

## NB Distressed Debt Investment Fund Limited

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

### NOTICE OF ANNUAL GENERAL MEETING

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in doubt about the content of this document, or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your ordinary shares in the Company, you should send this document, together with the accompanying proxy form, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of NB Distressed Debt Investment Fund Limited (the “**Company**”) will be held at 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW on Wednesday 24 August 2016 at 13:00 BST for the following purposes:

#### Ordinary Business - The following are proposed as ordinary resolutions

- (1) To receive and consider the Audited Annual Financial Report and Financial Statements for the year ended 31 December 2015, together with the Reports of the Directors and Auditors thereon;
- (2) To receive and approve the remuneration report included in the Annual Report;
- (3) To elect Mrs Sarah Evans as a Director of the Company;
- (4) To elect Mr Stephen Vakil as a Director of the Company;
- (5) To re-elect Mr John Hallam as a Director of the Company;
- (6) To re-elect Mr Michael Holmberg as a Director of the Company;
- (7) To re-elect Mr Christopher Sherwell as a Director of the Company;
- (8) To reappoint KPMG Channel Islands Limited as the independent Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company; and
- (9) To authorise the Directors to determine the auditors’ remuneration.

#### Special Business - The following is proposed as an ordinary resolution

- (10) **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, New Global 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 of any class 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 hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2017 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;
- (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.

**Special Business - The following is proposed as a special resolution**

- (11) **THAT** the amendments to the Articles of Incorporation of the Company in the terms set out in Appendix I of the Notice of Annual General Meeting and set out in the amended Articles of Incorporation of the Company tabled by the Chairman at the Annual General Meeting be and are hereby approved and adopted.

BY ORDER OF THE BOARD  
C.L. Secretaries Limited  
Company Secretary  
22 June 2016

**Registered Office:**  
1<sup>st</sup> and 2<sup>nd</sup> Floors  
Elizabeth House  
Les Ruettes Brayes  
St Peter Port  
Guernsey  
GY1 1EW

## APPENDIX I

### SUMMARY OF AMENDMENTS TO THE ARTICLES OF THE COMPANY

Set out below is a summary of the changes made to the current Articles of Incorporation of the Company (the "**Articles**") to reflect certain changes brought about by the recent amendments to the Companies (Guernsey) Law, 2008, as amended (the "**Companies Law**") pursuant to the Companies (Guernsey) Law, 2008 (Amendment) Ordinance, 2015 (the "**Amendment Ordinance**") and also to generally update and amend certain definitions and other provisions. The following description is only being provided by way of summary of the principal changes. Accordingly, Shareholders are encouraged to review the proposed amended Articles for the purposes of ascertaining the full extent of the changes. Clean copies of the amended Articles and copies marked up to show changes from the current Articles are available for inspection at the registered office of the Company at 1<sup>st</sup> & 2<sup>nd</sup> Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW and at <http://www.nbddif.com>.

#### Articles

A new Article 3 has been included in order to disapply the standard articles prescribed by the States of Guernsey Commerce and Employment Department pursuant to section 16(2) of the Companies Law. This new Article replaces the current Article 3 (Business) which is not required as the Company has unrestricted objects in its memorandum of incorporation.

Article 4.12 has been amended to reflect the fact that there are now simpler, more permissive, powers for the directors to issue shares of a company and the previous five year authority which was required for multi-class companies has been removed.

Article 4.15 dealing with the power to give financial assistance has been deleted because financial assistance is now permitted under the Companies Law subject to a solvency test without an explicit power needing to be included in the Articles.

A new Article 13.9 has been included providing that the Company may require that Shareholders provide, and the Company (and any authorised third party agent or delegate of the Company) shall be entitled to use and disclose, any information or documentation in relation to the Shareholders and, if and to the extent required, the direct and indirect beneficial owner(s) (if any) of Shares in the Company held by the Shareholders (if any), as may be necessary or desirable for the Company to comply with any reporting or other obligations and/or prevent or mitigate the withholding of tax under the US Hiring Incentive for Restoring Employment Act 2010 (which incorporates the anti-avoidance revenue provisions contained in the US Foreign Account Tax Compliance Act ("FATCA")) or other similar laws. Certain other amendments have also been made to Article 13 in order to more closely align with the requirements of CREST and The Uncertificated Securities (Guernsey) Regulations, 2009.

Article 16.1 dealing with the notice of general meetings has been amended to reflect the requirement to give special notice in certain circumstances under the Companies Law.

