

**DRAFT**  
**SUBJECT TO REGULATORY APPROVAL**

**[ABERDEEN ASIA-PACIFIC INCOME FUND VCC]<sup>1</sup>**  
**(the “Company”)**

**PRIMARY AND SECONDARY BY-LAWS**

Primary By-laws as approved by the shareholders of the Company at the annual general meeting of shareholders held in Cook Islands on April 27, 2001, and adopted upon the registration of the Company as a variable capital company in Singapore on [●], 2021.

**PRIMARY BY-LAWS**

1. The Company’s investment objective is to obtain current income. The Company may also achieve incidental capital appreciation.
2. The Company will not:
  - (a) Issue senior securities, borrow money or pledge its assets, except that (a) the Company may issue one or more Series of a Class of Preferred Shares pursuant to its Constitution, (b) the Company may borrow money and pledge assets to the extent of 300% asset coverage and (c) the Company may pledge its assets as may be required for posting margin to effect the Company’s investments in derivatives;
  - (b) Buy or sell commodities, commodity contracts (except to the extent that the Company may invest in currency derivatives), real estate (which term does not include securities of companies that deal in real estate and mortgages or investments secured by real estate or interests therein, except that the Company reserves freedom of action to hold and to sell real estate acquired as a result of the Company’s ownership of securities), or interests in real estate except that the Company may invest in mortgage-backed securities;
  - (c) Make loans (except for purchases of debt securities consistent with Company’s by-laws);
  - (d) Act as an underwriter (except to the extent the Company may be deemed to be an underwriter in connection with the purchase,

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<sup>1</sup> Name approval by the Singapore Accounting and Corporate Regulatory Authority (ACRA) is pending.

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acquisition or sale of securities in the Company's investment portfolio); and

- (e) Make use of derivatives for purposes of leverage.

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Secondary By-laws as approved by the shareholders of the Company at the annual general meeting of shareholders held in Cook Islands on April 27, 2001, and adopted upon the registration of the Company as a variable capital company in Singapore on [•], 2021, as amended by the Board of Directors, from time to time, in accordance with Article 172(D) of the Constitution of the Company.

**SECONDARY BY-LAWS**

For the purposes of these Secondary By-laws:

“Asia Pacific Countries” (each, an “Asia Pacific Country”) means countries included in “Asia” and “Oceania” in the United Nations geographic regions used by the United Nations Statistics Division.

For the purposes of the investment restrictions as set forth herein, holdings in cash or cash equivalents, including money market securities, are deemed to be “debt securities”. However, for the purposes of calculating the percentages of investment or exposure in the investment restrictions as set forth below in section 2 (including its sub-sections), U.S. and Canadian dollar cash, cash equivalents and currency exposure shall be excluded.

1. To achieve its investment objective stated in Primary By-law No. 1, the Company may invest up to 100% of its total assets in “Asia Pacific debt securities,” which include: (1) debt securities of Asia Pacific Country issuers, including securities issued by Asia Pacific Country governmental entities, as well as by banks, companies and other entities which are located in Asia Pacific Countries, whether or not denominated in an Asia Pacific Country currency; (2) debt securities of other issuers, denominated in, or linked to, the currency of an Asia Pacific Country, including securities issued by supranational issuers, such as The World Bank and derivative debt securities that replicate, or substitute for, the currency of an Asia Pacific Country; (3) debt securities issued by entities which, although not located in an Asia Pacific Country, derive at least 50% of their revenues from Asia Pacific Countries or have at least 50% of their assets located in Asia Pacific Countries; and (4) debt securities issued by a wholly-owned subsidiary of an entity located in an Asia Pacific Country. With reference to items (3) and (4) above, Asia Pacific debt securities may be denominated in an Asia Pacific Country currency or U.S. dollars.
2. The Company may invest up to 20% of its total assets in debt securities other than “Asia Pacific debt securities” (“Other Country debt securities”).
  - (a) The maximum country exposure to Other Country debt securities from any one non-Asia Pacific Country is limited to 10% of the Company’s total assets.

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- (b) The maximum currency exposure to any one currency other than the currency of an Asia Pacific Country is limited to 10% of the Company's total assets.
  - (c) The maximum total currency exposure to all currencies other than the currencies of Asia Pacific Countries is limited to 20% of the Company's total assets.
  - (d) The maximum issuer exposure to any issuer of Other Country debt securities, other than governmental entities, is limited to 3% of the Company's total assets.
3. The maximum country exposure to any one Asia Pacific Country (other than South Korea) is limited to 20% of the Company's total assets and the maximum currency exposure to any one Asia Pacific Country currency (other than the South Korean Won) is limited to 20% of the Company's total assets. The maximum country exposure for South Korea is limited to 40% of the Company's total assets, and the maximum currency exposure for the South Korean Won is limited to 25% of the Company's total assets.
  4. The Company may invest in Canadian Treasury securities for the purposes of paying dividends.
  5. During periods when, in the Manager's judgment, economic conditions warrant a temporary defensive investment policy, the Company may temporarily invest up to 100% of its assets in U.S. debt securities.
  6. The Company will invest only in debt securities for which there is an active secondary market except that the Company may invest up to 80% of its assets in Asia Pacific debt securities for which there is no established relevant market.
  7. The Company may invest up to 10% of the Company's total assets in secondary market bank loans, and up to an additional 10% of the Company's total assets in convertible securities and other hybrid securities, and up to an additional 10% of the Company's total assets in asset-backed securities.
  8. The Company may invest up to 50% of its total assets in Asia Pacific debt securities rated by Standard & Poor's Rating Group, Moody's Investors Service, Inc. or another nationally recognized statistical rating organization, or judged by the Manager to be, below investment grade at the time of investment, and the Company may invest up to 10% of its total assets in Asia Pacific debt securities rated by Standard & Poor's Rating Group, Moody's Investors Service, Inc. or another nationally recognized

