

CQS NEW CITY HIGH YIELD FUND LIMITED

SCHEDULE OF MATTERS RESERVED FOR THE BOARD OF DIRECTORS

(as adopted on 4 June 2020)

Last reviewed on 23 May 2024

All matters that have a material impact upon CQS New City High Yield Fund Limited (the "**Company**") will be referred to the Board of directors of the Company (the "**Board**"). However, below is a schedule of matters reserved specifically for the decision of the Board or a duly authorised committee thereof. The Board has the authority to obtain outside legal or other independent advice at the expense of the Company.

1. BOARD MEMBERSHIP & BOARD COMMITTEES

- 1.1 Approval of Board appointments and removals and terms of appointment of the chairman of the Board (the "**Chairman**") and directors of the Company ("**Directors**").
- 1.2 Ensuring adequate Board succession planning, induction, training and development so as to maintain an appropriate balance of skills and experience on the Board, and development and appraisal.
- 1.3 Appointment of a Senior Independent Director.
- 1.4 Discussion and agreement of continuation in office of Directors due to retire at the Annual General Meeting and proposals for their re-election by shareholders of the Company ("**Shareholders**"), in accordance with the Company's articles of incorporation (the "**Articles**") and relevant corporate governance requirements.
- 1.5 Appointment or removal of the Company's investment manager, reporting accountants, sponsor, broker, administrator, registrar, receiving agents and legal counsel.
- 1.6 Review and determination of the remuneration of the Board and agreement of any remuneration policy of the Board subject to recommendation from the Remuneration Committee.
- 1.7 Review and agreement of policy for authorising Directors' expenses.
- 1.8 Delegation of the Board's powers.
- 1.9 Agreement of membership and terms of reference of Board committees.
- 1.10 Receipt of reports of proceedings and decisions of Board committees and approving matters referred to the Board following recommendations by Board committees.
- 1.11 Review and determination of the independence of Directors.
- 1.12 Undertaking of a formal and rigorous annual review of its own performance and that of Board committees and individual Directors.
- 1.13 Approval of directors' and officers' liability insurance.

2. CONFLICTS

- 2.1 Review of the register of interests for the Directors and authorisation of any conflicts of interests of Directors that may arise on an ongoing basis in accordance with the Articles.

2.2 Review of any conflicts reported to it in relation to the services provided by any investment manager.

3. STRATEGIC/POLICY CONSIDERATIONS

3.1 Overall leadership of the Company and setting of its values and standards.

3.2 Investment/business strategy, including the ongoing review of the Company's investment objective and investment policy and recommending to Shareholders the approval of alterations thereto.

3.3 Approval of risk management policies including, but not limited to, insurance, hedging, borrowing limits and corporate security (following recommendation from the Audit and Risk Committee).

3.4 Agreement of codes of ethics and business practices.

3.5 Receipt and review of regular reports on internal controls processes and management from the Audit and Risk Committee.

3.6 Avoidance of wrongful or fraudulent trading.

3.7 Each instance of delegation of any portfolio management function.

4. CORPORATE MATTERS

4.1 Convening general meetings of the Company.

4.2 Recommending to Shareholders the approval of alterations to the Articles.

4.3 Making any takeover offer for another company or other companies within the City Code of Takeovers and Mergers and considering a response to any such approach to the Company.

5. TRANSACTIONS

5.1 Approval of contracts of the Company, not in the ordinary course of business including entry into/variation/termination of agreements with the Company's investment manager, administrator, registrar and any other material adviser/service provider.

5.2 Approval of actions or transactions where there may be doubt over propriety.

5.3 Approval of disclosure of Directors' interests.

5.4 Approval of transactions with Directors or other related parties.

6. FINANCE

6.1 Approval of the raising of new capital and major financing facilities.

6.2 Appointment/re-appointment/proposal of auditor (following appropriate recommendation by the Audit and Risk Committee).

6.3 Approval of the Company's dividend policy, determination of interim dividends/distributions and recommendation of final dividends/distributions if any.

6.4 Approval of the operating budgets.

6.5 Approval of all guarantees given by the Company.

7. GOVERNANCE, COMPLIANCE & REGULATORY MATTERS

7.1 Approval of all Shareholder circulars, prospectuses and listing particulars.

7.2 Approval and issue of the half yearly results, half yearly report, annual results and annual report.

7.3 Ensuring the maintenance of a system of internal controls and risk management, reviewing the Company's overall internal control arrangements (following review and recommendations from the Audit and Risk Committee) including:

7.3.1 approving the Company's risk appetite and principal risk statements;

7.3.2 approving procedures for the detection of fraud, the prevention of bribery and tax evasion; and

7.3.3 approving an appropriate statement relating to risk appetite and internal controls for inclusion in the annual report.

7.4 Agreement of the procedures for the release of inside information and other Company announcements for non-routine and notifiable events and approval of any press releases concerning matters approved by the Board.

7.5 Review of the Company's corporate governance arrangements and annual review of continuing compliance with the AIC Code of Corporate Governance and the Guide to Investment Companies published by the AIC from time to time.

7.6 Approval of all resolutions and any associated documentation to be put forward to Shareholders at a general meeting or annual general meeting.

7.7 Receipt of reports on the views of Shareholders to ensure that they are communicated to the Board as a whole.

7.8 Approval of strategy for communications with Shareholders and direct liaison with Shareholders as required (including resolutions and corresponding documentation to be put forward to Shareholders at general meetings).

8. SERVICE PROVIDERS

8.1 Periodic review and continued approval of the Investment Management Agreement (following recommendations from the Management Engagement Committee).

8.2 Periodic review and continued approval of the administration agreement (which also covers custodian and company secretarial services provided to the Company) (following recommendations from the Management Engagement Committee).

8.3 Periodic review and continued approval of the registrar agreement (following recommendations from the Management Engagement Committee).

8.4 Periodic review and continued approval of other third party service provider agreements.

8.5 Appointment or removal as required of the following third party service providers; the investment manager, the company secretary, the registrar, the receiving agent, the sponsor, the placing agent, the broker, the administrator and/or the auditor.

9. GENERAL

- 9.1 Allotment and issuance, calls or forfeiture of shares.
- 9.2 Determination of policy on buy-back of shares and holding them in treasury including the criteria for sale from treasury/cancellation.
- 9.3 Repurchase of shares.
- 9.4 Changes relating to the capital structure of the Company.
- 9.5 Suspension of net asset value determination.
- 9.6 Prosecution, commencement, defence or settlement of litigation or any alternative dispute resolution mechanism.
- 9.7 Approval of the adoption of any electronic voting policy.
- 9.8 Approval of the adoption of any environmental policy.
- 9.9 Approval of this schedule of matters reserved for the Board at least on an annual basis.