

Henderson Far East Income Limited

Annual General Meeting 2016

Letter from the Chairman

Dear Shareholders

The Notice of our Tenth Annual General Meeting, which is to be held on Tuesday 13 December 2016 at 12 noon at Liberté House, 19-23 La Motte Street, St. Helier, Jersey JE2 4SY is set out on pages 3 and 4 of this document. I also refer you to the Company's Strategic Report for the year ended 31 August 2016, which has been sent out to shareholders with this document, and to the Annual Report and Financial Statements which are available on the Company's website, www.hendersonfareastincome.com.

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company's shareholders as a whole. The Board therefore recommends unanimously to shareholders that they vote in favour of each of the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Yours faithfully

John Russell

Chairman

10 November 2016

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you should consult your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK, the Financial Services (Jersey) Law 1998 if you are resident in Jersey, or if you are resident elsewhere from another appropriately independent professional adviser in your own jurisdiction.

If you have sold, transferred or otherwise disposed of all your shares in Henderson Far East Income Limited (the 'Company'), please pass this circular and the accompanying Form of Proxy to the stockbroker, bank or other agent through whom you made the sale, transfer or disposal for transmission to the purchaser or transferee, except that such documents should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of local securities laws and regulations. If you have sold or transferred or otherwise disposed of only part of your holding of shares in the Company, you should retain this circular and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom you made the sale, transfer or disposal.

Henderson Far East Income Limited

(a closed-end investment company registered with limited liability in Jersey under the Companies (Jersey) Law 1991 with registered number 95064)

Notice of Annual General Meeting

Notice is hereby given that the Tenth Annual General Meeting of Henderson Far East Income Limited ('the Company') will be held at Liberté House, 19-23 La Motte Street, St. Helier, Jersey JE2 4SY on **Tuesday 13 December 2016 at 12 noon** for the following purposes:

Ordinary Business

- 1 To receive the Annual Report and audited Financial Statements for the year ended 31 August 2016.
- 2 To approve the Directors' Remuneration Report.
- 3 To re-elect Mr John Russell as a Director of the Company.
- 4 To re-elect Mr David Mashiter as a Director of the Company.
- 5 To elect Mr Nicholas George as a Director of the Company.
- 6 To appoint KPMG Channel Islands Limited as independent auditors.
- 7 To authorise the Directors to determine the Auditors' remuneration.

Special Business

As special business, to consider the following Resolutions, which will be proposed as Special Resolutions in the case of Resolutions 8 and 9 which require two thirds of voting shareholders to approve and a Special Resolution requiring three quarters of voting shareholders to approve, in the case of Resolution 10:

- 8 (*Special Resolution*) THAT, the Company be and is hereby generally and unconditionally authorised to make one or more market purchases on a stock exchange of, and to cancel, or (subject to Resolution 9) hold as treasury shares, ordinary shares of no par value in the capital of the Company ('shares'), pursuant to Article 57 of the Companies (Jersey) Law 1991, as amended (the 'Law'), provided that:
 - (a) the maximum number of shares hereby authorised to be purchased is 14.99 per cent. of the issued share capital of the Company as at the date of the passing of this Resolution;
 - (b) the maximum price, exclusive of expenses, which may be paid for a share shall not be more than the higher of (i) an amount equal to 105 per cent. of the average of the middle market quotations for a share taken from the Official List for the five business days immediately preceding the day on which the share is purchased; and (ii) the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;
 - (c) the minimum price, exclusive of expenses, which may be paid for a share is one penny;
 - (d) the Directors of the Company can, prior to each such purchase, make the solvency statement required by the Law and fulfil all other requirements of the Law in relation to purchases of a company's own shares; and
 - (e) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on the expiry of 15 months from the passing of this Resolution, unless such authority is renewed prior to such time.
- 9 (*Special Resolution*) THAT, the Company be and is hereby generally and unconditionally authorised to hold up to 10% of the Company's own shares (whether purchased pursuant to Resolution 8 or otherwise) as treasury shares pursuant and subject to Articles 58A and 58B of the Companies (Jersey) Law 1991, as amended.

Notice of Annual General Meeting

continued

10 (*Special Resolution requiring three quarters of voting shareholders to approve*) THAT, the Company may disapply pre-emption rights and issue equity securities of up to a maximum of 10 per cent of the total number of shares in issue as at the date of this resolution, provided that such disapplication of pre-emption rights shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting (by special resolution passed by three quarters of shareholders voting thereon) at the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2017 or fifteen months from the date of this resolution but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be issued after such expiry and the directors of the Company may issue equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

11 (*Ordinary Resolution*) THAT the shareholders approve the Company's dividend policy to continue to pay four quarterly interim dividends, which in the year under review have totalled 20.00 pence per share with the objective of providing investors with a high level of dividends over the long term.

