

NB GLOBAL MONTHLY INCOME FUND LIMITED

REMUNERATION & NOMINATION 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 Remuneration and Nomination 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, in consultation with the Chairman of the Committee. Membership shall be confined to independent non-executive Directors. If the entire Board fulfils the role of the Remuneration and Nomination Committee, then the rationale for such decision shall be described in the Annual Report and Accounts.
- 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.
- 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 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- 3.2 Give full consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- 3.3 Keep under review the leadership needs of the Company, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- 3.4 Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the whole market in which it operates, and consider the wider economic environment.

Remuneration

- 3.5 To act under the authority delegated by the Board to consider and determine the Company's remuneration policy, including the remuneration of the Chairman, and to make recommendations to the Board accordingly within the aggregate limit set by the Articles of Incorporation or such higher amount as may be determined from time to time by Ordinary Resolution of the Company, ensuring that the levels of remuneration reflect the time commitment and responsibilities of the role. No Director shall be involved in deciding his or her own remuneration.
- 3.6 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board.
- 3.7 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 3.8 Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 3.9 To review any increase in responsibilities or expected time commitments of the Directors.

- 3.10 To agree any additional remuneration where Directors are involved in duties beyond those normally expected as part of each Directors' appointment.
- 3.11 To agree the policy for authorising claims for expenses from the Directors.

Nomination

- 3.12 To regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the Board and make recommendations to the Board with regard to any changes.
- 3.13 To give full consideration to succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- 3.14 To keep under review the leadership needs of the Company, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- 3.15 To keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- 3.16 To be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise.
- 3.17 Before any appointment is made by the Board, to evaluate the balance of skills, knowledge, experience, independence and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall;
 - 3.17.1 use open advertising or the services of external advisers to facilitate the search.
 - 3.17.2 consider candidates from a wide range of backgrounds.
 - 3.17.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
- 3.18 For the appointment of a chairman, the committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise.

- 3.19 Prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- 3.20 To ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- 3.21 To review the results of the Board performance evaluation process that relate to the composition of the Board.
- 3.22 To review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

The Committee shall also make recommendations to the Board concerning:

- 3.23 Formulating plans for succession for non-executive directors and in particular for the key role of chairman.
- 3.24 Membership of the Audit and Risk Committee; Remuneration and Nomination Committee, and Management Engagement Committee, in consultation with the chairman of those Committees.
- 3.25 The re-appointment of any non-executive director having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required.
- 3.26 The re-election by shareholders of directors under the annual re-election provisions of the AIC Code of Corporate Governance or the retirement by rotation provisions in the Company's articles of incorporation, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years).
- 3.27 Any matters relating to the continuation in office of any director at any time.
- 3.28 To work and liaise as necessary with all other Board committees.

4 REPORTING RESPONSIBILITIES

- 4.1 The Committee 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, including a report on the Company's remuneration policy and practices and ensure each year that it is put to shareholders for approval at the AGM and the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company.
- 4.4 The report referred to in 4.3 above should include a statement of the Board's policy on diversity including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.
- 4.5 The Committee shall ensure that provisions regarding disclosure of information in the AIC Code of Corporate Governance, are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the AGM. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.
- 4.6 Through the chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

5 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 and any published guidelines or recommendations regarding the remuneration of directors of listed companies, including but not limited to the provisions of the AIC Code of Corporate Governance, the requirements of the UK Listing Authority's Listing, Prospectus 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.
- 5.4 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

6 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;
- 6.2 to obtain, at the Company's expense, 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.