

**NEXPOINT ADVISORS, L.P.
AND
HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.
SHAREHOLDER LOYALTY PLAN
PLAN DOCUMENT**

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AND
HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.**

SHAREHOLDER LOYALTY PLAN

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The Plan (as defined below) shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the shares of common stock in any state or jurisdiction in which such an offer, solicitation or sale of such shares of common stock would be unlawful under the securities laws of such state or jurisdiction. Prospective participants will need to carefully consider the investment objectives, risks and expenses related to the Funds (as defined below) prior to making any investment decision.

**NEXPOINT ADVISORS, L.P.
AND
HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.
SHAREHOLDER LOYALTY PLAN**

This NexPoint Advisors, L.P. (“NexPoint Advisors”) and Highland Capital Management Fund Advisors, L.P. (“Highland”, and together with NexPoint Advisors, “NexPoint” or the “Company”) Shareholder Loyalty Plan dated as of July 25, 2012, as amended (the “Plan”), between NexPoint and Global Shares (the “Plan Agent”), is intended to provide eligible participants in the Plan an opportunity to purchase shares of common stock (the “Stock”) of each of the funds provided in Exhibit A hereto (each, a “Fund” and together, the “Funds”).

**ARTICLE I
DEFINITIONS**

1.1. “Account” means the account established by NexPoint with the Plan Agent on behalf of each Participant to hold contributions (which shall include contributions in the form of reinvested dividends, if any, on Vested Shares held by Participants) made by such Participant and shares of Stock purchased on his or her behalf. The Account shall not bear interest.

1.2. “Affiliate” of a Person (as defined in Section 1.22) means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.

1.3. “Board” means the General Partner of each NexPoint Advisors and Highland.

1.4. “Business Day” means each day on which the New York Stock Exchange is open for business.

1.5. “Change in Control” means, with respect to any Person, if and when:

1.5.1. Any other “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), except for (i) a trustee or other fiduciary holding securities under an employee benefit plan of such Person, (ii) any other Person who, as of the Effective Date, acquires and holds, directly or indirectly, at least 20% of the voting power of the voting securities of such Person or (iii) a corporation or other entity owned, directly or indirectly, by the equity holders of such Person in substantially the same proportions as their ownership of such Person, becomes the “beneficial owner” (as defined in Rule 13D-3 under the Exchange Act), directly or indirectly, of securities of such Person representing more than 50% of the combined voting power of such Person’s then outstanding voting securities; or

1.5.2. A merger or consolidation of such Person with any other Person, except for a merger or consolidation that would result in the voting securities of such Person outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 50% of the combined voting power of the voting securities of such Person or such surviving entity outstanding immediately after such merger or consolidation;
or

1.5.3. A sale or disposition by such Person of all or substantially all of its assets.

1.6. “Code” means the Internal Revenue Code of 1986, as amended.

1.7. “Committee” means the Board or any committee appointed by the Board pursuant to Article IX to administer the Plan. If no Committee is appointed, the Board shall administer the Plan (and in such event, all references to the Committee shall be deemed to be references to the Board).

1.8. “Company” has the meaning set forth in the preamble to this Agreement.

1.9. “Company Gross-up” has the meaning set forth in Section 4.2.

1.10. “Employee” means any Person who is employed on a full-time or part-time basis by NexPoint or a Participating Affiliate.

1.11. “Effective Date” means July 25, 2012, the date on which the Plan was approved by the Board.

1.12. “Entry Date” means approximately the fourth Business Day of each month.

1.13. “Exchange” has the meaning set forth in Section 4.1.

1.14. “Fund” has the meaning set forth in the preamble to this Agreement.

1.15. “Non-Vested Shares” means (i) shares of Stock purchased as an incentive with the Company Gross-up that have not become Vested Shares pursuant to Article VI and (ii) shares of Stock purchased with dividends received on such Non-Vested Shares that have not become Vested Shares pursuant to Article VI.

1.16. “Purchase Period” means the period of approximately 10-12 trading days commencing on each monthly Entry Date and ending on the Purchase Termination Date for the related month.

