



**ABERDEEN INTERNATIONAL INC.  
NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS**

You are invited to our 2019 annual and general meeting of shareholders (the “**Meeting**”) of Aberdeen International Inc. (the “**Corporation**”):

**When:** Wednesday, July 31, 2019 at 10:00 a.m. (Toronto time)

**Where:** 65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5

The purpose of the Meeting is as follows:

1. **Financial Statements.** Receive and consider the audited financial statements as at and for the fiscal year ended January 31, 2019, together with the report of the auditors thereon;
2. **Auditor Appointment.** Consider and appoint UHY McGovern Hurley LLP as auditor of the Corporation for the ensuing year;
3. **Elect Directors.** Consider and elect the directors for the ensuing year; and
4. **Other Business.** Consider other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

This notice is accompanied by a form of proxy, a management information circular (the “**Circular**”), and the audited consolidated financial statements of the Corporation as at and for the fiscal years ended January 31, 2019 and 2018 and the related management’s discussion and analysis of financial condition.

The directors of the Corporation have fixed the close of business on June 24, 2019 as the record date, being the date for the determination of the registered holders entitled to notice and to vote at the Meeting and any postponement(s) or adjournment(s) thereof.

You may vote your shares by proxy if you are unable to attend the meeting. Please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation’s transfer agent by Monday, July 29, 2019 at 10:00 a.m. (Toronto time).

DATED at Toronto, Ontario as of the 2<sup>nd</sup> day of July, 2019

BY ORDER OF THE BOARD OF DIRECTORS

*(Signed) “Stan Bharti”*

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Interim President & Chief Executive Officer

# MANAGEMENT INFORMATION CIRCULAR

## ABOUT THE SHAREHOLDER MEETING

July 2, 2019

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### Solicitation of Proxies

You have received this management information circular (the “**Circular**”) because you owned common shares (“**Common Shares**”) of Aberdeen International Inc. (“**Aberdeen**” or the “**Corporation**”) as of June 24, 2019. You are therefore entitled to vote at the 2019 annual and general meeting of shareholders (the “**Meeting**”) to be held on July 31, 2019, and any postponement(s) or adjournment(s) thereof.

The board of directors of the Corporation has set the record date for the Meeting as June 24, 2019 (the “**Record Date**”). The Corporation shall make a list of all persons who are registered shareholders of the Corporation on the Record Date and the number of Common Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his or her name as it appears on the list.

**Management is soliciting your proxy for the Meeting.** The board of directors of Aberdeen (the “**Board**”) has fixed 10:00 a.m. (Toronto time) on July 29, 2019, or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation’s transfer agent. Costs associated with the solicitation by management will be borne by Aberdeen.

These materials are being sent to both registered owners (“**Shareholders**”) and non-registered owners (“**Non-Registered Shareholders**”) of Common Shares. The Corporation or its agent has obtained information regarding non-registered owners in accordance with the applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Unless otherwise stated, the information contained in this Circular is as of the Record Date. All dollar amounts referenced in this Circular, unless otherwise indicated, are expressed in Canadian dollars. United States dollars are referred to as “United States dollars” or “US\$”.

### Voting

#### *Appointment and Revocation of Proxies*

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **You may appoint some other person or entity (who need not be a Shareholder) to represent you at the Meeting by inserting such person’s name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above.**

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5 at any time up to and including the last business day preceding the day of the Meeting.

## ***Voting of Proxies***

### *Registered Shareholders*

You can vote in person or vote by proxy. Voting by proxy is the easiest way to vote because you can appoint anyone to be your proxyholder to attend the Meeting and vote your Common Shares according to your instructions. This person does not need to be a shareholder. The executive officers named in the proxy form can act as your proxyholder and vote your Common Shares according to your instructions.

**If you appoint the Aberdeen proxyholders and do not indicate your voting instructions, they will vote your Common Shares:**

- **FOR the appointment of the auditors**
- **FOR the election of the nominated directors**

If you want to appoint someone else as your proxyholder, print that person's name in the blank space provided in the proxy form (or complete another proxy form) and send the form to the Corporation's transfer agent in accordance with the instructions on the proxy form. Make sure this person is aware that you appointed them as your proxyholder and that they must attend the Meeting to vote on your behalf and according to your instructions. If you do not indicate your voting instructions, your proxyholder can vote as he or she sees fit.

At the time of printing this Circular, management is not aware of any amendments, variations or other matters to come before the Meeting. If other matters are properly brought before the Meeting, your proxyholder can vote as he or she sees fit.

The transfer agent must receive the completed proxy form by 10:00 a.m. (Toronto time) on July 29, 2019, or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting.

### *Non-Registered Shareholders*

Non-Registered Shareholders are those holders who beneficially own Common Shares in the name of an intermediary such as a bank, trust company, securities dealer (all, an "**Intermediary**") or in the name of a clearing agency such as CDS & Co. Securities laws require the Corporation to send the Meeting materials to the Intermediaries and clearing agencies so they can distribute them to Non-Registered Shareholders. These materials include the notice of the meeting, this Circular, a proxy or voting instruction form, a consent form to receive supplemental mailings, a copy of the Corporation's 2018 annual report if the Non-Registered Shareholder requested a copy and documents by electronic delivery.

Intermediaries and clearing agencies must forward the meeting materials to Non-Registered Shareholders unless the shareholder has waived the right to receive them. If you are a Non-Registered Shareholder and have not waived the right to receive the materials, your package includes either a voting instruction form (not signed by your Intermediary) or a proxy form (signed by your Intermediary).

Either form instructs your Intermediary (the respective registered Shareholder) to vote your Common Shares according to your instructions. Be sure to send back your completed form as soon as possible to ensure your Intermediary carries out your voting instructions.

## ***Voting Securities and Principal Holders***

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the Record Date, the Corporation had 96,052,282 Common Shares issued and outstanding and no preferred shares issued and outstanding. To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights

attached to the Common Shares, other than Mr. Lloyd I. Miller III, who has disclosed publicly that he holds or controls 12,607,000 Common Shares, which represents approximately 13.13% of the outstanding Common Shares as of the date hereof. Mr. Lloyd Miller III passed away on January 12, 2018. Mr. Neil S. Subin has succeeded to the position of President and Manager of MILFAM LLC, which serves as manager, general partner or investment advisor of a number of entities formerly managed or advised by the late Lloyd I. Miller, III. Mr. Subin also serves as trustee of certain Miller family trusts. Upon the death of Mr. Miller, Mr. Subin assumed control or direction the 12,607,000 Common Shares.

## **BUSINESS OF THE MEETING**

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Other than in respect of the election of directors (as defined herein), no informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (as defined herein) (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since February 1, 2018 or in any proposed transaction that has materially affected or would materially affect the Corporation or its subsidiaries.

### **Financial Statements**

The financial statements of the Corporation as at and for the financial year ended January 31, 2019, together with the auditor's report thereon, have been approved by the Board, will be presented to Shareholders for review at the Meeting and were mailed to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

### **Appointment of Auditors**

UHY McGovern Hurley LLP, Chartered Accountants, have been the auditors of the Corporation since March 7, 2006.

**Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR the appointment of UHY McGovern Hurley LLP, Chartered Accountants, as auditors of the Corporation until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.**

The following table sets out the fees billed by the Corporation's auditors for the years ended January 31, 2019 and 2018.

<b>Service</b>	<b>2019</b>	<b>2018</b>
Audit Fees <sup>(1)</sup>	\$76,000	\$90,000
Audit-Related Fees <sup>(2)</sup>	NIL	NIL
Tax Fees <sup>(3)</sup>	NIL	NIL
Other Fees <sup>(4)</sup>	NIL	NIL
<b>Total:</b>	<b>\$76,000</b>	<b>\$90,000</b>

**Notes:**

- <sup>(1)</sup> "Audit Fees" refers to the aggregate fees billed by the Corporation's external auditor for audit fees.
- <sup>(2)</sup> "Audit-Related Fees" refers to the aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under the category Audit Fees.
- <sup>(3)</sup> "Tax Fees" refers to the aggregate fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning and assistance with tax matters or specific transactions.
- <sup>(4)</sup> "Other Fees" refers to the aggregate fees billed by the Corporation's external auditor for products and services provided, other than the services reported under the other three items.

For additional information about the Corporation's auditors and the Audit Committee, please refer to the section "Committees of the Board – Audit Committee".

