

Statement from the Board of NBPE regarding Corporate Governance and Strategic Initiatives

3 September 2018

Corporate Governance and Strategic Initiatives Update

NB Private Equity Partners Limited (“NBPE” or the “Company”), a closed-end private equity investment company, today announces an update on corporate governance and a number of strategic initiatives.

Talmi Morgan, NBPE Chairman, said: “We have continued our ongoing review of corporate governance, including consultations with shareholders on several matters. Today I am pleased to announce further changes including refreshing the Board, further reducing NBPE’s remaining legacy funds portfolio, as well as other initiatives designed to deliver value for our longstanding shareholders.”

Board Composition

As part of the continuing process of refreshing the Board (John Falla was appointed in December 2015 and Trudi Clark was appointed in April 2017), the Company announces the following:

- Neuberger Berman has agreed to reduce its representation on the Board from two directors to one director.
- John Buser, Executive Vice Chairman of Neuberger Berman Private Equity, will not seek re-election to the Board at NBPE’s 2018 Annual General Meeting. As Mr Buser however is an important member of the Private Equity investment team and Investment Committee at Neuberger Berman, he will remain closely involved in the portfolio management of NBPE.
- On July 18th, NBPE formed a Nominations & Remuneration Committee and is looking to appoint two new independent directors. It has appointed Cornforth Consulting in London to assist in this exercise and to increase objectivity and transparency in the process. It is expected that the two new independent directors will join the Board before the end of this year.
- Talmi Morgan has been the Chairman of the Board since NBPE’s initial public offering in July 2007. Given this tenure, and in line with the UK Code of Corporate Governance, the Board has considered what would be the most appropriate succession plan. The Board believes that it is in the best interests of the Company and its shareholders that Mr Morgan should continue as Chairman for the coming year to provide continuity during this period of the Board’s evolution. A new Chairperson however will be appointed before the 2019 Annual General Meeting and it is expected that one of the two new independent directors will assume these duties.

The Board believes that the above steps will deliver new insight and perspectives to the Board whilst ensuring that the knowledge and experience of the present incumbents can be properly passed on over a reasonable timeframe. The changes will also help ensure that the Company is well-placed for the changes in the UK Corporate Governance code which are effective in 2019 as well as continuing to demonstrate best practice in this area. The Board notes that the proposed changes to the Board composition are conditional on shareholder approval, which is intended to be sought at the upcoming AGM.

Secondary Sales Process

As part of NBPE’s strategy of focusing on direct investments, the Manager regularly reviews potential sales of NBPE’s legacy fund portfolio, always with the aim of maximizing shareholder value. As the fund portfolio reaches an advanced level of maturity, the Manager expects certain funds to naturally roll off through realisations, and through secondary sales where reasonable prices can be attained, with the goal of reducing the fund portfolio value over time. Since inception, NBPE has completed \$113 million of such secondary fund sales. To this end, in August 2018, NBPE formally engaged a secondary private equity broker to explore the sale of a large portion of its third party legacy fund positions, which amount to approximately \$43 million (or 5% of Net Asset Value) based on the monthly 30 June 2018 NAV estimate. Over the coming weeks we expect to receive formal bids on these funds and a decision will be made as to whether to execute a sale (or sales) or to continue to hold these funds, depending on the level of these bids.

Buyback Engagement Agreement

NBPE expects to enter into a new buyback engagement agreement with Jefferies International Limited. Should the directors elect to pursue share buybacks, this agreement will give NBPE the option to make share buybacks in certain circumstances, but this announcement is not intended to be a signal of a forthcoming systematic buyback programme.

Dividend Policy

On 19 July 2018, NBPE announced its intention to target an annualised dividend yield of 3% or greater of NAV. This new dividend policy is intended to provide transparent guidance as to how the dividend level will be set noting that the asset mix in the portfolio has changed since the dividend was introduced in 2013. The Company recognises the importance of providing a regular and sustainable income to shareholders, in addition to ongoing capital growth, and importantly, our goal remains to maintain or progressively increase the level of dividends over time. Whilst there cannot be any certainty over future payout levels, it is not our intention to reduce dividends, should a short-term decline in NAV occur. This dividend yield is a target only, is conditional on the passing of the solvency test under Guernsey law and is not guaranteed.

Euronext Delisting

Having successfully migrated from the Specialist Fund Segment to a Premium Listing on the London Stock Exchange in 2017, the Board has decided to continue this optimisation of listing location process by consolidating NBPE's listing on the Main Market of the London Stock Exchange and has therefore applied to delist the Class A Shares from Euronext Amsterdam. Following approval to delist from Euronext Amsterdam, NBPE will make a subsequent announcement informing investors of the effective date of the delisting and the last trading date of the Class A Shares on Euronext Amsterdam. It is intended that subsequent to this, the Company will apply to the Financial Conduct Authority to change home member state to the United Kingdom.

The Board is confident that this consolidation will result in reduced administrative and legal costs, maximise trading liquidity on one exchange and simplify the continuing operation of the Company.

In addition, NBPE plans to add a US Dollar denominated quote on the London Stock Exchange to accommodate shareholders who wish to continue to trade in US Dollars. Therefore, subsequent to the delisting from Euronext, shareholders who obtained their shares through Euronext Amsterdam will continue to be able to trade these shares in US Dollars on the London Stock Exchange.

The Company is pleased to outline these initiatives as additional steps to enhance shareholder value over time. The Company believes these ongoing initiatives are in the best interest of shareholders over the long term. The directors believe the above initiatives are a continuation of prior actions to enhance corporate governance and shareholder value and look forward to providing investors with further updates in the coming weeks.

Capital Markets Day

NBPE will hold an inaugural Capital Markets Day in London for investors and analysts on the afternoon of Tuesday, 11 September 2018, at the offices of Stifel Nicolaus Europe.

NBPE's Chairman, Board directors and portfolio management team will present updates on the Company's strategy, the private equity and private debt environment as well as the broader Neuberger Berman private equity platform.

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ABOUT NB PRIVATE EQUITY PARTNERS LIMITED

NBPE is a closed-end private equity investment company with class A ordinary shares admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange and Euronext Amsterdam. NBPE has 2022 and 2024 ZDP Shares admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange. NBPE holds a diversified portfolio of direct equity investments, direct income investments and fund investments selected by the NB Alternatives group of Neuberger Berman, diversified across private equity asset class, geography, industry, vintage year, and sponsor.

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ABOUT NEUBERGER BERMAN

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 20 countries, Neuberger Berman's team is more than 2,000 professionals. For four consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). Tenured, stable and long-term in focus, the firm fosters an investment culture of fundamental research and independent thinking. It manages \$304 billion in client assets as of June 30, 2018. For more information, please visit our website at www.nb.com.

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NBPE is established as a closed-end investment company domiciled in Guernsey. NBPE has received the necessary consent of the Guernsey Financial Services Commission and the States of Guernsey Policy Council. NBPE is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Markets Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results. This document is not intended to constitute legal, tax or accounting advice or investment recommendations. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of NBPE's investment manager. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Additionally, this document contains "forward-looking statements." Actual events or results or the actual performance of NBPE may differ materially from those reflected or contemplated in such targets or forward-looking statements.