1.17. “Purchase Termination Date” means, with respect to each Purchase Period, the last Business Day immediately prior to the “Ex-Dividend Date” for the Fund (or approximately the 20th calendar day of the month if no dividend is declared by the Fund) during such Purchase Period.

1.18. “Plan” has the meaning set forth in the preamble to this Agreement.

1.19. “Plan Agent” has the meaning set forth in the preamble to this Agreement.

1.20. “Participant” means any Person who has (i) met the eligibility requirements set forth in Article II, (ii) elected to participate in the Plan pursuant to an election under Section 3.1, and (iii) been approved by NexPoint for participation in the Plan.

1.21. “Participating Affiliate” means any Person that is an Affiliate of NexPoint, has employees, has elected to participate in the Plan, and whose participation in the Plan has been approved by NexPoint.

1.22. “Person” means any natural person, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority, or other legal entity of any nature whatsoever.

1.23. “Purchase Price” has the meaning set forth in Section 4.1.

1.24. “Regulation D” refers to the regulation governing private placement exemptions under the Securities Act of 1933, as amended (the “Securities Act”).

1.25. “Stock” has the meaning set forth in the preamble to this Agreement.

1.26. “Purchase Date” means, with respect to each Purchase Period, the last Business Day of the calendar month ending during such Purchase Period.

1.27. “Trading Window” has the meaning ascribed to it in Section 5.4.

1.28. “Vested Shares” means shares of Stock that have vested in a Participant’s account in accordance with Article VI.

1.29. “Vesting Date” has the meaning set forth in Section 6.1.

ARTICLE II ELIGIBILITY

2.1. Eligibility. Except as provided in Section 2.2 and Section 2.3, a Participant or an estate planning vehicle of a Participant that is an “accredited investor,” as defined in Regulation D under the Securities Act, or otherwise eligible to participate in the Plan under Regulation D shall be eligible to participate in the Plan; provided that NexPoint has approved in advance and shall approve from time to time such Participant’s participation in the Plan.

2.2. Ineligible Persons. A Person employed by an Affiliate of NexPoint that is not a Participating Affiliate shall not be eligible to participate in the Plan.

2.3. Eligibility Restrictions. A Participant who elects to terminate his or her participation in the Plan in accordance with Section 3.5 shall be prohibited from participating in the Plan until the first Entry Date after the first anniversary of such termination, unless this provision is waived by NexPoint.

ARTICLE III PARTICIPATION

3.1. Commencement of Participation. An eligible Person may become a Participant in the Plan on any Entry Date by submitting on or prior to a Purchase Date (a) a Participant Questionnaire and (b) a Participant Agreement in accordance with procedures established by the Plan Agent. A Participant may suspend his or her participation in the Plan at any time pursuant to Section 3.4.

3.2. Purchases. At any time after a Participant enrolls in the Plan and on or before the applicable Purchase Date, such Participant may submit a monthly contribution election task to the Plan Agent and fund purchases of Stock of at least \$2,500 (per Fund) in the Participant’s initial purchase and each subsequent monthly

purchase, in each case, through a direct payment to Maxim (the “Broker”) in accordance with procedures established by the Plan Agent. If a Participant submits a monthly contribution election task to the Plan Agent but fails to fund such contribution in full, the Broker shall provide notice to the Plan Agent and NexPoint of such deficiency. If a Participant does not remit payment, or if a Participant remits payment in an amount less than the amount indicated on his or her monthly contribution election task submitted to the Plan Agent, then the Plan Agent will only purchase shares of Stock on the Participant’s behalf for which it has received payment.

3.3. Participants’ Accounts. All contributions shall be credited to the applicable Participant’s Account and shall be used solely to purchase shares of Stock in accordance with Article V.

3.4. Suspension and Resumption of Contributions. A Participant may suspend his or her participation in the Plan at any time by not making a contribution for the next period. Any Participant who suspends his or her contributions to the Plan in accordance with the provisions of this Section 3.4 may resume such contributions in accordance with Section 3.2.