## Election of Directors

The Board is currently comprised of six members and the Corporation has nominated five persons (the “**Nominees**”) for election as directors of the Corporation, who will hold office until the Corporation’s next annual meeting of Shareholders or until his or her successor is elected or appointed. George Faught will not stand for re-election at the Meeting. At the Meeting, Shareholders will be asked to elect these Nominees as directors of the Corporation for the ensuing year. Management does not contemplate that any of the Nominees will be unable to serve as a director. **Unless authority to do so is withheld, the persons in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

As the Corporation has adopted a Majority Voting Policy, the process for voting for election of each director will be by individual voting and not by slate. The Shareholders can vote for or withhold from voting on the election of each Nominee on an individual basis. See “Corporate Governance Practices” for more information on the Corporation’s Majority Voting Policy.

### *Director Profiles*

Each of the five nominated directors is profiled below, including his or her background and experience, committee memberships, meeting attendance for the year ended January 31, 2019 (as applicable), share ownership and other public company directorships.

#### STAN BHARTI, EXECUTIVE CHAIRMAN

AGE: 66

ONTARIO, CANADA

DIRECTOR SINCE AUGUST 2005

Mr. Bharti has over 30 years of experience in operations, public markets and finance. Over the past 15 years, Mr. Bharti has been involved in acquiring, restructuring and financing resource companies. He is a Professional Mining Engineer and holds a Masters Degree in Engineering from Moscow, Russia and the University of London, England. During the past five years, Mr. Bharti’s principal occupation has been as the Executive Chairman of Forbes & Manhattan, Inc. (“**F&M**”). In addition, Mr. Bharti is a director of several public and private companies.

<b>Shareholdings:</b>	19,185,000 Common Shares (19.97%)
<b>2018 Board Attendance:</b>	3 of 3 (100%)
<b>Board Committees:</b>	None
<b>Other Reporting Issuer Boards:</b>	African Gold Group Inc. Copper One Inc. Euro Sun Mining Inc. Sulliden Mining Capital Inc.

MAURICE COLSON, DIRECTOR

AGE: 76

ONTARIO, CANADA

DIRECTOR SINCE JANUARY 2015

Mr. Colson has worked in the investment industry for more than 35 years and was for many years managing director for a major Canadian investment dealer in the United Kingdom. He is actively involved in providing strategic counsel and assistance with financing to emerging private and public companies in Canada and to Canadian companies operating internationally. He sits on the board of directors of several Toronto Stock Exchange and TSX Venture Exchange listed companies and is the former President and Chief Executive Officer of Lithium One Inc. Mr. Colson holds a Masters of Business Administration degree from McGill University and a degree in economics from Oxford University.

<b>Shareholdings:</b>	Nil
<b>2018 Board Attendance:</b>	3 of 3 (100%)
<b>Board Committees:</b>	Audit Committee, Corporate Governance Committee and Compensation Committee
<b>Other Public Company Boards:</b>	China Goldcorp Ltd. Loncor Resources Inc. Magnolia Colombia Ltd.

BERNIE WILSON

AGE:76

ONTARIO, CANADA

DIRECTOR SINCE MARCH 2007

Mr. Wilson is a senior financial professional. He is the former Vice-Chairman of PriceWaterhouseCoopers LLP. Further, Mr. Wilson is the Chairman of the Founders Board of the Institute of Corporate Directors. Mr. Wilson has served as Chairman of the Canadian Chamber of Commerce; Chairman of the International Chamber of Commerce – Canada; and Member of the Canada/US Trade Committee. Mr. Wilson is currently a director of a number of other public Canadian companies.

<b>Shareholdings:</b>	10,000 (0.01%)
<b>2018 Board Attendance:</b>	3 of 3 (100%)
<b>Board Committees:</b>	Audit Committee, Corporate Governance Committee and Compensation Committee
<b>Other Reporting Issuer Boards:</b>	None

GENERAL (RETIRED) LEWIS MACKENZIE

AGE: 79

ONTARIO, CANADA

DIRECTOR SINCE MARCH 2017

General MacKenzie retired from the Canadian Forces after 36 years of service. Since retiring he has authored two bestselling books and numerous newspaper articles and is a frequent media commentator. He is known for commanding Sector Sarajevo, Bosnia-Herzegovina, under the United Nations Protection Force in 1992. General MacKenzie has served as a director for a number of public companies. He has received the Order of Ontario and the Order of Canada.

<b>Shareholdings:</b>	Nil
<b>2018 Board Attendance:</b>	3 of 3 (100%)
<b>Board Committees:</b>	Audit Committee, Corporate Governance Committee and Compensation Committee
<b>Other Reporting Issuer Boards:</b>	None

YE, WEN  
AGE: 48  
ONTARIO, CANADA

DIRECTOR SINCE JULY 13, 2018

Ms. Ye is a CPA, CGA and holds a Honours Bachelor of Commence from Laurentian University. Ms. Ye previously served as Chief Financial Officer of Cash Minerals Inc. She has served as an accountant to a number of public companies since February 2006.

<b>Shareholdings:</b>	Nil
<b>2018 Board Attendance:</b>	3 of 3 (100%)
<b>Board Committees:</b>	N/A
<b>Other Reporting Issuer Boards:</b>	None

### ***Meeting Attendance***

The following table shows the director attendance record for the year ended January 31, 2019.

Director	Board	Audit Committee	Compensation Committee	Corporate Governance Committee
Stan Bharti	3 of 3 (100%)	N/A	N/A	N/A
George Faught	3 of 3 (100%)	N/A	N/A	N/A
Maurice Colson	3 of 3 (100%)	3 of 3 (100%)	1 of 1 (100%)	1 of 1 (100%)
Bernie Wilson	3 of 3 (100%)	3 of 3 (100%)	1 of 1 (100%)	1 of 1 (100%)
Lewis Mackenzie	3 of 3 (100%)	3 of 3 (100%)	1 of 1 (100%)	1 of 1 (100%)
Wen Ye	3 of 3 (100%)	N/A	N/A	N/A

### ***Other Information about the Director Nominees***

No director or executive officer of the Corporation is at the date hereof, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was, (i) subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Corporation is as at the date of this Circular or has been, within the ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No director or executive officer has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

No proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

## **CORPORATE GOVERNANCE**

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The Corporation and the Board recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and Shareholders, and enhancing Shareholder value.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed of the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. The frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks the Corporation faces.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

### **Ethical Business Conduct**

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

### *Code of Conduct*

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees. The Corporate Governance Committee has responsibility for monitoring compliance with the Code by ensuring that all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the Chairman of the Audit Committee. In addition, the Board conducts regular audits to test compliance with the Code.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Corporation's Directors and the Chairman and CEO regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Corporation conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

A copy of the Code and other corporate governance policies may be found under the profile of the Corporation on SEDAR at [www.sedar.com](http://www.sedar.com) or upon request to the Corporation by contacting the Corporate Secretary of the Corporation by email at [ryanp@fmfinancialgroup.com](mailto:ryanp@fmfinancialgroup.com) or by telephone at (416) 861-5882.

### *Whistleblower Policy*

The Corporation has adopted a Whistleblower Policy that allows its directors, officers, consultants and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violations or concerns on a confidential and anonymous basis. Reporting a violation of the Code is made by



informing anonymously to the Whistleblower hotline or URL or (if desired) to a member of the Audit Committee, who then investigates each matter so reported and takes corrective and disciplinary action, if appropriate. Reporting concerns regarding financial statement disclosure or other appropriate issues are to be forwarded in a sealed envelope to the Chairman of the Audit Committee who then investigates each matter reported and takes corrective and disciplinary action, if appropriate.

## ABOUT THE BOARD

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### Independence of the Board

The Board is currently comprised of six members, four (66.6%) of whom the Board has determined are independent within the meaning of applicable securities legislation.