By order of the Board

Jeremy Hamon
For and on behalf of
BNP Paribas Securities Services S.C.A. Jersey Branch
Company Secretary

Registered Office:
Liberté House
19-23 La Motte Street
St. Helier
Jersey JE2 4SY
10 November 2016

Notes to the Notice of AGM

Resolutions 1 to 7 and 11 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 8, 9 and 10 are proposed as special resolutions. This means that, for 8 and 9 of those resolutions to be passed, at least two thirds of the votes cast must be in favour of the resolution.

Resolution 10 is proposed as a Special Resolution which requires at least three quarters of the votes cast to be passed in favour of the Resolution.

1 Voting record date

Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those shareholders entered on the register of members of the Company as at 12.00 noon on 9 December 2016 or, in the event that the meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the entries on the register of members after 12.00 noon on 9 December 2016 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the Articles of Association of the Company or other instrument to the contrary.

2 Rights to attend and vote

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

3 Rights to appoint proxies

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

4 Proxies' right to vote at the meeting

In accordance with Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, to have the right to attend and vote at the meeting referred to above a member must first have his or her name entered in the Company's register of members by not later than forty eight hours before the time fixed for the meeting (or, in the event that the meeting be adjourned, on the register of members forty eight hours before the time of the adjourned meeting). Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members less than forty eight hours before the time of

any adjourned meeting) shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.

5 Receipt and termination of proxies

A form of proxy is enclosed and to be valid must be lodged with the Company's Registrars (Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY) before 12.00 noon on 9 December 2016. A member may terminate a proxy's authority at any time before the commencement of the meeting. Termination must be provided in writing and submitted to the Company's Registrar at the above address.

In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

6 Communication with the Company

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

7 Electronic receipt of proxies

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

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

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member

Notes to the Notice of AGM

continued

concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 33 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

8 Voting instruction form (and proportional voting)

If you are a participant in the Halifax Share Dealing Products (run by Halifax Share Dealing Limited ('HSDL')) who transferred from the products formerly managed by Henderson Global Investors Limited ('Henderson') or who have subsequently been introduced via Henderson, a pink voting instruction form will have been sent to you with this document. In accordance with the arrangements made between HSDL and Henderson, you are given the opportunity to instruct the nominee company of HSDL to exercise the voting rights appertaining to your shares. HSDL has undertaken to instruct its nominee company to exercise the voting rights of any such shares that have not been exercised by you as an individual participant in the Halifax Share Dealing

Products. Voting instruction forms should be returned as soon as possible, in accordance with the instructions given on them, so as to be received back not later than 5 December 2016. This timetable is to enable the nominee company to submit a form of proxy 48 hours before the AGM.

9. Documents available for inspection

Copies of the directors' letters of appointment may be inspected at the registered office of the Company during normal business hours on any day (Saturdays, Sundays and public holidays excepted) and will be available at the AGM from 15 minutes prior to the commencement of the Meeting until its conclusion. No director has a contract of service with the Company.

10 Website

A copy of the Notice of the Meeting, including these explanatory notes, is included on the Company's website, www.hendersonfareastincome.com

11 Total voting rights

As at 10 November 2016 (being the last practicable date prior to the publication of this notice) the Company's issued share capital comprised 114,885,564 ordinary shares of no par value. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 10 November 2016 was 114,885,564.

Warning to Shareholders

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

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

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

Explanatory Notes:

The information set out below is an explanation of the business to be considered at the 2016 AGM. Shareholders are also recommended to view the Company's website www.hendersonfareastincome.com on which they can find the Company's Annual Report and Financial Statements.

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

The Directors are required to present the Annual Report and audited financial statements and the Directors' Report and Auditors' Report in respect of the financial year ended 31 August 2016 including the Strategic Report, Report of the Directors and the Independent Auditors' Report to the meeting.

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

Details of the Directors remuneration report are shown on pages 24 and 25.

Resolutions 3, 4 and 5: Re-election and election of Directors

(ordinary resolution)

The Articles of Association of the Company require the Directors to retire on a rotational basis. The AIC Code states that any director who has served for more than nine years is subject to annual re-election.

Mr David Mashiter, who was re-elected in 2013, has been on the Board for over nine years and is now subject to annual re-election.

Mr John Russell, who was re-elected in 2015, has been on the Board for over nine years and is now subject to annual re-election.

Mr Nicholas George was appointed to the Board on 20 April 2016 and stands for election at this, his first Annual General Meeting.

Resolutions 6 and 7: Appointment and remuneration of the auditors (ordinary resolutions)

Shareholders are required to approve the appointment of the Company's auditors each year and to give directors the authority to determine the auditors' remuneration. KPMG Channel Islands Ltd have expressed their willingness to stand as auditors to the Company.