3.5. Termination by Participant. A Participant may terminate his or her participation in the Plan by requesting the Plan Agent sell or transfer any Vested Shares of Stock held in his or her Account. Upon receipt of a request from a Participant to sell or transfer Vested Shares of Stock held in such Participant’s Account, followed by approval of the request from NexPoint, the Plan Agent shall sell or transfer such number of Vested Shares of Stock in accordance with Section 6.4. Such Participant shall then be ineligible to participate in the Plan again pursuant to Section 2.3 unless NexPoint otherwise determines that he or she remain eligible. Additionally, all Non-Vested Shares of Stock associated with such Vested Shares of Stock held by such Participant shall be forfeited.

3.6. Disposition of Forfeited Shares. Any shares of Stock forfeited by a Participant pursuant to Section 3.5 shall be held by the Plan Agent until it is required to purchase additional shares pursuant to Article IV, at which time the Plan Agent may use such shares to provide a portion of the shares of Stock that it would otherwise have purchased using the Company Gross-up. If the Plan has been suspended under Article IV or terminated under Article VII by NexPoint, then the forfeited shares will be sold and the proceeds shall be returned to NexPoint.

ARTICLE IV PURCHASES

4.1. Monthly Purchases; Purchase Price. The Plan shall be implemented by the Plan Agent through monthly open-market purchases of shares of Stock during a Trading Window (as defined in Section 5.4 below). With respect to each Purchase Period, the purchase price per share of Stock (the “Purchase Price”) shall be the volume-weighted average price of the aggregate of such Fund’s shares of Stock acquired under the Plan (by all Participants) on the New York Stock Exchange (or on such other national securities exchange which the Fund’s shares of Stock may be listed, hereinafter referred to as the “Exchange”) during such Purchase Period.

4.2. Purchase Price and Company Gross-up. The Plan Agent shall use all amounts contributed by each Participant (including dividends received) and held in such Participant’s Account to purchase that number of shares equal to (a) the amount of such contributions plus (b) the Company Gross-up (collectively, the “Purchase Amount”), divided by the Purchase Price (as defined in Section 4.1) of the shares of Stock acquired by the Plan Agent during such Purchase Period. The portion of the Purchase Amount paid by NexPoint under the Plan (the “Company Gross-up”) may be adjusted at any point without notice by NexPoint prospectively from time to time in accordance with the terms of the Plan.

4.3. Maximum Monthly Contribution Limit. The Maximum Monthly Contribution Limit under the Plan shall be \$1,000,000 (across all Funds), which amount may be adjusted from time to time by NexPoint in its sole discretion.

ARTICLE V PURCHASE OF STOCK

5.1. Automatic Exercise. On each Purchase Termination Date, each Participant shall automatically, and without any action on his or her part, be deemed to have purchased shares of Stock to the full extent of the contributions credited to his or her Account during the corresponding Purchase Period and shall be allocated to the Participants' Accounts in accordance with Section 6.1.

5.2. Fractional Shares. Fractional shares of Stock may be purchased under the Plan.

5.3. Acquisition of Stock. The Plan Agent shall acquire Stock for use under the Plan through secondary transactions in the open market.

5.4. Manner of Purchase. The trading window with respect to each Purchase Period (the "Trading Window"), during which time the Plan Agent shall purchase shares of Stock on the Exchange, shall commence on approximately the fourth Business Day of the month, and shall end one Business Day before the Ex-Dividend Date of the Fund (or on approximately the 20th calendar day of the month if no dividend is declared by the Fund). Each Business Day during a Trading Window, the Plan Agent shall seek to spend approximately an equal dollar amount for purchases of shares of Stock on the Exchange. Additionally, to the extent possible, the Plan Agent shall seek to purchase shares of Stock in a manner that minimizes the impact of such purchases on the share price of the Stock.