Director	Independent	Not Independent	Reason for Non-Independence
Stan Bharti		√	Executive Chairman of the Board and Interim CEO
George Faught <sup>(1)</sup>		√	Executive Vice Chairman of the Board
Maurice Colson	√		
Lewis MacKenzie	√		
Bernie Wilson	√		
Wen Ye	√		

Note:

(1) George Faught is not standing for re-election at the Meeting.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- the Board has appointed a lead director who is independent of the Corporation;
- members of management, including without limitation, the Chairman and the Interim President and CEO of the Corporation, are not present for the discussion and determination of certain matters at meetings of the Board unless required;
- each of the Audit, Corporate Governance and Compensation Committees of the Board are comprised solely of independent directors;
- under the by-laws of the Corporation, any two directors may call a meeting of the Board;
- the President and CEO's compensation is considered by the Board, in his absence, and by the Compensation Committee at least once a year;
- in addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate;
- a committee comprised solely of independent and non-conflicted members will be convened to consider and, if deemed appropriate, approve any investment by the Corporation that is considered non-arm's length, and
- the Board holds in-camera meetings with the independent directors at the end of each meeting of the Board.

### Executive Chairman

The Executive Chairman of the Board is Stan Bharti. In terms of the governance of the Corporation, the Executive Chairman's primary roles are to chair all meetings of the Board and Shareholder meetings in a manner that promotes meaningful discussion, to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Executive Chairman's responsibilities include, without limitation, ensuring that the Board works together as a cohesive team with open communication, ensuring that the resources available to the Board are adequate to support its work, and working with the Corporate Governance Committee to ensure that the necessary processes are in place to assess the effectiveness of the Board and its committees at least annually. The Executive Chairman also acts as the primary spokesperson for the Board, ensuring that management is aware of concerns of the Board, Shareholders, other stakeholders and the public and, in addition, ensures that management strategies, plans and performance are appropriately presented to the Board. The

Executive Chairman of the Board maintains communications with the Corporation's executive management and consults regularly with the Board and management on the development and operation of the Corporation's projects.

### **Lead Director**

The Corporation has appointed Bernie Wilson, as Lead director. Mr. Wilson will draw upon his wealth of experience as Chairman of the ICD, in this role. Mr. Wilson is an independent director and will facilitate the functioning of the Board independently of management.

The Lead Director, nominated by the Corporate Governance Committee and appointed by the Board, is an independent director who is designated by the Board to aid and assist the Executive Chairman and, where applicable, the Executive Vice-Chairman and the remainder of the Board in assuring effective corporate governance in managing the affairs of the Board and the Corporation and to enhance and protect the independence of the Board. The Lead Director's responsibilities include, but are not limited to: chairing Board meetings when the Executive Chairman is unavailable or when there is any potential conflict; providing leadership to the Board to enhance effectiveness, including ensuring that responsibilities of the Board are well understood by the Board and by management; ensuring the Board works together as a cohesive team; ensuring that a process is in place by which the effectiveness of the Interim CEO, the Board and its committees is assessed on a regular basis; chairing in-camera sessions of independent directors, in association with regularly scheduled Board meetings, to discuss issues relating to the Corporation's business without the presence of management or the Executive Chairman or Executive Vice Chairman; and communicating with the entire Board, as appropriate, the results of private discussions among outside directors or the results of in camera sessions of the independent directors.

In addition, the Lead Director shall assist with managing the Board, including but not limited to: adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings; ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board; ensuring that a succession planning process is in place to appoint the Executive Chairman, the CEO, President and other members of management when necessary; working with the Corporate Governance Committee to consider questions of possible conflicts of interest or breaches of the Code, as such questions arise, and working with the Investment Committee to consider questions of possible conflicts of interests.

Further, at the request of the Board and the CEO and/or the Executive Chairman, or in the event of the absence or the incapacity of the Executive Chair or the CEO, the Lead Director shall represent the Corporation to external groups such as Shareholders and other stakeholders, including community groups and governments.

### **Position Descriptions**

The Corporation has not developed position descriptions for the Executive Chairman, the Executive Vice Chairman, the Lead Director, the Committee Chairs or the Chief Executive Officer. The Board assists in defining the roles of these positions through its regular meetings and past practices. The responsibilities of these positions are well-known by the Board and the respective officers due to their extensive experience and knowledge in the industry and based on customary practice.

### **The Board Mandate**

The Board has adopted a written Board mandate in its Charter of the Board (the "**Charter**"), pursuant to which the Board assumes responsibility for the stewardship of the Corporation, the supervision of the Corporation's business affairs and acting in the best interests of the Corporation and the Shareholders. In discharging its mandate, the Board is responsible for the oversight and review of the following, among other things:

- the strategic planning process of the Corporation;

- identifying the principal risks of the Corporation’s business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy for the Corporation to facilitate communications with investors and other interested parties; and
- the integrity of the Corporation’s internal control and management information systems.

The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance Committee and an ad hoc Investment Committee. See “Committees of the Board of Directors”. A copy of the Charter is attached hereto as Schedule “A”.

### **Meetings of Independent Directors**

The independent directors comprise the committees of the Board and hold in camera sessions without management to review the business operations, corporate governance, compensation, and financial results of the Corporation. For each director’s attendance at duly scheduled meetings for the year ended January 31, 2019, please see above under “Business of the Meeting – Election of Directors – Meeting Attendance”.

### **Nomination of Directors**

Generally, the Corporate Governance Committee, which is composed entirely of independent directors, is responsible for identifying and recruiting new candidates for nomination to the Board and reviewing the qualifications of new candidates proposed by other members of the Board. The process by which the Board identifies new candidates is through recommendations of the Corporate Governance Committee whose responsibility it is to develop, and periodically update and recommend to the Board for approval, a long-term plan for Board composition that takes into consideration the following: (a) the independence of each director; (b) the competencies and skills the Board as a whole should possess, such as financial literacy, integrity and accountability, the ability to engage in informed judgment, governance, strategic business development, excellent communications skills and the ability to work effectively as a team; (c) the current strengths, skills and experience represented by each director, as well as each director’s personality and other qualities as they affect Board dynamics; and (d) the strategic direction of the Corporation.

### **Board Assessments**

The Board, its individual directors and its committees are assessed on an informal basis continually as to their effectiveness and contribution. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

### **Majority Voting Policy**

The Corporation has adopted a Majority Voting Policy to provide a meaningful way for Shareholders to hold individual directors accountable and to require the Corporation to closely examine directors that do not have the support of a majority of Shareholders. The policy provides that forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee and that where a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered not to have received the support of the Shareholders, even though duly elected as a matter of corporate law. Pursuant to the policy, such a nominee will forthwith submit his or her resignation to the Board, such resignation to be effective on acceptance by the Board. The Board will then establish an advisory committee (the “**Committee**”) to which it shall refer the resignation for consideration. In such circumstances, the Committee will make a recommendation to the Board as to the director’s suitability to continue to serve as a director after reviewing, among other things, the results of the voting for the nominee and the Board will consider such recommendation. This policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board).

## **Orientation and Continuing Education**

Generally, the Corporate Governance Committee is responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, board committees and the role of the Board including the business and operations of the Corporation, documents from recent board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the ever-evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business as well as developments in the resource industry and applicable laws.

## **Aberdeen's Diversity Policy**

Aberdeen introduced a diversity policy in January 2015 as part of an amendment and update of its Corporate Governance Committee charter. Aberdeen believes the diversity policy evidences Aberdeen's commitment to increased diversity, including the identification and nomination of women to the board of directors. In the policy, the Company recognizes the value and unique contribution people can make because of their individual background and different skills, experiences and perspectives. To support this, when identifying candidates to recommend for appointment or nomination to the board and its various committees, the Corporate Governance Committee will, among other things, consider diversity criteria including gender, age, ethnicity and geographic background. In practice, since introducing the diversity policy, the Corporate Governance Committee has actively sought and considered female director candidates. Aberdeen aspires towards board composition in which each gender comprises at least one-third of the independent directors.

At present, there is one female board member among the Company's six board members (five following this Meeting) or its small executive management team. With regard to increasing the diversity among its executive officers, during the past five years, Aberdeen has focused on rationalizing costs and reducing compensation. In this context, it has not looked to hire any executive officers, nor does it expect to add any executive officers of any gender.

## **COMMITTEES OF THE BOARD**

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As of the Record Date, the Board had the following three standing committees:

- Audit Committee;
- Corporate Governance Committee; and
- Compensation Committee.

In addition, the Board has an ad hoc Investment Committee that meets on a regular basis, as needed, to consider and approve any investments in respect of which members of the Board or management may have conflicting interests.

All of the standing committees of the Board are comprised of directors who are independent of management and each of the committees report directly to the Board. From time to time, when appropriate, additional ad hoc committees of the Board may be appointed by the Board.