Article 17.4 dealing with the appointment of a chairman at a general meeting of members has been amended because unless the articles of a Guernsey company state otherwise it is no longer a requirement of the Companies Law for the members to appoint a chairman of a general meeting from one of their own. This change has been made to make the operation of general meetings more efficient and to allow the chairman of the Board to chair the general meetings of the members. As a result of this change, a new Article 17.5 has been included to make it clear that the chairman of a general meeting may conduct the meeting in such manner as he sees fit.

Article 17.7 (as re-numbered) dealing with polls has been amended to comply with the requirements of the Companies Law which state that a poll may be demanded by no fewer than 5 members having the right to vote on a resolution or a member or members representing not less than 10 per cent. of the total voting rights of all of the members having the right to vote on the resolution.

Articles 18.5 and 18.6 dealing with proxies have been amended to give the Directors greater flexibility in how they receive and process proxy forms. In particular members will now be explicitly permitted to send their proxy forms to the Company in an electronic format.

A new Article 18.8 has been included to deal with the practical issues in respect of voting where multiple proxies have been appointed to exercise rights attached to different shares.

Article 18.11 (as re-numbered) dealing with written resolutions has been amended to comply with the Companies Law as a written resolution of the members no longer has to be signed by every member but will be valid if signed by the requisite majority.

A new Article 18.12 has been included to deal with the practical issues for voting when two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting or poll, in accordance with the Companies Law. Similar provisions have been added to Article 19 in the case of appointments by a member of a corporate representative and the procedure for voting on a show of hands where two or more representatives of one member purport to exercise a power in respect of the same shares.

Article 20.4 has been amended to clarify the position with regards to a Director's right to speak at a general meeting.

Articles 20.5 and 29.1 dealing with the appointment of Directors and their alternates have been amended to comply with the requirements of the Companies Law that directors declare that they have consented to act and are not ineligible under the Companies Law and also to provide for submission in electronic form to the Company's Relevant Electronic Address of the notice of a member's intention to propose a person for election to the office of Director at a general meeting. The final sentence of Article 29.1 has also been deleted as it is not a requirement under the Companies Law for the Board to approve the appointment of alternate directors.

Article 22.1.2 has been amended to so that it more closely aligns with the conflicts of interest disclosure requirements under the Companies Law.

Articles 30.2 and 30.3 have been deleted as the Companies Law permits a director also to be the company's secretary and to act in dual capacities. A new Article 30.2 has been included as the Companies Law states that a company may (but need not) appoint a secretary and that, if appointed, the functions of the secretary of a company are those assigned to the secretary in the company's articles of incorporation. Article 30.2 deals with the duties that a secretary of the Company may be appointed to undertake.

Article 32.1 has been amended to include reference to the statutory procedure for paying a dividend under the Companies Law.

A new Article 32.15 has been included to permit the Company to impose on a Shareholder any withholding or deduction required by FATCA or similar laws and all associated interest, penalties and other losses, liabilities or costs that may be imposed on the Company and that is attributable to that Shareholder (or, if different, any direct or indirect beneficial owner(s) of the Shares held by such Shareholder).

Article 33.2 dealing with the capitalisation of profits has been amended in line with Article 33.1 to include reference to capitalisation of any amount standing to the credit of a reserve account.

Article 34.3 has been amended to align with the requirements under the Companies Law in relation to company accounts and reporting.

Article 36 dealing with notices has been generally amended to reflect the fact that there are new statutory timings for the deemed service of documents and to further facilitate communication with Shareholders by electronic means, including a deemed consent provision to enable communication by means of a website. For documents sent to an address in the UK, Channel Islands or the Isle of Man, these are deemed received on the second (formerly the third) day after posting and in the case of a document posted elsewhere, on the third (formerly the seventh) day after the day of posting (excluding any day which is not a Business Day). In addition, provisions have been included in Article 36 and elsewhere relating to the service of documents to a "Relevant Electronic Address" (an electronic address notified to the Company by a relevant person), which is a new addition to the Companies Law.

Article 39.1 has been amended to reflect the fact that there is now an "annual validation" under the Companies Law in place of an "annual return" and Article 39.3 has been amended to clarify that any person who is not a Director or a member shall only be entitled to inspect the Register, the registers of Directors and secretaries and the index, if any, of members upon fulfilling the requirements in the Companies Law.

A new Article 43 has been included to permit Directors to explicitly fix record dates in relation to certain corporate actions in line with the requirements under the Guernsey Regulations and accordingly current Article 4.18 and the existing definitions of "Record Date" has been deleted.

A limited number of non-substantive amendments to make conforming and consistency edits to the text of the Articles have also been made.