ARTICLE VI VESTING

6.1. Vesting of Purchased Stock. All shares of Stock purchased pursuant to Section 5.1 shall be allocated to the Participants' Accounts in book-entry form. With respect to each Purchase Period, shares representing Stock purchased by a Participant through his or her direct contributions shall be deemed to vest immediately on the Purchase Termination Date. Shares of Stock purchased on behalf of a Participant through the Company Gross-up and through dividends received on Non-Vested Shares shall be recorded as Non-Vested Shares in such Participant's Account. Subject to Sections 2.2 and 6.3, Non-Vested Shares shall become Vested Shares on the first anniversary of such Purchase Termination Date (the "Vesting Date"). If a Participant's participation in the Plan is terminated for any reason prior to the earlier of (i) the date of a Change in Control specified in Section 6.3 and (ii) the Vesting Date, such Participant's participation in the Plan shall terminate as described in Section 3.5, and such Participant shall forfeit, for no consideration, all Non-Vested Shares held in his or her Account (as well as accrued dividends, if any, related to such Non-Vested Shares).

6.2. No Sales of Non-Vested Shares. A Participant may not sell or otherwise withdraw, pledge, transfer, assign, hypothecate or dispose of any Non-Vested Shares prior to the date on which they become Vested Shares.

6.3. Change in Control. Upon the occurrence of a Change in Control of NexPoint or the Funds, all Non-Vested Shares of such Fund held in a Participant's Account shall become Vested Shares; provided that such Non-Vested Shares had not already been forfeited. NexPoint may terminate the Plan following a Change in Control of NexPoint in its sole discretion.

6.4. Sale of Vested Shares. Subject to any restrictions otherwise imposed by NexPoint, a Participant may elect to sell any number of Vested Shares allocated to his or her Account or to have such Vested Shares transferred to another brokerage account outside of the Plan.

- 6.4.1. A Participant who elects to sell or transfer all or any part of his or her Vested Shares must notify the Plan Agent in accordance with procedures established by the Plan Agent.
- 6.4.2. All sales or transfers of Vested Shares shall be executed by the Plan Agent in accordance with Section 6.4.3 as soon as administratively practicable after the date such Participant properly notifies the Plan Agent of his or her election to sell or transfer and such election is approved by NexPoint; provided, however, that the Plan Agent shall suspend such sales or transfers upon notification by NexPoint or the Participant that the Participant is in possession of material nonpublic information about the respective Fund.
- 6.4.3. Upon approval of the sale by NexPoint, the Plan Agent shall arrange a sale of the Vested Shares on the Exchange as soon as administratively practicable;
- 6.4.4. The amount of proceeds that a Participant receives upon the sale of his or her Vested Shares shall be equal to the amount received (after deduction of the related expense of sale as provided in Section 9.4) by the Plan Agent in consideration of such sale of his or her Vested Shares; and
- 6.4.5. The net proceeds from any sale of Vested Shares, as described in Section 6.4.4, shall be paid to the Participant, or the Vested Shares shall be transferred to another brokerage account designated by the Participant outside of the Plan as soon as administratively practicable following such sale or transfer.
- 6.4.6. After effecting any sale of Vested Shares pursuant to this Section 6.4 or any transfer of Vested Shares to an account designated by the Participant, unless the following requirement is waived by NexPoint, the Plan Agent shall immediately transfer any Vested Shares remaining in the Participant's Account to a brokerage account designated by such Participant; such Participant's participation in the Plan shall be terminated in accordance with Section 3.5; and such Participant shall forfeit any Non-Vested Shares held in his or her Account.

ARTICLE VII PROCEDURES

7.1. General. The Plan Agent shall establish procedures to account to NexPoint and each Participant for (i) contributions made by such Participant and paid to such Participant's Account, (ii) the number of shares of Stock purchased on such Participant's behalf and held in such Participant's Account; (iii) the number of Vested Shares and Non-Vested Shares held in such Participant's Account; and (iv) taxation calculations related to income on, and gain or loss realized in connection with the sale of, shares of Stock held in such Participant's Account.

7.2. Allocation of Stock. Shares of Stock allocated to a Participant's Account shall be registered in the name of the Plan Agent or its nominee for the benefit of the Participant on whose behalf such shares are purchased.

