

**abrdn CHINA INVESTMENT COMPANY LIMITED**  
**(the “Company”)**

**MANAGEMENT ENGAGEMENT COMMITTEE**

**Terms of Reference**

(adopted 11 October 2023)

There shall be established a Committee of the Board, duly constituted in accordance with Article 35.7 of the Company’s Articles of Incorporation, to be known as the Management Engagement Committee.

**Membership**

The Committee shall be appointed by the Board from among the non-executive Directors of the Company. A quorum shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all of any of the authorities, powers and discretions vested in or exercisable by the Committee.

The Chairman of the Committee shall be appointed by the Board. 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 Secretary to the Committee.

A representative of the external auditors and representatives of the Investment Manager, the Secretary, the UK Administration Agent and any Director who is not a member of the Committee shall be invited to attend meetings as appropriate.

**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 at appropriate times in the Company’s reporting and auditing cycle and otherwise as requested. The external auditors or the Investment Manager may request a meeting if they consider it necessary.

The Chairman of the Committee may, and the Secretary on the requisition of any member of the Committee shall, convene a meeting of the Committee at any time.

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**

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

The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts 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 terms of reference of the abrdn China Investment Company Limited Management Engagement Committee shall be as follows:

#### **A. Management Engagement**

The Management Engagement terms shall be discussed by the Committee annually, prior to the annual results announcement being released.

The Committee shall:

- i. (a) reasonably satisfy itself that the management contract is fair and that the terms remain competitive and sensible for shareholders;  
  
(b) reasonably satisfy itself that systems put in place by the Investment Manager in respect of the Company are adequate to meet relevant legal and regulatory requirements;
- ii. reasonably satisfy itself that matters of compliance are under proper review. The Committee shall have direct access to the Investment Manager's Compliance Officer, and shall receive a report for the Investment Manager half-yearly confirming that the management company has conducted the Company's affairs in compliance with the regulations applying to it;
- iii. consider whether the continuing appointment of the Investment Manager on the terms of the management contract is in the interests of shareholders as a whole, and make recommendations to the Board thereon together with a statement of the reasons for their view;
- iv. consider the appointment or re-appointment of investment managers and the level of management fees and make recommendations to the Board thereon;
- v. review with the Investment Manager any material issues arising from their work that the Investment Manager wishes to bring to the attention of the Committee, whether privately or otherwise; and

- vi. review the performance of and fees paid to the Administrator and the UK Administration Agent.

**B. 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.

**C. 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;
- v. 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; and
- vi. review with representatives of the Investment Manager, the Secretary, and the UK Administration Agent and such other persons as it sees fit any matter within its terms of reference including matters of concern to the Investment Manager's internal audit or compliance departments.