## Notes to the notice of Annual General Meeting

Resolutions 1 to 10 are proposed as ordinary resolutions. For each ordinary resolution to be passed, more than half of the total number of votes cast by shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution.

Resolution 11 is proposed as a special resolution. For a special resolution to be passed, not less than 75 per cent. of the total number of votes cast by shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution.

### 1 Voting record date

The Company specifies that only those holders of Shares (as defined above) entered on the register of members of the Company as at close of business on 22 August 2016 or, in the event that this Annual General Meeting is adjourned, on the register of members of the Company 48 hours before the time of any adjourned Annual General Meeting, will be entitled to attend or vote at the Annual General Meeting in respect of the number of Shares registered in their name at that time. The register of members of the Company at that time is also used for the purposes of calculating how many votes a holder of each Share may cast and such Shareholders shall be entitled on a poll to one vote in respect of each Share held by him. Holders of Class A 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 Ordinary Shares, New Global Shares and Extended Life Shares in the capital of the Company have the right to receive notice of and to attend and vote at the AGM. Changes to entries on the register after close of business on 22 August 2016 or, in the event that this Annual General Meeting is adjourned, in the register of members of the Company 48 hours before the time of any adjourned Annual General Meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting. In calculating such 48 hour periods referred to above, no account shall be taken of any part of a day that is not a Business Day.

### 2 Joint registered holders

Where there are joint registered holders of any Share, such persons shall not have the right of voting individually in respect of such Share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the share register of the Company shall alone be entitled to vote.

### 3 Right to appoint proxies

A member of the Company entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to exercise all or any of his or her rights to attend and to speak and vote instead of him or her in any of the following ways: (a) by completing and returning the enclosed Form of Proxy; or (b) through the CREST electronic proxy appointment service (if they are users of CREST, including CREST personal members). Members who have lodged Forms of Proxy, or who have appointed a proxy through CREST, are not thereby prevented from attending the Annual General Meeting and voting in person if they so wish. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent you. If you wish your proxy to speak on your behalf at the Annual General Meeting, you will need to appoint your own choice of proxy (not the Chairman/Secretary) and give your instructions directly to them.

A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by a member. You may not appoint more than one proxy to exercise rights attached to any one share. Where multiple proxies have been appointed to exercise rights attached to different shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

#### 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 offices of Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 13:00 BST on 22 August 2016. If you wish to use an envelope, please address it to FREEPOST CAPITA PXS. Please note that delivery using this service can take up to 5 business days.

The Company will also accept Forms of Proxy deposited in accordance with the Articles of Incorporation. The Directors may in their absolute discretion elect to treat as valid any instrument appointing a proxy which is deposited later than 13:00 BST on 22 August 2016. If the Directors so elect, the person named in such instrument of proxy shall be entitled to vote.

A member may terminate a proxy's authority at any time before the commencement of the meeting. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or a duly appointed attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Capita Asset Services no later than 13:00 BST on 22 August 2016. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions: any amended proxy appointment received after the relevant cut-off time will be disregarded.

#### 7 Electronic receipt of proxies

CREST members who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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 or instruction made using the CREST service to be valid, the appropriate CREST message (the CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Capita Registrars (CREST participant RA10) by no later than 13:00 BST on 22 August 2016. 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 Capita Registrars 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 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 or her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their 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 Regulation 34 of the Uncertificated Securities (Guernsey) Regulations, 2009.

### **8 Attendance at the Annual General Meeting**

Appointment of a proxy does not preclude you from attending the Annual General Meeting and voting in person. If you have appointed a proxy and vote at the Annual General Meeting in person in respect of Shares for which you have appointed a proxy, your proxy appointment in respect of those Shares will automatically be terminated.

In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy. Where more than one of the joint holders purport to appoint a proxy, only the appointment submitted by the more senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the more senior).

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to every other matter which is put before the Annual General Meeting.

### **9 Questions at the Annual General Meeting**

The Directors will answer any questions raised at the Annual General Meeting 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 meeting 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 meeting that the question be answered.

### **10 Website**

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

### **13 Total voting rights**

The total number of voting rights in the Company as at 17 June 2016 (being the last practicable date prior to the publication of this notice) is 366,123,907.

### **14 Quorum**

The quorum for the Annual General Meeting will be two holders of Shares present and entitled to vote in person or by proxy. In the event that a quorum is not present for the Annual General Meeting within 30 minutes of the time appointed for the Annual General Meeting, the Annual General Meeting shall stand adjourned for five business days at the same time and place or to such other day and at such other time and place as the board of Directors may determine and no notice of adjournment need be given. At any such adjourned meeting, those members who are present in person shall be a quorum.