

ABERDEEN JAPAN INVESTMENT TRUST PLC

Duties and Responsibilities of the Board **in respect of the Management Engagement Committee Function**

1. Duties

- 1.1 The Board shall constitute itself as a Management Engagement Committee once a year (see 3 hereunder) and shall:
- 1.1.1 review both the performance of, and contractual arrangements with, the Manager;
 - 1.1.2 review and note management fee trends in the industry;
 - 1.1.3 review, if applicable, any performance-related management fee payable to the Manager;
 - 1.1.4 be responsible for establishing the selection criteria and setting the terms and conditions of the Management Contract;
 - 1.1.5 commission any reports, surveys, legal or other professional advice which it deems necessary to help it to fulfil its obligations.
 - 1.1.6 review arrangements with the Custodian, the Registrar, the bank (loan facility) and any other major service providers.

2. Responsibilities

- 2.1 The Committee shall produce a statement for inclusion in the Company's Annual Report on the performance of the Manager. This statement should explain why the Committee considers that the appointment of the Manager should continue and the reasons for this decision.

3. Frequency of Meetings

- 3.1 The Committee will meet once a year in February/March.

4. Other

- 4.1 At least once a year the Committee shall review its performance, duties and responsibilities to ensure that it is operating at maximum effectiveness in respect of its function as the Management Engagement Committee and make any changes it considers necessary.