

# **NB Distressed Debt Investment Fund Limited**

*(a closed-end investment Company limited by shares incorporated under the laws of Guernsey with registered number 51774)*

Registered office:  
BNP Paribas House  
St Julian Avenue  
St. Peter Port  
Guernsey GY1 1WA

30 April 2013

*To the shareholders of NB Distressed Debt Investment Fund Limited*

Dear Shareholders

## **Annual General Meeting 2013**

Please accept this document and its enclosures as notice of this year's annual general meeting ("AGM") of NB Distressed Debt Investment Fund Limited (the "Company"), which is to be held at 10.15 a.m. on 16 July 2013 at BNP Paribas House, St Julian Avenue, St. Peter Port, Guernsey GY1 1WA.

The notice of AGM and explanatory notices are enclosed where further details of each of the resolutions to be proposed at the AGM are also set out.

Please note that the Company's articles of incorporation provide that holders of Ordinary Shares and Extended Life Shares in the capital of the Company only have a right to receive notice of the AGM but hold no right to attend or to vote at the AGM. The Company's articles further provide that only holders of Class A Shares in the capital of the Company have the right to receive notice of the AGM and to attend and vote at the AGM.

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the Company's shareholders as a whole.

Yours faithfully

**Robin Monro-Davies**

*Chairman*

30 April 2013

### **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, or if not from another appropriately independent professional adviser in your own jurisdiction.

If you have sold, transferred or otherwise disposed of all your shares in NB Distressed Debt Investment Fund Limited (the "Company"), please pass this circular 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.

# **NB Distressed Debt Investment Fund Limited**

**(the "Company")**

## **Notice of Annual General Meeting**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of NB Distressed Debt Investment Fund Limited will be held at BNP Paribas House, 1 St Julian's Avenue, St Peter Port, Guernsey on 16 July 2013 at 10.15 am to consider and, if thought fit, to pass Resolutions 1 to 7 inclusive as ordinary resolutions:

### **Ordinary Business**

- (1) To receive the Audited Annual Financial Report and Financial Statements for the year ended 31 December 2012;
- (2) To re-elect Mr Patrick Flynn as a Director of the Company;
- (3) To re-elect Mr Michael Holmberg as a Director of the Company;
- (4) To re-elect Mr John Hallam as a Director of the Company;
- (5) To reappoint KPMG Channel Islands Limited as the independent Auditors of the Company; and
- (6) To authorise the Directors to determine the auditors' remuneration.

### **Special Business**

- (7) **THAT**, in accordance with section 315 of The Companies (Guernsey) Law, 2008, as amended (the "Law"), the Company be and hereby is generally and unconditionally authorised to make one or more market acquisitions as defined in section 316 of the Law of each of its Ordinary Shares and Extended Life Shares (each such term as defined in the Company's articles of incorporation (together the "Shares")) on such terms and in such manner as the directors may from time to time determine, provided that:
  - (i) the maximum aggregate number of Shares of any class hereby authorised to be acquired does not exceed 14.99 per cent. of the aggregate number of Shares of such class in issue at the date this resolution is passed;
  - (ii) the minimum price (exclusive of expenses) which may be paid for a Share of any class shall be 1 pence;
  - (iii) the maximum price (exclusive of expenses) which may be paid for a Share is not more than an amount equal to the higher of (i) five per cent. above the average of the mid-market value of the Shares of the relevant class on the regulated market where the purchase is made for the five business days before the day the purchase is made and (ii) the higher of (a) the price of the last independent trade and (b) the highest independent bid for the Shares of the relevant class, on the regulated market when the purchase is made;
  - (iv) the authority conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2014 or on the date which is 18 months from the date of the passing of this resolution;
  - (v) save that the Company may make a contract to purchase Shares of any class under the authority hereby conferred prior to the expiry of such authority

which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares of the relevant class pursuant to any such contract; and

- (vi) Shares of any class bought back may be held in treasury in accordance with the Law or be subsequently cancelled by the Company; and
- (vii) This resolution revokes and replaces all unexercised authorities, but without prejudice to any contracts already made to acquire Shares of any class pursuant to such authorities prior to the date of the passing of this resolution which will or may be executed wholly or partly after the date of the passing of this resolution and the Company may make an acquisition of Shares pursuant to such a contract.

BY ORDER OF THE BOARD  
BNP Paribas Fund Services (Guernsey) Limited  
Company Secretary  
30 April 2013

**Registered Office:**  
BNP Paribas House  
St Julian's Avenue  
St Peter Port  
Guernsey  
GY1 1WA

## Notes to the Notice of AGM

Resolutions 1 to 7 are proposed as ordinary resolutions. For each ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

### 1 Voting record date

Entitlement to attend and vote at the Annual General Meeting (the "AGM") and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 10.15 a.m. on 12 July 2013. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.