### **Audit Committee**

The purposes of the Audit Committee are to assist in the Board's oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the

qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function.

The Corporation's Audit Committee is comprised of three directors: Bernie Wilson (Chair), Maurice Colson and Lewis MacKenzie, and each of the members is considered financially literate and independent, as required by applicable securities laws. Please refer to "Director Profiles" above, for the relevant education and experience of each of the members of the Audit Committee.

The members of the Audit Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

### ***External Auditor***

The Audit Committee pre-approves all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditors.

Please see page 4 for the fees paid to external auditors in 2019 and 2018. You can find more information about the audit committee in our Annual Information Form dated April 30, 2019 on SEDAR ([www.sedar.com](http://www.sedar.com)). A copy of the Audit Committee Charter is attached hereto as Schedule "B".

### **Corporate Governance Committee**

The Corporate Governance Committee is comprised of Maurice Colson, Bernie Wilson and Lewis MacKenzie (Chair), each of whom is an independent director. Please refer to "Director Profiles" above, for the relevant education and experience of each of the members of the Corporate Governance Committee.

The Corporate Governance Committee's responsibilities include periodically reviewing the charters of the Board and the committees of the Board; assisting the Executive Chairman and Lead Director of the Board in carrying out their responsibilities; considering and, if thought appropriate, approving requests from directors for the engagement of independent counsel in appropriate circumstances; preparing and recommending to the Board a set of corporate governance guidelines, the Code and annually preparing and reviewing the Corporation's Corporate Governance disclosure to be included in the Corporation's management information circular; annually reviewing the Board's relationship with management to ensure the Board is able to and, in fact, does function independently of management; assisting the Board by identifying individuals qualified to become Board members and members of Board committees; leading the Board in its annual review of the Board's performance; and assisting the Board in monitoring compliance by the Corporation with legal and regulatory requirements.

The members of the Corporate Governance Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

### **Compensation Committee**

The Compensation Committee is comprised of Maurice Colson (Chair), Lewis MacKenzie and Bernie Wilson, each of whom is an independent director. Please refer to "Director Profiles" above, for the relevant education and experience of each of the members of the Compensation Committee.

The Compensation Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to human resources and compensation issues and to establish a plan of continuity for executive officers and other members of senior management (collectively, "**Executive Management**"). The Compensation Committee ensures that the Corporation has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of executive management of a quality and nature that will enhance the sustainable profitability and growth of the Corporation.

The Compensation Committee's role is to review compensation philosophy and practices for the Corporation, which includes reviewing the compensation philosophy and practices (a) of Executive

Management, for recommendation to the Board for its consideration and approval, and (b) relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs.

The members of the Compensation Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

The Compensation Committee:

- (a) will periodically review the terms of reference for the Corporation's President and Chief Executive Officer and recommend any changes to the Board for approval;
- (b) will review corporate goals and objectives relevant to the compensation of the President and Chief Executive Officer and recommend them to the Board for approval; and
- (c) will review, and if considered appropriate recommend to the Board for approval any agreements between the Corporation and the President and Chief Executive Officer.

## **EXECUTIVE COMPENSATION**

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### **Compensation Discussion and Analysis**

For the financial year ended January 31, 2019, the objectives of the Corporation's compensation strategy were to ensure that compensation for its NEOs (as defined herein) is sufficiently attractive to recruit, retain and motivate high performing individuals to assist Aberdeen in achieving its goals. The Corporation attempts to ensure that compensation is also fair, balanced and linked to the performance of the Corporation and the individual NEO.

It is the general compensation philosophy of the Corporation to provide a blend of base salaries, bonuses and an equity incentive component.

Compensation for the NEOs is composed primarily of three components: base fees, performance bonuses and security-based compensation. The determination of each component is based on informal discussions among the members of the Compensation Committee who may draw upon their experience and broad knowledge of industry standards and performance based on informal expectations and goals. In establishing the levels of base fees, the award of stock options and performance bonuses, the Corporation informally considers individual performance, responsibilities and length of service. Performance is broadly reviewed and includes achievement of the Corporation's strategic objective of growth and the enhancement of shareholder value through increases in the net asset value of its investments. Performance bonuses are considered from time to time on a discretionary basis, as discussed in further detail below. The compensation determination process is discretionary and is not based on formal benchmarks or formal and specific quantified measures.

The Board does not have a pre-determined compensation plan, but rather reviews the performance of the NEOs and considers a variety of factors informally. The Board believes that the compensation paid to each NEO during the last fiscal year was commensurate with the NEO's position, experience and performance.

#### ***Executive Chairman Compensation***

In his capacity as director and Executive Chairman, Mr. Bharti provides management of the Corporation with advisory services relating to capital raising and strategic transactions, development of investment opportunities and relationship building with key investors, in addition to his contacts made through his extensive 30-year career in the areas of management team building, mergers, acquisitions, restructuring and financings. The services provided by Mr. Bharti are advisory in nature stemming from his specific expertise.

In addition, Mr. Bharti is the Executive Chairman of F&M, which is owned by a family member of Mr. Bharti. F&M provides services to the Corporation through a number of individuals, including administrative, financial and information technology. For completeness and for the purposes of providing full disclosure, the Summary Compensation Table includes in Mr. Bharti's compensation the \$25,000 monthly fee payable to F&M in accordance with the consulting agreement described under "Executive Compensation – Compensation of Officers - Termination of Employment, Change in Responsibilities and Employment Contracts", set out below. For clarity, this is not compensation paid directly to Mr. Bharti.

F&M provides various administrative, strategic and technical services to the Corporation through its team of geologists, mining engineers and financial professionals. The nature of the services provided includes assistance with strategic planning and development of business plans, development of capital markets strategy, assessment of strategic transactions, including business, technical and geological, and financial due diligence, fostering public and government relationships and fostering relationships with strategic investors and investment banks. The Corporation believes these services contribute to the success of the Corporation and its ability to procure strategic portfolio investments.

Mr. Bharti and F&M are eligible to participate in the Corporation's bonus and securities-based compensation programs. See "Executive Compensation – Compensation of Officers - Termination of Employment, Change in Responsibilities and Employment Contracts" below for detailed information with respect to Mr. Bharti's compensation.

The Board believes that the compensation paid to each NEO during the last fiscal year was commensurate with the NEO's position, experience and performance.

#### ***Chief Executive Officer Compensation***

Since Mr. Bharti became Interim President and Chief Executive Officer of the Corporation as of August 1, 2016, no additional base compensation has been paid to the President and CEO, other than as set out above under "Executive Chairman Compensation".

#### ***Risks Associated with Compensation***

In light of the Corporation's size and the balance between long-term objectives and short-term financial goals with respect to the Corporation's executive compensation program, the Board does not presently deem it necessary to consider the implications of the risks associated with its compensation policies and practices.

#### ***Financial Instruments***

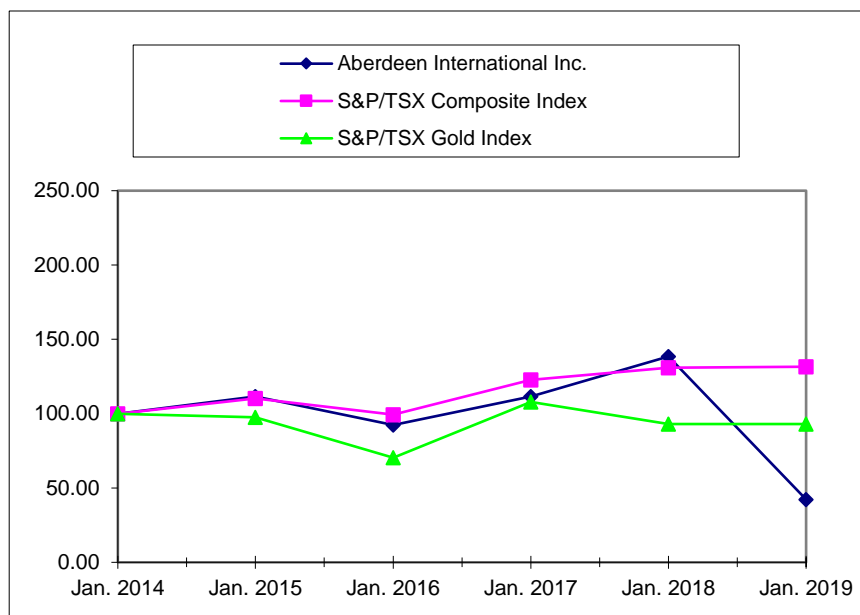
The Corporation does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Corporation as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

#### ***Performance Graph***

The following graph compares the yearly percentage change in the cumulative total shareholder return for \$100 invested in Common Shares on January 1, 2014 against the cumulative total shareholder return of the S&P/TSX Composite Index and the S&P/TSX Gold Index for the five most recently completed financial years of the Corporation, assuming the reinvestment of all dividends.

