

ABERDEEN LATIN AMERICAN INCOME FUND LIMITED (THE “COMPANY”)

MANAGEMENT ENGAGEMENT COMMITTEE

TERMS OF REFERENCE

(Last Reviewed and Approved on: 6 November 2019)

Constitution The Board has established a committee of the Board to be known as the Management Engagement Committee (“the Committee”).

Membership Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee. All members of the Committee shall be independent non-executive Directors of the Company.

The Committee shall be made up of at least 2 members. The quorum necessary for the transaction of business shall be 2 members.

The Board shall appoint the Chair of the Committee who shall be an independent non-executive Director, and have relevant experience and understanding of the Company.

Secretary The Company Secretary or their nominee shall act as the Secretary of the Committee. The Secretary shall minute the proceedings and decisions of all meetings of the Committee.

Attendance at Meetings Only members of the Committee have the right to attend Committee meetings. Other non-executive Directors, representatives of the external auditor and the Manager or other persons shall attend at the invitation of the Committee.

The Chair of the Committee shall attend the Annual General Meeting to answer shareholder questions on the Committee’s activities.

Frequency of Meetings The Committee shall meet at least once each year.

Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members or at the request of the auditor.

Duties The Committee shall carry out the duties below for the Company:

- Monitoring and evaluating the manager’s investment performance;
- Considering the merit of obtaining, on a regular basis, an independent appraisal of the manager’s services;
- Putting in place procedures by which the Board regularly reviews the continued retention of the manager’s services;
- Reviewing the level and method of remuneration and notice period. The Board should give due weight to the competitive position of the Company against its peer group;
- Ensuring that any performance related arrangement with the manager does not encourage excessive risk and that it rewards demonstrably superior performance by the manager in managing the portfolio against the Company’s stated objectives when compared to a suitable benchmark or peer group;
- Ensuring that a sound system of internal control is maintained to safeguard shareholders’ investment and the company’s assets; and
- Monitoring and evaluating the performance of the Company’s other service providers.

Other Matters The Committee shall:

- report formally to the Board on its proceedings after each meeting on all matters

- within its duties and responsibilities;
- have the right to request resources to enable it to carry out its duties, including access to the Company Secretary for assistance;
- 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;
- give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the AIC Code on Corporate Governance, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate;
- oversee any investigation of activities which are within its terms of reference; and
- arrange for periodic reviews of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Authority

The Committee is authorised to:

- seek any information it requires from any employee of the Manager and Company Secretary in order to perform its duties;
- obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- to call any representative of the Manager to be questioned at a meeting of the Committee as and when required.