7.3. Stock Held by Affiliates.

7.3.1 Shares of Stock, if any, held by Participants who are Affiliates of the Fund shall be designated as restricted securities by NexPoint in a written notice to the Plan Agent. Prior to any sale or withdrawal of restricted securities pursuant to Sections 6.4 and 8.1, the applicable Participant shall consult with NexPoint's compliance department regarding whether an opinion of counsel is necessary to register such sale or transfer of shares of Stock under the Securities Act.

7.3.2 NexPoint shall maintain a register of those Participants that are required to file reports with respect to ownership of securities under Section 16 of the Exchange Act, and NexPoint shall coordinate with such persons to file reports and to monitor any change to their ownership status and corresponding obligations to file such reports.

7.4. Accounting for Distributions. Shares of Stock distributed or sold from a Participant's Account shall be debited from his or her Account on a first-in, first-out basis, unless a Participant elects to apply a different method (such as specific identification or last-in, first-out).

7.5. Account Statements. Each Participant shall have access to account statements on the Plan Agent's website detailing the Vested Shares and Non-Vested Shares allocated to his or her Account, together with all other transactions affecting his or her Account.

**ARTICLE VIII
WITHDRAWALS AND DISTRIBUTIONS**

8.1. Withdrawal of Vested Shares. Upon his or her termination of participation in the Plan, such Participant shall withdraw all of the Vested Shares allocated to his or her Account, unless exempted by NexPoint, by providing notice to the Plan Agent in accordance with Section 6.4 and with procedures established by the Plan Agent.

8.2. Distribution Upon Termination. A terminated Participant's Vested Shares shall remain allocated to his or her Account until the date such Participant (or his executor, in the event of such Participant's death) elects to (i) sell such shares pursuant to Section 6.4, (ii) withdraw such shares pursuant to Section 8.1 or (iii) until such time as the Plan is terminated by NexPoint, in which event, such shares shall be distributed in accordance with Section 3.5. Any Participant holding Non-Vested Shares in his or her Account at the time he or she is terminated as an Employee shall forfeit such Non-Vested Shares on the date of termination.

8.3. Distribution of Cash in Account. If a Participant is terminated as an Employee, any contributions allocated to his or her Account and not yet used to purchase shares of Stock in accordance with Section 5.1 shall be distributed to such Participant in a cash lump sum as soon thereafter as administratively practicable.

8.4. Dividends Received Under the Plan. Dividends received on shares of Stock shall be reinvested automatically by the Plan Agent without any action on the part of the Participant, unless an election to not reinvest the dividends is submitted by the Participant and approved by NexPoint.

**ARTICLE IX
ADMINISTRATION**

9.1. Appointment of Committee. The Board may appoint a Committee to administer the Plan, which committee shall consist of such number of members as the Board shall designate in its sole discretion. The

Board may from time to time appoint members to the Committee in substitution for, or in addition to, members previously appointed and may fill vacancies, however caused, in the Committee.

9.2. Authority of Committee. The Committee shall have the exclusive power and authority to administer the Plan, including, without limitation, the right and power to interpret the provisions of the Plan and make all determinations deemed necessary or advisable for the administration of the Plan (including, without limitation, a determination as to whether a Change in Control has occurred). All such actions, interpretations and determinations which are done or made by the Committee in good faith shall be final, conclusive and binding on NexPoint, the Participating Affiliates, the Participants, and all other Persons, and shall not subject the Committee to any liability.

9.3. Committee Procedures. The Committee may select one of its members as its Chairman and shall hold its meetings at such times and places as it shall deem advisable and may hold telephonic meetings. A majority of the members of the Committee shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by a majority of the members of the Committee shall be as fully effective as if it had been made by a majority vote at a meeting duly called and held. The Committee may appoint a secretary and shall make such rules and regulations for the conduct of its business as it may deem advisable.