Broadly, executive compensation has tracked both the share price and shareholder's equity over the past several years due in part to the long-term bear market trend in the shares of junior mining companies. However, since discretionary compensation such as bonuses are typically based, at least in part, on recent performance of the investment portfolio (i.e. the previous year's performance) and share price, executive compensation will often lag by as much as a year or more. The performance graph relates to the total cumulative shareholder return.

	Jan. 2014	Jan. 2015	Jan. 2016	Jan. 2017	Jan. 2018	Jan. 2019
Aberdeen International Inc.	100.00	111.54	92.31	111.54	138.46	42.31
S&P/TSX Composite Index	100.00	110.26	99.36	122.76	130.95	131.57
S&P/TSX Gold Index	100.00	97.54	70.37	107.88	93.07	93.07



## Components of Compensation

### Base Fees

Salaries form an essential component of the Corporation's compensation mix as they are the first measure to remain competitive relative to industry compensation practices, are fixed and therefore not subject to uncertainty and can be used as the base to determine other elements of compensation and benefits. In determining the base salary of an executive officer, the Compensation Committee takes into account the recommendations from the Interim President and Chief Executive Officer of the Corporation and may consider the particular responsibilities related to the position; what the Compensation Committee members believe is industry practice; the experience, expertise and level of the executive officer; his or her length of service; level of responsibilities; and his or her overall performance based on informal feedback. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective NEO and the Corporation and is therefore heavily discretionary.

### Bonus Payments

The purpose of the Corporation's bonus program is to provide NEOs with the opportunity to receive an annual incentive that is related to the progress of the Corporation and individual performance. Through informal discussions among management, as approved by the Compensation Committee and the Board,



executive officers are eligible for annual bonuses. The Corporation is focused on the investment and management of small-cap companies in the resource sector. As a result, the Compensation Committee believes that financial incentives should relate to the accomplishment of key milestones relating to the success of the Corporation's investment portfolio, among other corporate developments. For the year ended January 31, 2019, the Corporation did not make any bonus payments.

### *Long-term Incentives and Options*

#### *Stock Option Awards*

The Compensation Committee believes that granting stock options to key personnel encourages retention and more closely aligns the interests of Executive Management with the interests of shareholders. As the investment of the Corporation's financial resources into portfolio companies is central to its business, the inclusion of options in compensation packages allows the Corporation to compensate employees while not drawing on limited cash resources. The number of options to be granted is based on the relative contribution and involvement of the individual in question and consideration of previous option grants.

During the financial year ended January 31, 2019, the Corporation did not grant any stock options to any NEO, director, officer, consultant or employee of the Corporation.

The Corporation has adopted a stock option plan (the "**Stock Option Plan**"). The Stock Option Plan was approved by Shareholders at the Corporation's annual meeting held on July 13, 2017. The following is a summary of the terms of the Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan.

- The number of options ("**Options**") that may be granted may not exceed 10% of the number of issued and outstanding Common Shares at the time of the stock option grant, from time to time. The Stock Option Plan is considered to be an "evergreen plan" since the Common Shares covered by options which have been exercised shall be available for subsequent grants under the Stock Option Plan, and the number of options available to grant increases as the number of issued and outstanding Common Shares increase.
- Options are non-assignable and may be granted to employees, officers and certain consultants of the Corporation and designated affiliates. Non-executive directors are not eligible to receive Options.
- Upon the termination of an optionholder's engagement with the Corporation, the cancellation or early vesting of any stock option shall be in the discretion of the Board. In general, the Corporation expects that stock options will be cancelled 90 days following an optionholder's termination from the Corporation.
- The aggregate number of Common Shares issuable pursuant to the Stock Option Plan and any other Share Compensation Arrangement (as defined in the Stock Option Plan) (pre-existing or otherwise) to Insiders (as defined in the Stock Option Plan) shall not exceed 10% of the Common Shares outstanding at any time.
- The aggregate number of Common Shares issued upon exercise of the Options granted pursuant to the Stock Option Plan and any other Share Compensation Arrangement (as defined in the Stock Option Plan), pre-existing or otherwise, to Insiders (as defined in the Stock Option Plan) shall not exceed 10% of the Common Shares then outstanding.
- The periods within which Options may be exercised and the number of Shares which may be issuable upon the exercise of Options in any such period shall be determined by the Board at the time of granting the Options provided, however, that all Options must be exercisable during a period not extending beyond five years from the date of the Option grant.
- In the event that the expiry of an Option Period (as defined in the Stock Option Plan) falls within, or within two days of, a trading blackout period imposed by the Company (the "**Blackout Period**"), the expiry date of such Option Period shall be automatically extended to the tenth business day following the end of the Blackout Period.

- The exercise price per Option shall be determined by the Board at the time the Option is granted but, in any event, shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date of the grant of the Option.
- Amendments to the Stock Option Plan require shareholder approval, except in certain instances, including but not limited to the following: (i) amendments of a housekeeping nature; (ii) the addition of or a change to vesting provisions of a security or the Stock Option Plan; (iii) a change to the termination provisions of a security or the Stock Option Plan that does not entail an extension beyond the original expiry date; and (iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve.
- There is no transformation of stock options granted under the Stock Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.
- The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Stock Option Plan.

In accordance with TSX policy, the Corporation is required to seek Shareholder approval for its Stock Option Plan every three years. Shareholders approved the Stock Option Plan at its annual general and special meeting held on July 13, 2017 and accordingly, the Corporation will not be seeking Shareholder approval of the Stock Option Plan at the Meeting.

The table below sets out the outstanding options under the Stock Option Plan, being the Corporation's only compensation plan under which Common Shares are authorized for issuance, as of January 31, 2019.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	NIL	N/A	9,605,228
Equity compensation plans not approved by security holders	NIL	N/A	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>N/A</b>	<b>9,605,228</b>

There were not any stock options outstanding under the Stock Option Plan as at January 31, 2019. As at the date hereof, there were 96,052,282 Common Shares outstanding and 10% of the current issued and outstanding share capital is 9,605,228. Based on the current number of issued and outstanding Common Shares, 9,605,228 Options remain available for issuance under the Stock Option Plan (representing approximately 10% of the issued and outstanding Common Shares).

The Company's annual Burn Rate as described in Section 613(d) of the TSX Company Manual under the Stock Option Plan was 2.5%, 0% and 0% in fiscal years 2017, 2018 and 2019, respectively. The Burn Rate is calculated by dividing the number of stock option's granted under the Stock Option Plan during the relevant fiscal year by the weighted number of common shares outstanding for the applicable fiscal year, as described in Section 613(p) of the TSX Company Manual.

#### *Restricted Share Unit Incentive Plan and Deferred Share Unit Incentive Plan*

Prior to the year ended January 31, 2013, the Board approved and authorized the creation of a Restricted Share Unit Incentive Plan (the "**RSU Plan**") and a Deferred Share Unit Incentive Plan (the "**DSU Plan**") (the RSU Plan and the DSU Plan, collectively the "**Plans**"). The RSU Plan shall provide for the issuance of units ("**RSUs**") to acquire Common Shares by way of purchases of Common Shares by an independent trustee pursuant to a trust set up and funded by the Corporation. Each RSU shall entitle each participant to receive

one Common Share, without payment of additional consideration, on the applicable vesting date without any further action on the part of the holder of the RSU.

The Burn Rate for the RSU Plan was 5.5%, 5.1% and 5.1% in fiscal years 2017, 2018 and 2019, respectively. The Burn Rate is calculated by dividing the number of RSU's granted under the RSU Plan during the relevant fiscal year by the weighted number of common shares outstanding for the applicable fiscal year, as described in Section 613(p) of the TSX Company Manual.

The DSU Plan shall provide for the issuance of units ("**DSUs**") by way of cash payments to each participant in an amount that represents the value of one Common Share for each DSU held on the date upon which the Participant ceases to be a director of the Corporation.

