further agreed to underwrite all of such costs to the extent not covered by the 18 months' base management fee equivalent contribution described above. These costs will not include the costs of investing the proceeds (such as any stamp duty).

In addition, Henderson has agreed to make a contribution to the Company in relation to all of the Company's costs associated with the Initial Placing and Offer, to the extent that these costs are not covered by the one per cent. premium to the HHIT FAV per Share charged on the New Shares issued pursuant to the Initial Placing and Offer. These costs will not include the costs of investing the proceeds (such as any stamp duty).

Therefore, Henderson will be underwriting all of the Company's costs in relation to the Scheme, Initial Placing and Offer. Accordingly, the Company will not bear any costs in putting in place the HHIT Prospectus, participating in the Scheme and issuing Shares under the Initial Placing and Offer. It is expected that any costs incurred in connection with the Share Issuance Programme in the future will be at least covered by the premium at which New Shares are issued.

### **Gearing**

The Company currently has a committed loan facility with Scotiabank for up to £30 million, which allows it to borrow as and when appropriate. In order for the Company to maintain the same level of gearing following the expected increase in its total assets after the Scheme Issue and the Initial Placing and Offer, the Company has agreed terms with Scotiabank to increase proportionally the Company's loan facility at the time when admission and dealings in the New Shares to be issued pursuant to the Scheme and the Initial Placing and Offer commences.

### **General Meeting**

The notice convening the General Meeting of the Company to be held at 2.00 p.m. on 20 June 2017 is set out at the end of this document. Resolution 1, which will be proposed as an ordinary resolution, is to grant the Company authority to allot up to 30 million Ordinary Shares (representing approximately 27 per cent. of the issued share capital of the Company as at 24 May 2017 (being the latest practicable date prior to publication of this document)) for the purposes of the Scheme. Resolution 2, which will be proposed as an ordinary resolution, is to grant the Company authority to allot up to 50 million Ordinary Shares (representing approximately 45 per cent. of the issued share capital of the Company as at 24 May 2017 (being the latest practicable date prior to publication of this document)) pursuant to the Share Issuance Programme. Resolution 3, which will be proposed as a special resolution, is to grant the Company authority to issue up to 50 million Ordinary Shares (representing approximately 45 per cent. of the issued share capital of the Company as at 24 May 2017 (being the latest practicable date prior to publication of this document)) pursuant to the Share Issuance Programme on a non pre-emptive basis.

### **Conditions**

#### *The Scheme Issue*

The Scheme Issue is conditional upon, *inter alia*, the passing of the resolutions to approve the Scheme at the UKT EGM, the passing of Resolution 1 at the General Meeting, the Scheme Admission Condition being satisfied and the UKT Board and the HHIT Board resolving to proceed with the Scheme and the Scheme Issue respectively. Until the Scheme Admission Condition has been satisfied, both the Board and the UKT Board have the discretion to resolve to abandon the Scheme if they believe it is in the best interests of Shareholders.

### *Initial Placing and Offer*

The Initial Placing and Offer, which are not underwritten, are conditional upon, *inter alia*, the passing of Resolutions 2 and 3 and the Issue Admission Condition being satisfied on or before 8.00 a.m. on 29 June 2017 or such time and/or date as the Company and Sponsor may agree, being not later than 31 July 2017.

### **Action to be taken**

Shareholders will find enclosed a Form of Proxy for use in connection with the General Meeting. Whether or not Shareholders propose to attend the General Meeting, they are requested to complete, sign and return the Form of Proxy as soon as possible, in accordance with the instructions printed on it. Investors holding shares in the Company through Halifax Share Dealing Products (run by Halifax Share Dealing Limited), who transferred from the products formerly managed by HGI or who have subsequently been introduced via HGI, will have received with this document a Voting Instruction Form which must be completed and returned in accordance with the instructions printed on it.

To be valid, the enclosed Form of Proxy must be lodged with the Company's registrar, Computershare Investor Services PLC, Corporate Action Projects, Bristol BS99 6AH, as soon as possible, but in any event not later than 2.00 p.m. on Friday, 16 June 2017. The completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting.

