

**NB DISTRESSED DEBT INVESTMENT FUND LIMITED**  
**(the "Company")**

**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 Management Engagement Committee;

**"Company Secretary"** means Suntera (Guernsey) Limited; and

**"Investment Manager"** means Neuberger Berman.

**1. COMPOSITION AND PROCEDURES**

1.1 The Committee shall consist of a minimum of two members, comprising a Chairman and at least one other member. 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.

1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chairman of the Board, other Directors and senior representatives of the Investment Manager and the Administrator may be invited to attend all or part of any meeting 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.

**2. SECRETARY**

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 issues.

### **3. QUORUM**

The quorum necessary for the transaction of business shall be two members, provided that a majority of the Directors present are neither present nor 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.

### **4. FREQUENCY OF MEETINGS**

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.

### **5. NOTICE OF MEETINGS**

- 5.1 Any member of the Committee may request that a meeting be convened by the Company Secretary.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive Directors no later than five business days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate.

### **6. MINUTES OF MEETINGS**

- 6.1 The Company Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. The Company Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.2 Minutes of Committee meetings shall be circulated promptly to the Committee Chairman. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

### **7. ANNUAL GENERAL MEETING**

The Committee Chairman, or in their absence another member of the Committee, shall attend each annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

### **8. DUTIES**

The Committee should carry out the duties below for the Company and its subsidiaries (if any).

- 8.1 To annually review the performance of all service providers (including the Investment Manager).
- 8.2 To annually review the contractual relations with all service providers (including the Investment Manager).
- 8.3 To annually review the terms (including level of fees and length of notice period) of the Agreements with the Company's service providers.
- 8.4 To annually review the performance of, and contractual arrangements with the Investment Manager including:
  - 8.4.1 Monitor and evaluate the Investment Manager's investment performance and, if necessary providing appropriate guidance;
  - 8.4.2 To consider the merit of obtaining, on a regular basis, an independent appraisal of the Investment Manager's services;
  - 8.4.3 To consider requiring the Investment Manager to provide attribution and volatility analyses and consider whether these should be published at least annually;
  - 8.4.4 To put in place procedures by which the Committee regularly reviews the continued retention of the Investment Manager's services;
  - 8.4.5 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; and
  - 8.4.6 To ensure that the Investment Manager has a sound system of risk management and internal controls are maintained to safeguard shareholder's investment and the Company's assets.
- 8.5 To consider any other topics referred to it by the Board.

## **9. REPORTING RESPONSIBILITIES**

- 9.1 After each meeting of the Committee the Committee Chairman shall report formally to the Board on its proceedings, on all matters within its duties and responsibilities and on how it has discharged its responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall compile a report on its activities to be included in the Company's annual report.
- 9.4 The Committee shall provide, in the annual report, details of the decisions and rationale of the annual review of its service providers and the Investment Manager.

## **10. OTHER MATTERS**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Administrator for assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate;
- 10.4 oversee any investigation of activities which are within its terms of reference and act as a court of the last resort;
- 10.5 work and liaise as necessary with all other Board committees; and
- 10.6 arrange periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating effectively, and shall recommend any changes it considers necessary to the Board for approval.

## **11. AUTHORITY**

The Committee is authorised by the Board to:

- 11.1 seek any information it requires from the Investment Manager, Administrator, any consultant and/or other service provider of the Company (for example, solicitors, tax advisers, management consultants) in order to perform its duties;
- 11.2 obtain, at the Company's expense, such independent legal or other professional advice as the Committee shall consider, in its discretion, to be appropriate to the exercise of its powers, such discretion at all times limited to the scope and matters contained in these terms of reference;
- 11.3 call the Investment Manager, the Administrator and/or any other service provider of the Company to be questioned and/or consulted at a meeting of the Committee as and when required; and
- 11.4 have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

*To be adopted by the Board on 12 November 2024*