

**NB DISTRESSED DEBT INVESTMENT FUND LIMITED  
(THE "COMPANY")****MATTERS RESERVED FOR THE APPROVAL OF THE BOARD**

Section A.1.1. of the UK Corporate Governance Code states that boards should have a formal schedule of matters specifically reserved for their decision. The Company is committed to complying with the corporate governance obligations which apply to Guernsey registered companies. The Company intends to comply with the Code of Corporate Governance produced by the Association of Investment Companies (AIC) where appropriate. By following the AICs Corporate Governance Guide for Investment Companies, the Company is meeting its obligation under the UK Corporate Governance Code.

These items are not considered suitable for delegation to a committee of the board, either because of the requirements of The Companies (Guernsey) Law, 2008, as amended or because under the recommendation of the Cadbury Report they are the responsibility of a committee, with the final decision required to be taken by the whole board.

The Company complies with the "Guidance on Corporate Governance in the Finance Sector in Guernsey", issued by the Guernsey Financial Services Commission on 10 December 2004.

**Guernsey Company Law**

- 1 Approval of half-year and annual financial statements
- 2 Approval of any significant change in accounting policies or practices
- 3 Appointment or removal of company secretary
- 4 Remuneration of auditors (where, as is usual, shareholders have delegated this power to the board) and recommendations for appointment or removal of auditors

**London Stock Exchange**

- 5 Approval of all circulars and listing particulars (approval of routine documents such as periodic circulars re: scrip dividend procedures or exercise of conversion rights could be delegated to a committee)
- 6 Approval of press releases concerning matters decided by the board

**Management**

- 7 Changes relating to the capital structure or its listed status
- 8 Review the annual Board, Committees and Directors evaluation

**Board Membership and Board Committees**

- 9 Board appointments and removals
- 10 Terms of reference and membership of board committees

**Cadbury Recommendations**

- 11 Material contracts of the company in the ordinary course of business e.g. Bank borrowing and acquisition or disposal of fixed assets
- 12 Contracts of the company not in the ordinary course of business, e.g. loans & repayments, foreign currency transactions, major acquisitions or disposals
- 13 Major investments (including the making of any take-over bid, where the Company holds in excess of 30% and therefore disclosures need to be made to the Take-Over Panel)
- 14 Treasury policies (including foreign exchange exposures)

**Audit Committee (as comprises whole board)**

- 15 Consideration of the effectiveness of the Company's internal control systems
- 16 Review of accounting policies, financial statements and Valuation Policy
- 17 Remuneration of auditors and recommendations for appointment and remuneration
- 18 Going concern
- 19 Viability statement
- 20 Consideration that the Annual and Half Year Report and Financial Statements give a true, fair and balanced view

**Remuneration Committee**

- 21 Terms and conditions of directors
- 22 Changes to remuneration of directors

**Management Engagement Committee**

- 23 Changes to contractual relations with, service providers (including the Manager)
- 24 Changes to the company's Investment Adviser or Administrator
- 25 Review of management contracts

**Inside Information Committee**

- 26 Delay of inside information disclosure

**Miscellaneous**

- 27 Prosecution, defence or settlement of litigation (being otherwise material to the interests of the Company)
- 28 Directors' and officers' liability insurance

*Reviewed by the Board on 26 February 2019*