### **Recommendation**

The Board considers the Proposals to be in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings which total 85,000 Ordinary Shares (representing 0.076 per cent. of the total voting rights in the Company exercisable at the General Meeting).

Yours faithfully

**Margaret Littlejohns**  
*Chairman*

## PART 2

### FURTHER DETAILS OF THE SCHEME AND THE SCHEME ISSUE

#### Mechanics of the Scheme and the Scheme Issue

The rollover of part of the assets and undertaking of UKT into the Company in consideration for the issue of New Shares to UKT Shareholders who elect (or are deemed to elect) for the Rollover Option will be effected by a scheme of reconstruction and voluntary winding up of UKT under the laws of the island of Guernsey. The rollover portfolio will consist of cash, cash equivalents and UK quoted securities which fall within the Company's investment policy and have been approved in advance by the Manager. The Scheme and Scheme Issue are subject to, amongst other conditions, approval by UKT Shareholders and HHIT Shareholders respectively.

Under the Scheme, eligible UKT Shareholders may elect to receive:

- New Shares to be issued by the Company for nil premium to the HHIT FAV (the "**Rollover Option**"); and/or
- cash equivalent to the UKT FAV on the Calculation Date (being 26 June 2017) (the "**Cash Option**"). There will be no restriction on UKT Shareholders' ability to elect for the Cash Option.

UKT Shareholders who fail to make an election will be deemed to have elected for the Rollover Option.

The Scheme will be effected on a formula asset value to formula asset value basis with each of the Company and UKT bearing its own costs (which costs, as set out above, are expected to be nil for the Company as Henderson has agreed to underwrite all of the Company's costs related to the Scheme and the Initial Placing and Offer (save for the costs of investing the proceeds, such as stamp duty)). UKT Shareholders can make different elections in respect of different parts of their holdings.

The HHIT formula asset value will be calculated on the basis of the HHIT NAV (cum income, debt at par value) on the Calculation Date adjusted to exclude any dividends announced but that will not have been paid prior to the Effective Date and to exclude any costs incurred in connection with the Proposals. The resultant value of assets will then be divided by the total Ordinary Shares in issue on the Calculation Date to provide the HHIT FAV per Share.

The UKT formula asset value will be calculated on the basis of the UKT NAV on the Calculation Date adjusted to exclude (i) a liquidator's retention of £50,000 and (ii) the costs of the Scheme (adjusted to take account of any contribution from Henderson). The resultant value of assets will then be divided by the total UKT Shares in issue on the Calculation Date to provide the UKT FAV per Share.

New Shares shall be issued to the holders of UKT Shares who elect (or are deemed to elect) in whole or in part for the Rollover Option on the basis that the UKT FAV per Share will be divided by the HHIT FAV per Share and this ratio will be applied to the shareholdings of each such UKT Shareholder provided that no fraction of a Scheme New Share shall be issued to such UKT Shareholder, and assets in the Rollover Fund representing fractional entitlements will be retained for the benefit of the Company and will represent an accretion to the assets of the Rollover Fund.

The Scheme New Shares will rank *pari passu* with the existing Ordinary Shares, save that they will not carry any entitlement to receive the second interim dividend for the year ending 31 December 2017 which was announced on 9 May 2017 and is payable on 28 July 2017 (or any other dividend announced but not paid prior to the Effective Date).

The Scheme shall, in all respects, be governed by, and construed in accordance with, the laws of Guernsey.

The number of New Shares to be issued pursuant to the Scheme Issue, the HHIT FAV per Share and the UKT FAV per Share will be announced through a Regulatory Information Service as soon as practicable following the Calculation Date.

The Scheme Issue is conditional upon, *inter alia*:

1. the passing of the resolutions to approve the Scheme at the UKT EGM and the Scheme becoming unconditional (including the Transfer Agreement becoming unconditional in all respects);
2. the passing of Resolution 1 at the General Meeting;
3. the Scheme Admission Condition being satisfied; and
4. the UKT Board and the HHIT Board resolving to proceed with the Scheme and the Scheme Issue respectively.

### **Admission and dealing in Scheme New Shares**

Application will be made for the New Shares to be issued pursuant to the Scheme to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange. If the Scheme becomes effective, it is expected that the Scheme New Shares will be allotted on 28 June 2017, credited as fully paid and that the first day of dealings in such Scheme New Shares will be 29 June 2017.