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- statistical rating organization, or judged by the Manager to be, below B- at the time of investment.
9. The Company may enter into repurchase agreements with banks, broker-dealers and other parties with the prior approval of the Board of Directors pursuant to which the Company may acquire a security subject to the obligations of the seller to repurchase and the Company to resell such security at a fixed time and price. The Company may enter into repurchase agreements with banks, broker dealers and other parties with the prior approval of the Board of Directors pursuant to which the Company may sell a security subject to the obligation of the Company to repurchase and the purchaser to resell such security at a fixed time and price. The Company will enter into repurchase agreements only with parties who meet any creditworthiness standards approved by the Company's Board of Directors and have been determined by the Manager to present no serious risk of becoming involved in bankruptcy proceedings within the period contemplated by the repurchase transaction.
  10. Subject to Secondary By-law No. 13, the Company may use derivatives to manage currency, interest rate and credit risk and as a substitute for physical securities.
  11. The Company may invest up to 20% of the Company's total assets in Asia Pacific debt securities denominated in any combination of Japanese Yen, Euro or British pound.
  12. The Company shall limit its investment in any one issue of securities (including that of any commercial bank or governmental entity) to 20% of the Company's assets at the time of purchase.
  13. The Company shall only invest in derivatives in accordance with the following terms:
    - (a) With respect to the Australian dollar-denominated component of the Company's portfolio, the Company may engage in interest-rate hedging strategies by purchasing exchange-traded interest rate derivatives listed on the Sydney Futures Exchange ("SFE"), and may also use currency derivatives to increase Australian dollar exposure, but shall not use currency derivatives to hedge Australian dollar currency risk associated with investments by the Company in Australia, and shall not invest in any other derivatives.

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- (b) The following restrictions will apply to over-the-counter derivatives:
    - (i) All bank counterparties must have a credit rating of at least A- by Moody's Investors Service, Inc. or Standard and Poor's Ratings Group or the equivalent rating of other rating organizations. If a bank counterparty is downgraded below A- following investment, the Company may continue to hold the over-the-counter derivative with that bank counterparty as long as the bank counterparty continues to meet the creditworthiness standards of the Manager. The exception will be South Korean futures. In South Korea, brokerage houses with South Korean futures exchanges require deposits into margin accounts, and in many cases, these accounts are unrated entities. A limit of 2% of total assets can be applied in this way;
    - (ii) A maximum of 20% of the Company's total assets can be exposed to any single counterparty (aggregate interest rate and currency derivatives exposure); and
    - (iii) A maximum of 20% of the Company's total assets can be invested in currency-linked notes.
  - (c) The following restrictions will apply to exchange-traded derivatives:
    - (i) A maximum of 35% of the Company's total assets can be invested in exchange-traded derivatives;
    - (ii) A maximum of 20% of the Company's total assets can be exposed to the SFE; a maximum exposure of 15% of the Company's total net asset value can be exposed to the SFE;
    - (iii) A maximum of 20% of the Company's total assets can be exposed to the Chicago Board of Trade; and
    - (iv) A maximum of 7% of the Company's total assets can be exposed to any one Asian futures exchange.
14. The following contracts referred to in the prospectus, annual information form or other prescribed disclosure document issued by the Company, namely:
- (a) Custodian Agreement;

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- (b) Warrant Agent Agreement;
- (c) Warrant Trust Deed; and
- (d) Deposit Agreement

shall not be amended, modified or cancelled by the Company unless such amendment, modification or cancellation is approved in the manner contemplated in Article 172(D) of the Constitution of the Company.

15. All contracts entered into by the Company other than these referred to in Secondary By-law No. 16 may be amended, modified or cancelled by the Company with the approval of a simple majority of the Company's directors, subject however to the provisions of Article 119 of the Constitution of the Company.
16. The Board of Directors shall be comprised of that number of directors as shall be determined from time to time by the Board of Directors, in accordance with the Company's Constitution, powers and by-laws. The Board of Directors shall be constituted at all times of a majority of individuals who are independent directors. An "independent director" means a director who is independent pursuant to National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators.
17. The Board of Directors shall designate an independent Chairman of the Board of Directors who shall preside at all Board of Directors' meetings, and who shall exercise such powers and perform such other duties as from time to time may be assigned to him by the Board of Directors. An "independent Chairman" shall be a director that is an "independent director".