

# **ABERDEEN EMERGING MARKETS INVESTMENT COMPANY LIMITED**

## **REMUNERATION COMMITTEE**

### **Terms of Reference**

(adopted 3 October 2019)

The Remuneration Committee (the “Committee”) has been established by the Board, under Article 35.7 of the Company’s Articles of Association and in accordance with the AIC Code of Corporate Governance (“AIC Code”) and the AIC’s Corporate Governance Guide endorsed by the Financial Reporting Council.

### **Membership**

The Remuneration Committee shall consist of at least two members. All members of the Committee shall be independent non-executive Directors of the Company. The Chairman of the Board can be a member of, but not chair, the Committee. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Investment Manager and other external advisers may be invited to attend for all or part of any meeting as and when appropriate.

The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

The Company Secretary shall act as the Secretary of the Committee.

The quorum necessary for the transaction of business shall be two members. 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.

### **Authority**

The Committee is authorised to seek any information it requires from any Director or employee of the Investment Manager, Secretary and UK Administration Agent and all such Directors and employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

### **Frequency of Meetings**

The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.

The Secretary shall ensure that adequate notice of meetings together with an agenda of items to be discussed is given to each member of the Committee. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.

### **Minutes of Meetings**

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute them accordingly.

Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

### **Terms of Reference**

The Committee shall:

- (i) determine and agree with the Board the framework or broad policy for the remuneration of the company's non-executive directors and such other members of the Board as it is designed to consider from time to time;
- (ii) review the ongoing appropriateness and relevance of the remuneration policy against the fees paid to directors of other companies of a similar nature and size to the Company as well as taking account of any data published by the AIC;
- (iii) 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;
- (iv) give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and associated guidance;
- (v) review and note annually the remuneration trends across the company or group;
- (vi) agree the policy for authorising claims for expenses; and
- (vii) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

### **Reporting Responsibilities**

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and take into account any matters within its terms of reference that may be brought to its attention by the Board.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Report.

### **Other Matters**

The Committee shall:

- (i) have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- (ii) 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;
- (iii) give due consideration to laws and regulations, the provisions of the AIC Code of Corporate Governance and the AIC's Corporate Governance Guide endorsed by the Financial Reporting Council and the requirements of the UK Listing Authority's Listing Rules as appropriate;

- (iv) oversee any investigation of activities which are within its terms of reference; and
- (vi) at least once a year, review 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.