New Shares issued pursuant to the Scheme will be issued in registered form and may be held in either certificated or uncertificated form. No temporary documents of title will be issued. UKT Shareholders who hold their UKT Shares in uncertificated form and who elect (or are deemed to elect) to receive Scheme New Shares will receive these in uncertificated form on 29 June 2017. Certificates in respect of Scheme New Shares issued to UKT Shareholders who hold their UKT Shares in certificated form and who elect (or are deemed to elect) to receive Scheme New Shares will be despatched in the week commencing 10 July 2017.

Dealings in the Scheme New Shares in advance of the crediting of the relevant CREST accounts or the issue of certificates will be at the risk of the persons concerned.

### **Transfer Agreement**

The Liquidators and the Company have each irrevocably undertaken (subject to certain conditions) to enter into the Transfer Agreement in connection with the Scheme. Under the terms of the Transfer Agreement, part of the assets and undertaking of UKT, comprising cash, cash equivalents and UK listed securities, will be transferred to the Company in consideration for the allotment by the Company of fully paid New Shares of equivalent value to the Liquidators (as nominees for the UKT Shareholders entitled to them in accordance with the Scheme). Thereafter, the Liquidators will renounce the allotments of such New Shares in favour of the UKT Shareholders who have elected (or are deemed to have elected) to receive such New Shares under the Scheme and such New Shares will be issued by the Company to those UKT Shareholders pursuant to the Scheme.

The Transfer Agreement excludes any liability on the part of the Liquidators for entering into or carrying into effect the Transfer Agreement.

### **Costs and expenses of the Scheme**

Henderson has agreed to make a contribution to the costs of the Company participating in the Scheme, equating to a sum that is equivalent to 18 months' base management fee of the total assets that rollover from UKT into the Company. The financial value of this amount will first be credited against the proportion of the costs incurred by the Company in respect of the Proposals represented by the New Shares issued to UKT Shareholders and the balance (if any) will be paid to UKT. Henderson has further agreed to underwrite all of such costs to the extent not covered by the 18 months' base management fee equivalent contribution described above. Therefore, the Company will not incur any costs in relation to the Scheme (save for the costs of investing the proceeds, such as stamp duty).

## PART 3

### FURTHER DETAILS OF THE SHARE ISSUANCE PROGRAMME, INCLUDING THE INITIAL PLACING AND OFFER

#### General

In line with the Board's continued aim of seeing the Company grow, the Board is recommending to Shareholders that the Company put in place a share issuance programme so that New Shares may be issued to satisfy investor demand as and when it arises over the next 12 months.

The Board is proposing that the first issuance under the Share Issuance Programme will be by way of an Initial Placing and Offer, which is available to all existing Shareholders and which will complete at the same time as the Scheme.

New Shares will be issued pursuant to the Share Issuance Programme only during the period commencing at 8.00 a.m. on 29 June 2017 and ending at 5.00 p.m. on 29 May 2018.

The Company will issue a maximum of 50 million New Shares in aggregate under the Share Issuance Programme, which, for the avoidance of doubt, includes New Shares issued pursuant to the Initial Placing and Offer. The Directors intend to use the net proceeds of each Share Issuance Programme Issue to acquire investments in accordance with the Company's investment objective and policy.

Shares will only be issued pursuant to the Share Issuance Programme at a premium to the prevailing NAV per Share. Accordingly, no Share Issuance Programme Issue should result in a dilution of the prevailing NAV per Share.

Existing Shareholders will have the opportunity to make a further investment in the Company through participation in the Share Issuance Programme. Full details of the Company and the risks associated with an investment in the Ordinary Shares are set out in the HHIT Prospectus which accompanies this document. Shareholders are strongly advised to read the whole of the HHIT Prospectus and, in particular, the risk factors set out on pages 13 to 18 of that document before making any new investment in the Company.

#### Share Issuance Programme Issues

The Directors are seeking authority to issue up to 50 million New Shares in aggregate pursuant to the Share Issuance Programme although the number of New Shares actually issued will depend on investor demand. The actual number of New Shares to be issued pursuant to the Initial Placing and Offer is not known as at the date of this document but will be notified by the Company via a Regulatory Information Service prior to admission.