9.4. Expenses. NexPoint shall pay all expenses incident to the purchase of shares of Stock under the Plan, the operation of the Plan, including the costs of recordkeeping, accounting fees, legal fees and the costs of delivery of stock certificates, if any, to Participants; provided that NexPoint shall not pay any expenses incurred in connection with any sale or transfer of shares of Stock credited to a Participant's Account. Expenses incurred in connection with any such sales shall be deducted from the proceeds of sale prior to any remittance to the Participant.

ARTICLE X MISCELLANEOUS

10.1. Transferability. Neither contributions under the Plan credited to a Participant's Account nor any rights with regard to the purchase of shares of Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way by the Participant other than by will or the laws of descent and distribution.

10.2. Status as Owner. Each Participant shall be deemed to legally own all Vested Shares of Stock allocated to his Account and, subject to the vesting requirements of Article VI, shall be entitled to exercise all rights associated with ownership of the shares of Stock, including, without limitation, the right to vote such shares of Stock in all matters with respect to which Stock is entitled to vote, receive dividends, if any, and tender such shares of Stock in response to a tender offer.

10.3. Adjustment Upon Change in Fund Control or Structure. In the event of a reorganization, recapitalization, stock split, spin-off, split-off, split-up, stock dividend, combination of shares, merger, consolidation or any other change in the corporate structure of a Fund, or a sale by a Fund of all or part of its assets, NexPoint may make appropriate adjustments in the number and kind of shares of capital stock that are subject to purchase under the Plan.

10.4. Amendment and Termination. NexPoint or its authorized delegate shall have the power and authority to terminate or amend the Plan (including, without limitation, the power and authority to make any amendment that may be deemed to affect the interests of any Participant adversely). The Plan and all rights of Participants hereunder shall terminate at any time, at the discretion of the Board, in which case any cash balance in Participants' Accounts shall be refunded to such Participants as soon as administratively practicable.

10.5. No Employment Rights. The Plan does not, directly or indirectly, create in any Employee any right with respect to continuation of employment by NexPoint or any Affiliate of NexPoint, and it shall not be deemed to interfere in any way with NexPoint's or any such Affiliate's right to terminate, or otherwise modify, an Employee's terms of employment at any time.

10.6. Withholding. To the extent any payments or distributions under this Plan are subject to U.S. federal, state or local taxes, NexPoint or any Participating Affiliate is authorized to withhold all applicable taxes. The Plan Agent, NexPoint or any Participating Affiliate may satisfy its withholding obligation by (i) withholding shares of Stock allocated to a Participant's Account, (ii) deducting cash from a Participant's Account, or (iii) deducting cash from a Participant's other compensation. A Participant's election to participate in the Plan authorizes the Plan Agent, NexPoint or the appropriate Participating Affiliate to take any of the actions described in the preceding sentence. In the event that appropriate arrangements are not timely made to satisfy any tax withholding obligations, the applicable Participant shall forfeit the shares of Stock or other compensation giving rise to such tax withholding obligation.

10.7. Use of Funds. Upon deposit in a Participant's Account, all contributions, including any contributed dividends under this Plan, shall be held in trust and segregated from other funds of or held by the Plan Agent.

10.8. Governing Law. Except to the extent superseded by U.S. federal law, the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

10.9 Dispute Resolution. Any dispute related to the Participant's Account or this Plan Document shall be resolved in accordance with the terms set forth in the Participant Agreement.

* * * *

EXHIBIT A - ELIGIBLE FUNDS

Fund	Ticker
NexPoint Strategic Opportunities Fund	NHF
NexPoint Residential Trust, Inc.	NXRT
NexPoint Real Estate Strategies Fund	NRSZX
Highland Floating Rate Opportunities Fund	HFRO
Highland Long/Short Equity Fund	HEOZX
Highland Long/Short Healthcare Fund	HHCZX
Highland Global Allocation Fund	HCOYX
Highland Energy MLP Fund	HEFYX
Highland Merger Arbitrage Fund	HMEZX
Highland Premier Growth Equity Fund	HPEYX
Highland Small-Cap Equity Fund	HSZYX