### 2 Rights to attend and vote

Holders of Ordinary Shares and Extended Life Shares in the capital of the Company only have the right to receive notice of the AGM but hold no right to attend or vote at the AGM. Only holders of Class A Shares in the capital of the Company have the right to receive notice of and to attend and vote at the AGM.

### 3 Right to appoint proxies

Any member entitled to attend and vote at the AGM is entitled to appoint another person (who needs not be a member) as his proxy to exercise all or any of his rights to attend and speak and to vote at the AGM. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares. A Form of Proxy is enclosed which, if required, should be completed in accordance with the instructions.

### 4 Proxies' rights to vote at the meeting

On a vote on a show of hands, each proxy has one vote. If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies.

### 5 Voting by corporate representatives

Corporate representatives are entitled to attend and vote on behalf of the corporate member.

### 6 Receipt and termination of proxies

To be valid a Form of Proxy must be deposited, by hand or by post, at the registered offices of the Company, BNP Paribas House, 1 St. Julian's Avenue, St Peter Port, Guernsey, GY1 1WA no later than 10.15 a.m. on 12 July 2013. The Company will also accept Forms of Proxy deposited in accordance with the Articles of Incorporation. A member may terminate a proxy's authority at any time before the commencement of the AGM.

### 7 Attendance at the meeting

Members who return the Form of Proxy or register the appointment of a proxy electronically will still be able to attend the AGM and vote in person if they so wish.

### 8 Questions at the meeting

The Directors will answer any questions raised at the AGM which relate to the business of the meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the preparation of the AGM or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the AGM that the question be answered.

### 9 Website

A copy of the notice of the AGM, including these explanatory notes, is included on the Company's website:  
[www.nbddif.com](http://www.nbddif.com)

## Explanation of the Resolutions

### *Ordinary Business*

#### **Resolutions 1: To receive the Audited Annual Financial Report**

Resolution 1 is to receive the Audited Annual Financial Report and Financial Statements for the year ended 31 December 2012 as per the Articles of the Company and of the Law.

#### **Resolutions 2 to 4 : Re-election and appointment of Directors** (ordinary resolutions)

In accordance with Principle 3 of the AIC Code of Corporate Governance ("AIC Code") all Directors should be subject to election by shareholders at the first AGM after their appointment and to re-election thereafter at intervals of no more than three years.

Resolution 2 is for the election of Mr Patrick Flynn, who was appointed on 21 April 2010 and is required under the AIC Code to stand for election at every AGM due to not being an independent Director.

Resolution 3 is for the election of Mr Michael Holmberg, who was appointed on 21 April 2010 and is required under the AIC Code to stand for election at every AGM due to not being an independent Director.

Resolution 4 is for the election of Mr John Hallam, who was appointed on 21 April 2010 and is required under the AIC Code to stand for election at intervals of no more than three years.

The Chairman carried out a Board evaluation after the first anniversary of the Company. Following this evaluation the Directors will review the performance and commitment of the Directors standing for election and/or appointment at the next AGM. The Board believe that the current Directors should continue to be Directors as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

Biographical details for the Directors are shown on page 9 and 10 of the Annual Financial Report.

#### **Resolutions 5 and 6 : Re-appointment and remuneration of the auditors** (ordinary resolutions)

In accordance with sections 257 and 259 of the Law shareholders are required to approve the appointment of the Company's auditors, KPMG Channel Islands Limited, each year and may give Directors the authority to determine the auditors' remuneration. KPMG Channel Islands Limited have expressed their willingness to continue as auditors to the Company.

### *Special Business*

#### **Resolution 7 : Repurchase of the Company's Ordinary Shares** (ordinary resolution)

On 8 April 2013 the Directors were granted authority to repurchase 14.99 per cent. of the Company's issued share capital immediately following admission of the Extended Life Shares to listing on the official list of the CISX and to trading on the SFM and the CISX, for cancellation or to be held in treasury. The Directors have not bought back any Ordinary shares or Extended Life Shares and therefore at the date of this Notice of AGM the Directors have remaining authority to repurchase 14.99 per cent. of the Company's issued share capital.

Resolution 7 seeks to renew the Company's authority to buy back Ordinary Shares and Extended Life Shares ("Shares"). The authority under this resolution is limited to the purchase of a maximum of 14.99% of Shares of any class in issue at the date of the passing of this resolution. The minimum price (exclusive of expenses) which may be paid for a Share of any class is 1p. The maximum price (exclusive of expenses) which may be paid for a Share of any class is an amount equal to the higher of (i) five per cent. above the average of the mid-market value for the Shares of the relevant class on the regulated market where the purchase is made for the five business days before the day the purchase is made and (ii) the higher of (a) the price of the last independent trade and (b) the highest independent bid for the Shares of the relevant class, on the regulated market when the purchase is made. The Company may cancel or hold in treasury any Ordinary Shares bought back under this authority.

This authority will expire at the conclusion of the next AGM or on a date which is 18 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.