The Share Issuance Programme requires the approval of Shareholders to grant the Directors authority to issue the Issue New Shares and also to disapply statutory pre-emption rights, and is therefore conditional on the passing of Resolutions 2 and 3.

Accordingly, if both Resolutions 2 and 3 are passed, the Directors will be authorised to issue up to a maximum of 50 million New Shares for cash on a non pre-emptive basis pursuant to the Share Issuance Programme. The Directors intend to use this authority when they consider that it is in the best interests of Shareholders to do so and to satisfy any investor demand for the Shares.

The New Shares issued pursuant to the Initial Placing and Offer will rank *pari passu* in all respects with the existing Ordinary Shares, save that investors in receipt of such New Shares will not qualify for the second interim dividend announced by the Company on 9 May 2017.

#### Conditions

Each Share Issuance Programme Issue is conditional, *inter alia*, on the Resolutions being passed at the General Meeting and the Issue Admission Condition being satisfied in respect of each issue.

### **Initial Placing and Offer Price and Share Issuance Programme Price**

The Initial Placing and Offer Price will be calculated by applying a premium of one per cent. to the HHIT FAV per Share and is expected to be announced through a Regulatory Information Service on 28 June 2017.

The Share Issuance Programme Price will be determined by the Board at the time of each Share Issuance Programme Issue. It is expected that the Share Issuance Programme Price will be at or around the market price of an Ordinary Share as at the relevant Calculation Time and will be at a level of premium to the NAV per Share at least sufficient to cover expenses associated with such issue such that no Share Issuance Programme Issue is expected to be dilutive to the prevailing NAV per Share.

### **Costs and expenses**

In addition to its contribution in relation to costs associated with the Scheme and the Scheme Issue, Henderson has also agreed to make a contribution to the Company in relation to all of the Company's costs associated with the Initial Placing and Offer (save for the costs of investing the proceeds, such as any stamp duty), to the extent that these costs are not covered by the one per cent. premium to the HHIT FAV per Share charged on the New Shares issued pursuant to the Initial Placing and Offer.

It is expected that any costs incurred in connection with the Share Issuance Programme in the future will be at least covered by the premium at which New Shares are issued.

### **Admission and dealings**

Applications will be made to the UK Listing Authority and the London Stock Exchange for the Issue New Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that admissions in relation to Issue New Shares will become effective, and that dealings in the Issue New Shares will commence, during the period from 29 June 2017 to 29 May 2018.

Issue New Shares will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates in respect of Issue New Shares will, where requested, be despatched by post in the week following the issue of the relevant Issue New Shares. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the register. Dealings in Issue New Shares are expected to commence on 29 June 2017 at the earliest.

### **Overseas Shareholders**

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

- none of the Ordinary Shares have been or will be registered under the United States Securities Act 1933, as amended, 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 or territory of Canada, Australia, Japan or South Africa;
- the Ordinary Shares have not been and will not be registered under the United States Investment Company Act 1940, as amended, and investors are not entitled to the benefits of that Act; and
- no offer is being made, directly or indirectly, under the Share Issuance Programme, in or into by the use of mails, or any means or instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or any facility of a national securities exchange, the United States, nor is it being made, directly or indirectly, in or into Canada, Australia, Japan or South Africa.

Overseas Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of participation in the Share Issuance Programme on them.

## DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them and the singular shall be taken to include the plural (except where the context otherwise requires):

