

NB GLOBAL MONTHLY INCOME FUND LIMITED

MANAGEMENT ENGAGEMENT COMMITTEE

TERMS OF REFERENCE

In this document, unless the context requires otherwise:

“**Administrator**” means U.S. Bank Global Fund Services (Guernsey) Limited and U.S. Bank Global Fund Services (Ireland) Limited;

“**Board**” means the Board of Directors;

“**Code**” means the AIC Code of Corporate Governance;

“**Committee**” means the Audit Committee;

“**Company Secretary**” means Praxis Fund Services Limited; and

“**Investment Manager**” means Neuberger Berman.

1. COMPOSITION AND PROCEDURES

- 1.1 The Management Engagement Committee (the “Committee”) shall consist of a minimum of three members, comprising a Chairman and at least two other members. Members of the Committee shall be appointed by the Board, on the recommendation of the Remuneration and Nomination Committee, in consultation with the Chairman of the Committee. Membership shall be confined to independent non-executive Directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other directors and representatives of the Investment Manager and external advisers may be invited to attend for all or part of any meetings as and when appropriate and necessary.
- 1.3 Care should be taken by the Committee to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. It is recommended that, where possible, the Chairman and members of the Committee should be rotated on a regular basis.
- 1.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one other member present to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.

- 1.5 A nominee of the Company Secretary shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 1.6 The quorum for the transaction of business shall be two members, of whom at least one must be clearly independent, except that no meeting at which a majority of the Directors present are resident in the United Kingdom. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 1.7 The Committee shall meet not less than once a year and at such other times as the Committee Chairman shall require. Meetings of the Committee may be held by telephone, so long as no Director is physically present in the United Kingdom.
- 1.8 Any member of the Committee may request that a meeting be convened by the Secretary of the Committee.
- 1.9 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Committee and any other person required to attend, no fewer than five business days prior to the date of the meeting.
- 1.10 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 1.11 Minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

2. ANNUAL GENERAL MEETING

- 2.1 The Committee Chairman shall attend each annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

3. DUTIES

- 3.1 To annually review the performance of all Service Providers (including the Investment Manager).

- 3.2 To annually review the contractual terms and relationships with all Service Providers (including the Investment Manager).
- 3.3 To annually review the terms (including level of fees and length of notice period) of the Agreements with the Company's Service Providers.
- 3.4 To annually review the performance of, and contractual arrangements with the Investment Manager, including:
- Monitor and evaluate the Investment Manager's performance and, if necessary provide appropriate guidance;
 - To consider the merit of obtaining, on a regular basis, an independent appraisal of the Investment Manager's services;
 - To consider requiring the Investment Manager to provide attribution and volatility analyses and consider whether these should be published at least annually;
 - To put in place procedures by which the Committee regularly reviews the continued retention of the Investment Manager's services
 - Review the level and method of remuneration and the notice period. The Committee should give due weight to the competitive position of the Company against the peer group;
 - To ensure that the Investment Manager has a sound system of risk management and internal controls and that these are maintained to safeguard shareholder's investment and the Company's assets.
- 3.5 To consider any other topics referred to it by the Board.

4.0 REPORTING RESPONSIBILITIES

- 4.1 The Committee's Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 4.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 4.3 The Committee shall produce a report to be included in the Company's annual report about its activities.

- 4.4 The Committee shall provide, in the annual report, a description of the decisions and rationale of the annual review of its service providers and manager.

5.0 OTHER MATTERS

- 5.1 The Committee shall oversee any investigation of activities which are within its terms of reference and act as a court of the last resort.
- 5.2 The Committee shall give due consideration to laws and regulations, the provisions of the AIC Code of Corporate Governance, the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.
- 5.3 The Committee shall, on a regular basis, review its own performance, constitution and terms of reference to ensure it is operation at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

6.0 AUTHORITY

The Committee is authorised by the Board:-

- 6.1 To seek any information it requires from the Investment Manager, Administrator or any consultant and other provider of services to the Company (for example, solicitors, tax advisers, management consultants) in order to perform its duties; and
- 6.2 To obtain, at the cost of the Company, such outside legal or other independent professional advice as the Committee shall consider, in its discretion, to be appropriate to the exercise of its powers and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.