Special Business

Resolution 8: Repurchase of the Company's Ordinary Shares (special resolution)

On 16 December 2015 the Directors were granted authority to repurchase up to 14.99% of the issued share capital as at that date for cancellation or to be held in treasury. The Directors have not bought back any shares as at the date of this Notice of AGM.

Resolution 8 seeks to renew the Company's authority to buy back shares. The authority under this resolution is limited to the purchase of a maximum of 14.99% of the ordinary shares in issue at the date of the passing of this resolution. The minimum price which may be paid for an ordinary share is one penny (exclusive of expenses). The maximum price (exclusive of expenses) which may be paid for an ordinary share is an amount equal to 105% of the average

middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased, or such other amount as may be specified by the UK Listing Authority from time to time. Both the minimum and maximum price are exclusive of any relevant tax and expenses payable by the Company. The Company may cancel or hold in treasury any shares bought back under this authority.

The Directors believe that, from time to time and subject to market conditions, it will continue to be in the shareholders' interests to buy back the Company's shares when they are trading at a discount to the underlying net asset value per share. The authority being sought provides an additional source of potential demand for the Company's shares. The Company may utilise the authority to purchase shares by either a single purchase or a series of purchases when market conditions allow, with the aim of maximising the benefit to shareholders. This proposal does not indicate that the Company will purchase shares at any particular time or price, nor imply any opinion on the part of the Directors as to the market or other value of the Company's shares.

This authority will expire at the conclusion of the 2017 AGM or within 15 months from the date of the passing of this resolution (whichever is earlier) and it is the present intention of the Directors to seek a similar authority annually.

Resolution 9: Treasury shares (special resolution)

The Directors are seeking authority to hold up to 10% of the Company's own shares which have been repurchased pursuant to Resolution 8 or otherwise as treasury shares.

Resolution 10: Disapplication of pre-emption rights (special resolution requiring three quarters of shareholders voting to approve):

Resolution 10, a Special Resolution requiring three quarters of shareholders voting to vote in favour, proposes a disapplication of the pre-emption rights in respect of 10% of the shares in issue, set to expire on the earlier of fifteen months from the date of the resolution or at the conclusion of the Annual General Meeting to be held in 2017. In accordance with the requirements of the UK Listing Authority this disapplication will be proposed for renewal annually. Shares will only be issued at a premium to the prevailing net asset value per share and, therefore, will not be disadvantageous to existing shareholders.

Resolution 11: Approval of dividend policy

(ordinary resolution)

The Directors seek approval of the Company's dividend policy to continue to pay four quarterly interim dividends, which in the year ended 31 August 2016 have totalled 20.00 pence per share, (which includes the fourth interim dividend for the year ended 31 August 2016).

Explanatory Notes:

The information set out below is an explanation of the business to be considered at the 2016 AGM continued

ISIN/SEDOL number

The market price of the Company's ordinary shares can be found in the Financial Times and the New Zealand Herald.

The London Stock Exchange Daily Official List (SEDOL) code is: B1GXH751. The International Security Identification Number (ISIN) is: JE00B1GXH751. The EPIC code is HFEL.

New Zealand listing

The Company's ordinary shares are also listed on the New Zealand Stock Exchange so that New Zealand shareholders can trade their shares more easily and, in addition, receive dividends in New Zealand Dollars. A New Zealand shareholder may transfer shares to the Auckland register by contacting the registrars in New Zealand, Computershare Investor Services Limited.

Website

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

www.hendersonfareastincome.com

Shareholder information

Copies of this Notice or other documents issued by the Company are available from the Company Secretary and can be found on the website.

If needed, copies can be made available in a variety of formats, either Braille or on audio tape or larger type as appropriate.

Nominee share code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at meetings when invited to do so by the Chairman.

Investors in Halifax Share Dealing receive shareholder communications. A form of instruction is provided to facilitate voting at general meetings of the Company. See note 8 in the Notes to the Notice of AGM.

Shareholder Event

The Company is required to hold all its General Meetings in Jersey. The Board recognises that many shareholders are unable to travel to Jersey, but would like to meet a member of the Board and hear from the Fund Manager on a regular basis.

Henderson has therefore arranged a Shareholder Event to be held at Henderson's offices at 201 Bishopsgate, London EC2M 3AE on Thursday 15 December 2016 at 11.00am. The event will provide the opportunity for the Fund Manager, Michael Kerley, to give a presentation on the investment strategy and performance. The event will include light refreshments. The event will also be live streamed on the internet so that those who are unable to attend can view the meeting live online as it happens via the following link:

www.henderson.com/trustslive.

If you wish to attend, please return the yellow card which is enclosed with this Notice.