<b>Application Form</b>	the application form for use in connection with the Offer
<b>Business Day</b>	a day (excluding Saturday or Sundays or public holidays in England and Wales) on which banks are generally open for business in London for the transaction of normal business
<b>Calculation Date</b>	close of business on 26 June 2017, being the date and time at which the Company's assets will be determined for the purposes of the calculation of the HHIT FAV per Share and the UKT FAV per Share for the purposes of the Scheme
<b>Calculation Time</b>	in respect of each Share Issuance Programme Issue, the time at which the Board resolves to effect such Share Issuance Programme Issue
<b>Cash Option</b>	the option for the UKT Shareholders to receive cash in respect of their holdings of UKT Shares under the Scheme
<b>certificated form</b>	not in uncertificated form
<b>Companies Act or Act</b>	the Companies Act 2006, as amended from time to time
<b>Company or HHIT</b>	Henderson High Income Trust plc, a company incorporated in England and Wales with registered number 02422514 whose registered office is at 201 Bishopsgate, London EC2M 3AE
<b>CREST</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended
<b>Directors or Board</b>	the directors of the Company
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA, as amended from time to time
<b>Effective Date</b>	the date on which the Scheme becomes effective, which is expected to be 28 June 2017
<b>FCA</b>	the Financial Conduct Authority
<b>FSMA</b>	the Financial Services and Markets Act 2000 as amended from time to time
<b>General Meeting</b>	the general meeting of the Company convened for 2.00 p.m. on 20 June 2017 and any adjournment thereof
<b>Henderson</b>	Henderson Investment Funds Limited, a company incorporated in England and Wales with registered number 02678531, which is part of the Henderson Group and has been appointed as the Company's alternative investment fund manager

<b>Henderson Group</b>	the group of companies of which Henderson Group plc is the holding company
<b>HGI or the Manager</b>	Henderson Global Investors Limited, a company incorporated in England and Wales with registered number 00906355, which is part of the Henderson Group and has been delegated portfolio management services in relation to the Company's portfolio by Henderson
<b>HHIT FAV</b>	the formula asset value of the Company, calculated as at the Calculation Date, being the HHIT NAV on the Calculation Date adjusted to exclude any dividends announced but that will not have been paid prior to the Effective Date and to exclude any costs incurred in connection with the Proposals
<b>HHIT FAV per Share</b>	the HHIT FAV divided by the number of HHIT Shares in issue
<b>HHIT NAV</b>	the net asset value of the Company being the value of its assets less any liabilities it has, calculated in accordance with its normal accounting policies, on a cum income basis, with debt calculated at par value
<b>HHIT Prospectus</b>	the prospectus published by the Company on 30 May 2017
<b>Initial Placing</b>	the placing of New Shares at the Initial Placing and Offer Price by the Company as described in Part 3 of this document
<b>Initial Placing and Offer Price</b>	the price at which New Shares will be issued under the Initial Placing and Offer which will be calculated as described in Part 3 of this document and which will be at a premium of one per cent. to the HHIT FAV per Share
<b>Issue Admission Condition</b>	(i) the UKLA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the Admission of the New Shares arising under Issues pursuant to the Initial Placing and Offer to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (the "listing conditions")) will become effective as soon as a dealing notice has been issued by the Financial Conduct Authority and any listing conditions having been satisfied; (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that such New Shares will be admitted to trading; and (iii) Admission occurring on or before 8.00 a.m. on 29 June 2017 or such time and/or date as the Company may agree being not later than 30 July 2017
<b>Issue New Shares</b>	the New Shares to be issued pursuant to the Share Issuance Programme, including, for the avoidance of doubt, the New Shares issued pursuant to the Initial Placing and Offer
<b>Liquidators</b>	the liquidators of UKT, being initially the persons appointed at the UKT EGM
<b>London Stock Exchange</b>	London Stock Exchange plc