The purpose of the Plans is to attract, retain and motivate individuals with the requisite training, experience and leadership to carry out key roles with the Corporation, to advance the interests of the Corporation by providing such individuals with appropriate compensation and to strengthen the alignment of the RSU and DSU holders' interest with the interests of shareholders.

Directors, officers and key management employees of the Corporation are eligible to participate in the Plans. The Plans are administered by the Board, which may determine from time to time, after considering recommendations of the Compensation Committee, the number and timing of RSUs and/or DSUs to be awarded and the applicable vesting criteria, provided that the vesting period does not exceed three years. The value of a RSU and a DSU is based on the trading price of the Common Shares.

### ***Other Compensation Matters***

#### *Indebtedness of Directors and Officers*

As at the date of this Circular, and during the financial year ended January 31, 2019, no director or executive officer of the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity that is, or was at any time during the financial year ended January 31, 2019, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

#### *Directors' and Officers' Insurance and Indemnification*

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of \$5,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended January 31, 2019 in respect of such insurance was \$18,000.

### **2019 Executive Compensation**

#### ***Summary Compensation Table***

The following table summarizes the compensation paid during the three financial years ended January 31, 2019, 2018 and 2017 in respect of the individuals who were carrying out the role of the CEO, the Chief Financial Officer of the Corporation (the "**CFO**") and each of the three most highly compensated executive officers other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was individually more than \$150,000 for that financial year (the "**Named Executive Officers**" or "**NEOs**").

Name and principal position	Year Ended	Salary (\$) <sup>(1)</sup>	Share - based awards (\$) <sup>(2)</sup>	Option - based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation (\$)		All other compensation (\$) <sup>(5)</sup>	Total compensation (\$)
					Annual incentive plans <sup>(4)</sup>	Long-term incentive plans		
Stan Bharti Executive Chairman and Interim President and CEO	2019	300,000	74,892	NIL	NIL	NIL	NIL	374,892
	2018	300,000	212,105	NIL	2,610,000	NIL	NIL	3,122,105
	2017	300,000	33,002	NIL	1,300,939	NIL	NIL	1,633,941
Ryan Ptolemy Chief Financial Officer and Corporate Secretary	2019	20,000	18,724	NIL	NIL	NIL	NIL	38,724
	2018	20,000	53,026	NIL	150,000	NIL	NIL	223,026
	2017	20,000	8,251	NIL	NIL	NIL	NIL	28,251

Notes:

- (1) Compensation paid as consulting fees under the independent contractor agreements with the Named Executive Officers as described under the heading "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts" of this Circular.
- (2) The figures shown reflect the grant day fair value of RSUs approved by the Compensation Committee for the specific years as at the date of grant. For the RSU grants, the last trading day preceding the date of grant is the grant date fair value. Grant day fair value is determined by multiplying the number of RSUs by the closing price of the Common Shares on the TSX on the grant date, December 7, 2016.
- (3) The value ascribed to Option grants represents non-cash consideration and has been estimated using the Black-Scholes Model, as at the date of grant. Key assumptions and parameters are described in Aberdeen's financial statements.
- (4) Compensation received in the form of discretionary performance based bonuses in accordance with the bonus compensation policy of the Corporation as described under the heading "Executive Compensation - Compensation of Officers – Compensation Discussion and Analysis" set out above.
- (5) Other benefits did not exceed the lesser of \$50,000 and 10% of the total annual compensation for the Named Executive Officer.

### Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each Named Executive Officer outstanding as of January 31, 2019.

### Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stan Bharti Executive Chairman and Interim President and CEO	NIL	N/A	N/A	NIL	NIL	NIL	110,000
Ryan Ptolemy Chief Financial Officer and Corporate Secretary	NIL	N/A	N/A	NIL	Nil	NIL	27,500

Notes:

- (1) Based on the closing market price of \$0.055 of the Common Shares on January 31, 2019.

### Value on Pay-Out or Vesting of Incentive Plan Awards

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended January 31, 2019.

Name	Option-based awards – Value during the year on vesting (\$) <sup>(1)</sup>	Share-based awards – Value during the year on vesting (\$)	Non-equity incentive plan compensation – Pay-out during the year (\$)
Stan Bharti Executive Chairman and Interim CEO	NIL	\$74,892	NIL
Ryan Ptolemy Chief Financial Officer and Corporate Secretary	NIL	\$18,724	NIL

#### ***Termination of Employment, Change in Responsibilities, and Employment Contracts***

The following describes the respective consulting agreements entered into by the Corporation and the Named Executive Officers in effect as of the Record Date.

##### ***Stan Bharti, Executive Chairman, Interim President and CEO***

The Corporation has a contract with F&M, of which Mr. Bharti is the Executive Chair, for administrative and managerial services, dated August 1, 2005 and amended most recently in August 2016, pursuant to which F&M is entitled to compensation for the provision of such services of base fees of \$25,000 per month. The term of this agreement is for three years but may be terminated at any time for just cause without notice and may be terminated for any reason by either party upon 30 days written notice to the other party. Additionally, in the event that there is a Change in Control (as hereinafter defined) of the Corporation, either the Corporation or F&M may terminate this agreement within one year from the date of such Change in Control upon making a lump sum termination payment to F&M equivalent to 36 months in base fees plus an amount that is equivalent to all cash bonuses paid to F&M in the 36 months prior to the Change in Control. The estimated incremental payments, payables and benefits that might be paid to F&M pursuant to this agreement in the event of termination without cause or after a Change of Control (assuming such termination or Change of Control was effective as of January 31, 2019) are \$174,247 and \$4,810,939 respectively. All options and other securities compensation granted but not vested will vest automatically upon a Change in Control (where applicable).

##### ***Ryan Ptolemy, CFO and Corporate Secretary***

The Corporation entered into a consulting agreement with Ryan Ptolemy effective October 7, 2010 pursuant to which Mr. Ptolemy agreed to provide management consulting services to the Corporation. Mr. Ptolemy is entitled to compensation for the provision of such services in the amount of \$1,666.67 per month. In the event of termination without cause, Mr. Ptolemy is entitled to receive the equivalent of three months in base fees. Additionally, in the event of a Change in Control of the Corporation, either the Corporation or Mr. Ptolemy may terminate the agreement within one year from the date of such Change in Control upon making a lump sum termination payment to Mr. Ptolemy equivalent to 24 months base fees plus an amount that is equivalent to all cash bonuses paid to Mr. Ptolemy in the 24 months prior to the Change in Control. On December 13, 2010, Mr. Ptolemy was also appointed as the Corporate Secretary. The estimated incremental payments, payables and benefits that might be paid to Mr. Ptolemy pursuant to this agreement in the event of termination without cause or after a Change in Control (assuming such termination or Change in Control was effective as of January 31, 2017) are \$20,000 and \$190,000 respectively. All options granted but not vested will vest automatically upon a Change in Control (where applicable).

**“Change in Control”** is defined as:

(1) the acquisition, directly or indirectly, by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Canada Business Corporations Act*) or group of persons acting jointly or in concert, as such terms are defined in the *Securities Act* (Ontario) of: (A) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation; (B) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (C) other than in the ordinary course of business of the Corporation, more than 30% of the material assets of the Corporation, including the acquisition of more than 30% of the material assets of any material subsidiary of the Corporation; or

(2) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Corporation’s board of directors do not constitute a majority of the Corporation’s board of directors.

#### *Summary of Termination Payments*

The estimated incremental payments, payables and benefits that might be paid to the Named Executive Officers pursuant to the above noted agreements in the event of termination without cause or after a Change in Control are detailed below:

Named Executive Officer	Termination not for Cause (\$)	Termination on a Change of Control as of January 31, 2019 (\$)
Forbes & Manhattan Inc.		
Salary and Quantified Benefits	174,247	900,000
Bonus	-	3,910,939
<b>Total</b>	<b>174,247</b>	<b>4,810,939</b>
Ryan Ptolemy		
Salary and Quantified Benefits	20,000	40,000
Bonus	-	150,000
<b>Total</b>	<b>20,000</b>	<b>190,000</b>
<b>TOTAL</b>	<b>194,247</b>	<b>5,000,939</b>

#### **DIRECTOR COMPENSATION**

Compensation of directors for the financial year ended January 31, 2019 was determined on a case-by-case basis with reference to the role that each director provided to the Corporation. The following information details compensation paid in the recently completed financial year. Compensation of directors who are also NEOs is disclosed above under the table entitled “2019 Executive Compensation – Summary Compensation Table”.