<b>Main Market</b>	the main market for listed securities operated by the London Stock Exchange
<b>New Shares</b>	the new Ordinary Shares to be issued pursuant to the Scheme, Initial Placing and Offer or the Share Issuance Programme as the context may require
<b>Offer</b>	the offer for subscription of New Shares as described in this document
<b>Official List</b>	the official list of the UK Listing Authority
<b>Ordinary Shares or Shares</b>	the ordinary shares of 5 pence each in the capital of the Company
<b>Overseas Shareholder</b>	a person who is not resident in, or who is outside of, or who has a registered address outside, the United Kingdom
<b>Proposals</b>	the recommended proposals to (i) issue the Scheme New Shares to the UKT Shareholders who validly elect (or are deemed to elect) for the Rollover Option under the Scheme; and (ii) implement the Share Issuance Programme, including the Initial Placing and Offer
<b>Regulatory Information Service</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA
<b>Resolution 1</b>	the ordinary resolution to be proposed at the General Meeting to approve the allotment of New Shares under the Scheme
<b>Resolution 2</b>	the ordinary resolution to be proposed at the General Meeting to approve the allotment of New Shares pursuant to the Share Issuance Programme
<b>Resolution 3</b>	the special resolution to be proposed at the General Meeting to approve the disapplication of pre-emption rights in respect of the issue of New Shares pursuant to the Share Issuance Programme
<b>Resolutions</b>	Resolution 1, Resolution 2 and Resolution 3
<b>Rollover Option</b>	the option for UKT Shareholders to receive New Shares in respect of their holdings of UKT Shares under the Scheme
<b>Scheme</b>	the proposed scheme of reconstruction and voluntary winding up under the laws of the island of Guernsey of UKT
<b>Scheme Admission Condition</b>	(i) the UKLA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the Admission of the New Shares arising under the Scheme to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (the “listing conditions”)) will become effective as soon as a dealing notice has been issued by the Financial Conduct Authority and any listing conditions having been satisfied; (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that such New Shares will be admitted to trading; and (iii) Admission occurring on or before 8.00 a.m.

	on 29 June 2017 or such time and/or date as the Company may agree being not later than 30 July 2017
<b>Scheme Issue</b>	the issue of New Shares to UKT Shareholders under the Scheme
<b>Scheme New Shares</b>	the New Shares to be issued pursuant to the Scheme
<b>Scotiabank</b>	Scotiabank (Ireland) Designated Activity Company, a private company incorporated in Ireland (registered number 30350), whose registered office is at IFSC House, Custom House Quay, Dublin 1, Ireland
<b>Share Issuance Programme</b>	the proposed programme of ongoing issuances of New Shares as described in Part 3, including the Initial Placing and Offer
<b>Share Issuance Programme Issue</b>	an issue of New Shares under the Share Issuance Programme
<b>Share Issuance Programme Price</b>	the price at which New Shares will be issued under the Share Issuance Programme, as determined by the Board at the time of each Share Issuance Programme Issue, as described in Part 3 of this document
<b>Shareholder(s)</b>	holder(s) of Shares in the Company
<b>Transfer Agreement</b>	the agreement for the transfer of the assets from UKT to the Company
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK Listing Authority or UKLA</b>	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>UKT</b>	Threadneedle UK Select Trust Limited, an authorised closed-ended collective investment scheme incorporated as a non-cellular company limited by shares under the laws of the island of Guernsey with registered number 475
<b>UKT Board</b>	the board of directors of UKT or any duly constituted committee thereof
<b>UKT EGM</b>	the extraordinary general meeting of UKT to be held on 28 June 2017 at 11.00 a.m., or any adjournment thereof
<b>UKT FAV</b>	the formula asset value of UKT, calculated as at the Calculation Date, being the UKT NAV on the Calculation Date adjusted to exclude (i) a liquidator's retention of £50,000 and (ii) the costs of the Scheme (adjusted to take account of any contribution from Henderson as set out in this document)
<b>UKT FAV per Share</b>	the UKT FAV divided by the number of UKT Shares in issue
<b>UKT NAV</b>	the net asset value of UKT being the value of its assets less any liabilities it has, calculated in accordance with its normal accounting policies, on a cum income basis
<b>UKT Shareholders</b>	holders of UKT Shares
<b>UKT Shares</b>	ordinary shares of 10 pence each in the capital of UKT

**United States or US or USA**

the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

**Voting Instruction Form**

the personalised voting instruction forms for use by investors holding their Ordinary Shares via Halifax Share Dealing Limited at the General Meeting

# HENDERSON HIGH INCOME TRUST PLC

(A company incorporated in England and Wales with registered number 02422514)  
(Registered as an investment company under section 833 of the Companies Act 2006)

## GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Henderson High Income Trust plc (the “**Company**”) will be held at 201 Bishopsgate, London EC2M 3AE at 2.00 p.m. on Tuesday, 20 June 2017 to consider and, if thought fit, approve the following resolutions, in the case of resolutions 1 and 2 as ordinary resolutions and in the case of resolution 3 as a special resolution:

### ORDINARY RESOLUTIONS

1. THAT, subject to and conditional upon the scheme of reconstruction and voluntary winding up of Threadneedle UK Select Trust Limited (“**UKT**”) as described in the circular to the shareholders of the Company dated 30 May 2017, a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification (the “**Circular**”) becoming unconditional in all respects (other than as regards any condition relating to the passing of this resolution), the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”), in addition to any previously granted authority which has not yet expired, to exercise all powers of the Company to allot up to 30,000,000 ordinary shares of 5 pence each in the capital of the Company having an aggregate nominal value of £1,500,000 in connection with the scheme of reconstruction of UKT, provided that this authority shall (unless previously revoked) expire on 31 July 2017.
2. THAT, in addition to any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Board of Directors of the Company be and is hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £2,500,000, provided that this authority shall be limited to the allotment or sale of shares at a price not less than the net asset value per share at the time of pricing, and that this authority shall expire on the date falling 12 months from the date of the passing of this resolution unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of such authority make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after the expiry of such authority and the Directors may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

3. THAT, subject to the passing of resolution 2 and in addition to all existing authority, the Directors of the Company be and are hereby empowered, pursuant to sections 570 and 573 of the Act, to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority conferred by resolution 2 and to sell shares held by the Company in treasury, wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall:
  - (i) be limited to the allotment of equity securities and the sale of treasury shares for cash up to an aggregate nominal amount of £2,500,000; and
  - (ii) expire on the date falling 12 months from the date of the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By order of the Board  
**Henderson Secretarial Services Limited**  
*Corporate Secretary to Henderson High Income Trust plc*

*Registered Office*  
201 Bishopsgate  
London  
EC2M 3AE

30 May 2017

**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 (including the circular, form of proxy and/or letter of direction) to communicate with the Company for any purpose other than those expressly stated.
2. To be valid any proxy form 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 received by post or (during normal business hours only) by hand at the Company's registrar, Computershare Investor Services PLC, Corporate Action Projects, Bristol BS99 6AH. Alternatively, the form of proxy may be returned by electronic means using the CREST service as detailed below or proxy votes can be submitted electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk) by entering the Voting ID, Task ID and Shareholder Reference Number printed on the form of proxy. Proxy votes must be received no later than 48 hours (excluding non-working days) before the time of the meeting or any adjourned 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 by logging on to the registrar's website [www.euroclear.com](http://www.euroclear.com). 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 & Ireland 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 Company's registrar (ID 3RA50) no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. 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 Company's 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 providers should note that Euroclear UK & Ireland 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 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 system providers 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. Investors holding shares in the Company through Halifax Share Dealing Products (run by Halifax Share Dealing Limited ("HSDL")) who transferred from the products formerly managed by Henderson Global Investors Limited ("HGI") or who have subsequently been introduced via HGI will have been sent a Voting Instruction Form. In accordance with the arrangements made between HSDL and HGI, you are given the opportunity to exercise the voting rights appertaining to your shares. Voting Instruction Forms should be returned as soon as possible, in accordance with the instructions given on them, so as to be received no later than 2.00 p.m. on Friday, 9 June 2017. This timetable is to enable the nominee company to submit a form of proxy not more than 48 hours before the General Meeting.
8. 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.
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. 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 close of business on Friday, 16 June 2017 or, in the event that the meeting is adjourned, close of business on the day two days prior to any adjourned 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 meeting.
12. Information regarding the General Meeting, including information required by section 311A of the Companies Act 2006, is available from [www.hendersonhighincome.com](http://www.hendersonhighincome.com).
13. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
  - (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - (b) the answer has already been given on a website in the form of an answer to a question; or
  - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. As at 24 May 2017 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 111,942,365 Ordinary Shares. On a show of hands shareholders shall have one vote. Save as otherwise provided in the Articles of Association, on a show of hands each holder of shares present in person and entitled to vote shall have one vote and upon a poll each such holder who is present in person or by proxy and entitled to vote shall have one vote in respect of every share held by him. Therefore, the total voting rights in the Company as at 24 May 2017 was 111,942,365.
15. Any person holding three per cent. or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his proxy will need to ensure that both he and his proxy comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