In 2011, the Corporation adopted a non-executive independent director fee compensation plan. Pursuant to this compensation plan, non-executive independent directors are entitled to receive \$5,000 in directors' fees per quarter (\$20,000 per annum). In addition, the Chairs of the Corporate Governance Committee and the Compensation Committees are each entitled to receive a \$2,500 fee per annum, and the Audit Committee Chair is entitled to an additional \$5,000 fee per annum.

During the financial year ended January 31, 2019, directors were granted the fees in their capacity as directors of the Corporation as is set out in the table below. Note that disclosure regarding the compensation of Stan Bharti and George Faught can be found above under the heading "Executive Compensation – Summary Compensation Table". The directors, other than George Faught and Stan Bharti, received their compensation exclusively in their capacity as directors. Mr. Faught received his compensation in his capacity as Executive Vice Chairman.

**Director Summary Compensation Table**

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$) <sup>(2)</sup>	All other compensation (\$) <sup>(3)</sup>	Total (\$)
George Faught <sup>(4)</sup>	Nil	18,724	NIL	NIL	NIL	18,724
Lewis MacKenzie	22,500	N/A	NIL	NIL	NIL	22,500
Maurice Colson	25,000	N/A	NIL	NIL	NIL	25,000
Bernard Wilson, FCA	22,500	N/A	NIL	NIL	NIL	22,500
Wen Ye	NIL	N/A	NIL	NIL	NIL	NIL

Notes:

- (1) The dollar value ascribed to option grants represents non-cash consideration and has been estimated using the Black Scholes Model as at the date of grant.
- (2) Compensation received in the form of discretionary performance based bonuses accrued in accordance with the bonus compensation policy as described in further detail under the heading "Compensation of Officers" set out above.
- (3) Other benefits did not exceed the lesser of \$50,000 and 10% of the total annual compensation for the named director.
- (4) George Faught is not standing for re-election at the Meeting.

Directors may also receive discretionary cash bonuses, from time to time, that the Corporation awards to directors for serving in their capacity as a member of the Board. No directors were awarded cash bonuses during the year ended January 31, 2019.

The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals that may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board with the exception of the calculation of the bonus pool as it relates to performance bonuses, as set out under the heading "Executive Compensation – Compensation of Officers – Compensation Discussion & Analysis".

In addition, as a director, directors are entitled to participate in the Stock Option Plan, the Restricted Share Unit Plan and Deferred Share Unit Plan, as applicable, which are designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation.

Executive officers who also act as directors of the Corporation do not receive any additional compensation for services rendered in their capacity as directors.

## Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding as of January 31, 2019, other than Mr. Bharti, whose compensation was included above under “Executive Compensation”.

### Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
George Faught <sup>(3)</sup>	NIL	NIL	NIL	NIL	NIL	NIL	27,500
Lewis MacKenzie	NIL	NIL	NIL	NIL	NIL	NIL	16,500
Maurice Colson	NIL	NIL	NIL	NIL	NIL	NIL	16,500
Bernard Wilson	NIL	NIL	NIL	NIL	NIL	NIL	27,500
Wen Ye	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

- (1) Based on the closing market price of \$0.055 of the Common Shares on January 31, 2019.
- (2) These Options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on date of exercise.
- (3) George Faught is not standing for re-election at the Meeting.

### Value on Pay-Out or Vesting of Incentive Plan Awards

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended January 31, 2019.

Name	Option awards – Value during the year on vesting (\$)	Share awards – Value during the year on vesting (\$) <sup>(1)</sup>	Non-equity incentive plan compensation – Pay-out during the year (\$)
George Faught <sup>(2)</sup>	NIL	18,724	NIL
Lewis MacKenzie	NIL	NIL	NIL
Maurice Colson	NIL	NIL	NIL
Bernard Wilson, FCA	NIL	NIL	NIL
Wen Ye	NIL	NIL	NIL

Notes:

- (1) Based on the closing market price of \$0.055 of the Common Shares on January 31, 2019.
- (2) George Faught is not standing for re-election at the Meeting.

## ADDITIONAL INFORMATION AND CONTACT INFORMATION

### Additional Information

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is provided in the Corporation's audited financial



statements and related management's discussion and analysis for the financial year ended January 31, 2019, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the Corporate Secretary of the Corporation by email at [ryanp@fmfinancialgroup.com](mailto:ryanp@fmfinancialgroup.com) or by telephone at (416) 861-5882.

### **Board of Directors Approval**

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

*"Stan Bharti"*

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Interim President & Chief Executive Officer

Toronto, Ontario  
July 2, 2019

## SCHEDULE “A”

### ABERDEEN INTERNATIONAL INC.

#### CHARTER OF THE BOARD OF DIRECTORS

##### I. GENERAL

The Board of Directors (“Board”) of Aberdeen International Inc. (the “Company”) is responsible for the stewardship and the general supervision of the management of the business and for acting in the best interests of the Company and its shareholders. The Board will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Technical Committee. In addition, the Board may from time to time, appoint such additional committees as it deems necessary and appropriate in order to discharge its duties. Each committee shall have its own charter. The Board shall meet regularly, but not less than once each quarter, to review the business operations, corporate governance and financial results of the Company. Meetings of the Board will also include regular meetings (not less than once annually) of the independent members of the Board without management being present.

The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation in order to carry out its duties.

##### II. COMPOSITION

The Board shall be constituted at all times of a majority of independent directors in accordance with National Policy 58-201 – *Corporate Governance Guidelines*. The Chairman of the Board should also be independent or alternatively the Board will appoint an independent lead director. A director is considered to be “independent” if he or she has no direct or indirect material relationship which could in the view of the Board reasonably interfere with the exercise of a director’s independent judgment. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees*.

##### III. RESPONSIBILITIES

The Board of Directors’ mandate is the stewardship of the Company and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- The assignment to the various committees of directors the general responsibility for developing the Company’s approach to: (i) corporate governance and nomination of directors; (ii) financial reporting and internal controls; and (iii) compensation of officers and senior employees.
- With the assistance of the Corporate Governance Committee:
  - Reviewing the composition of the Board and ensuring it respects its independence criteria.
  - Satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the organization.
  - The assessment, at least annually, of the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including, consideration of the appropriate size of the Board.
  - Ensuring that an appropriate review selection process for new nominees to the Board is in place. The Board will determine a slate of nominees to be presented to the shareholders for election based upon the following considerations: (i) the competencies and skills which the Board as a whole should possess; (ii) the competencies and skills which each existing director possesses; (iii) the appropriate size of the Board to

facilitate effective decision-making; and (iv) any diversity policy adopted by the Board from time to time.

- Ensuring that an appropriate orientation and education program for new members of the Board is in place.
- Approving and revising from time to time as circumstances warrant a corporate disclosure and communications policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and communities in which the business of the Company is conducted.
- With the assistance of the Audit Committee:
  - Ensuring the integrity of the Company's internal controls and management information systems.
  - Ensuring the Company's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Company's own governing documents.
  - Identifying the principal risks of the Company's business and ensuring that appropriate systems are in place to manage these risks.
  - Reviewing and approving significant operational and financial matters and the provision of direction to management on these matters.
  - As required and agreed upon, providing assistance to shareholders concerning the integrity of the Company's reported financial performance.
  - With the assistance of the Compensation Committee and the Chief Executive Officer, the approval of the compensation of the senior management team.
  - Succession planning including the selection, training, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.
  - The adoption of a strategic planning process, approval at least annually of a strategic plan that takes into account business opportunities and business risks identified by the Board and/or the Audit Committee and monitoring performance against such plans.
  - The review and approval of corporate objectives and goals applicable to the Company's senior management.
  - Enhancing congruence between shareholder expectations, Company plans and management performance.
  - Reviewing with senior management material transactions outside the ordinary course of business and such other major corporate matters which require Board approval including the payment of dividends, the issue, purchase and redemption of securities, acquisitions and dispositions of material assets and material capital expenditures and approving such decisions as they arise.
  - Performing such other functions as prescribed by law or assigned to the Board in the Company's constating documents and by-laws.
  - With the assistance of the Sustainability Committee
    - Establishing objectives relating to exploration, development, operations and mining of the Company's properties, including determining the budgets required, the allocation of resources, the steps to be implemented and the timing for reaching such steps.
    - Monitoring matters relating to exploration, development, operations and mining and assessing the performance of the Company against its objectives.

- Developing a corporate culture of environmental responsibilities and awareness as to the importance of health and safety.

## SCHEDULE "A"

### POSITION DESCRIPTION FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS

#### 1. PURPOSE

The Chairman of the Board of Directors of the Company (the "Board") shall be an independent director who is designated by the Board to act as the leader of the Board.

#### 2. WHO MAY BE CHAIRMAN

The Chairman will be selected amongst the directors of the Company who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.

The Chairman will be selected annually at organizational meeting of the Board immediately following the annual meeting of shareholders.

#### 3. RESPONSIBILITIES

The following are the responsibilities of the Chairman. The Chairman may delegate or share, where appropriate, certain of these responsibilities with the Corporate Governance and Nominating Committee and/or any other independent committee of the Board:

- (a) Chairing all meetings of the Board in a manner that promotes meaningful discussion.
- (b) Providing leadership to the Board to enhance the Board's effectiveness, including:
  - Ensuring that the responsibilities of the Board are well understood by both management and the members of the Board;
  - Ensuring that the Board works as a cohesive team with open communication;
  - Ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
  - Together with the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
  - Together with the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the Board is assessed at least annually.
- (c) Managing the Board, including:
  - Preparing the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - Adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;

- Ensuring meetings are appropriate in terms of frequency, length and content;
  - Ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
  - Ensuring that a succession planning process is in place to appoint senior members of management when necessary; and
  - Working with the Corporate Governance and Nominating Committee and approaching potential candidates, when such are identified, to consider their interest in joining the Board.
- (d) Acting as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee to ensure that the Company is building a culture of integrity and good governance.
- (e) At the request of the Board, representing the Company to external groups such as shareholders and other stakeholders, including community groups and governments.

## SCHEDULE "B"

### ROLE STATEMENT OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer's primary role is to manage the Company in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Board of Directors of the Company (the "**Board**") in the context of the Company's strategic plans, budgets and responsibilities set out below, with a view to increasing shareholder value. The Chief Executive Officer is responsible to the Board.

Without limitation to the foregoing, the Chief Executive Officer is responsible for the following:

- (a) Maintain and develop the Company's goal of enhancing shareholder value by being a successful and profitable exploration, development and mining company.
- (b) Maintain and develop with the Board strategic plans for the Company and successfully implement such plans.
- (c) Provide quality leadership to the Company's staff and ensure that the Company's human resources are managed properly.
- (d) Provide high-level policy options, orientations and discussions for consideration by the Board.
- (e) Maintain existing and develop new strategic alliances and consider possible merger or acquisition transactions with other mining companies which will be constructive for the Company's business and will help enhance shareholder value.
- (f) Provide support, co-ordination and guidance to various responsible officers and managers of the Company.
- (g) Ensure communications between the Company and major stakeholders, including and most importantly, the Company's shareholders, are managed in an optimum way and are done in accordance with applicable securities laws.
- (h) Provide timely strategic, operational and reporting information to the Board and implement its decisions in accordance with good governance, with the Company's policies and procedures, and within budget.
- (i) Act as an entrepreneur and innovator within the strategic goals of the Company.
- (j) Co-ordinate the preparation of an annual business plan.
- (k) Ensure appropriate governance skills development and resources are made available to the Board.
  - (l) Comply at all times with laws and the Company's Codes of Business Conduct and Ethics and Financial Reporting Officers Code of Ethics and ensure to provide a culture of high ethics throughout the organization.

## Schedule “B”

### ABERDEEN INTERNATIONAL INC.

#### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### I. PURPOSE

The Audit Committee (“Committee”) shall provide assistance to the Board of Directors (“Board”) of Aberdeen International Inc. (the “Company”) in fulfilling its financial reporting and control responsibilities to the shareholders of the Company and the investment community. The external auditors will report directly to the Committee. The Committee’s primary duties and responsibilities are to:

- Oversee the accounting and financial reporting processes of the Company, and the audit of its financial statements, including: (i) the integrity of the Company’s financial statements; (ii) the Company’s compliance with legal and regulatory requirements; and (iii) the independent auditors’ qualifications and independence.
- Serve as an independent and objective party to monitor the Company’s financial reporting processes and internal control systems.
- Review and appraise the audit activities of the Company’s independent auditors.
- Provide open lines of communication among the independent auditors, financial and senior management, and the Board of Directors for financial reporting and control matters, and meet periodically with management and with the independent auditors.

##### II. COMPOSITION

The Audit Committee shall be comprised of at least three directors. Each Committee member shall be an “independent director” within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”), as may be amended from time to time. Pursuant to NI 52-110, a member will be considered “independent” if he or she has no direct or indirect, material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of NI 52-110. In addition, the composition of the Committee shall comply with the rules and regulations of the Toronto Stock Exchange and any other stock exchange on which the shares of the Company are listed, subject to any waivers or exceptions granted by such stock exchange.

All members shall, to the satisfaction of the Board, be “financially literate” in accordance with the requirements of the NI 52-110. A “financially literate” director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. At least one member shall have accounting or related financial management expertise to qualify as a “financial expert”. A person will qualify as “financial expert” if he or she possesses the following attributes:

1. an understanding of financial statements and generally accepted accounting principles used by the Company to prepare its financial statements;
2. an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and



complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;

4. an understanding of internal controls and procedures for financial reporting; and
5. an understanding of audit committee functions.

The Committee members will be elected annually at the first meeting of the Board of Directors following the annual general meeting of shareholders.

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall be resolution determine.

### **III. RESPONSIBILITIES AND POWERS**

Responsibilities and powers of the Committee include:

- Annual review and revision of this Charter as necessary with the approval of the Board provided that this Charter may be amended and restated from time to time without the approval of the Board to ensure that that the composition of the Committee and the responsibilities and powers of the Committee comply with applicable laws and stock exchange rules.
- Making recommendations to the Board regarding the selection, the appointment, evaluation, fees and compensation and, if necessary, the replacement of the independent auditors, and assisting in resolving any disagreements between management and the independent auditors regarding financial reporting.
- Approving the appropriate audit engagement fees and the funding for payment of the independent auditors' compensation and any advisors retained by the Committee.
- Ensuring that the auditors report directly to the Committee and are made accountable to the Board and the Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
- Confirming the independence of the auditors, which will require receipt from the auditors of a formal written statement delineating all relationships between the auditors and the Company and any other factors that might affect the independence of the auditors and reviewing and discussing with the auditors any significant relationships and other factors identified in the statement.
- Reporting to the Board its conclusions on the independence of the auditors and the basis for these conclusions.
- Overseeing the work of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services.
- Ensuring that the independent auditors are prohibited from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:
  - bookkeeping or other services related to the accounting records or financial statements of the Company;
  - financial information systems design and implementation;
  - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;

- actuarial services;
  - internal audit outsourcing services;
  - management functions or human resources;
  - broker or dealer, investment adviser or investment banking services;
  - legal services and expert services unrelated to the audit; and
  - any other services which the Canadian Public Accountability Board determines to be impermissible.
- Pre-approving all audit services, internal control related services and approving any permissible non-audit engagements of the independent auditors, in accordance with applicable legislation.
  - Meeting with the auditors and financial management of the Company to review the scope of the proposed audit for the current year, and the audit procedures to be used.
  - Meeting quarterly with auditors in “in camera” sessions to discuss reasonableness of the financial reporting process, system of internal control, significant comments and recommendations and management’s performance.
  - Reviewing with management and the independent auditors:
    - the Company’s annual financial statements (and interim financial statements as applicable) and related footnotes, management’s discussion and analysis and the annual information form, for the purpose of recommending approval by the Board of Directors prior to its release, and ensuring that:
    - management has reviewed the audited financial statements with the audit committee, including significant judgments affecting the financial statements
    - the members of the Committee have discussed among themselves, without management or the independent auditors present, the information disclosed to the Committee
    - the Committee has received the assurance of both financial management and the independent auditors that the Company’s financial statements are fairly presented in conformity with Canadian GAAP in all material respects
    - Any significant changes required in the independent auditors’ audit plan and any serious issues with management regarding the audit.
    - the Company’s internal controls report and the independent auditors’ certification of the report, and review disclosures made to the Committee by the CEO and CFO about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company’s internal controls.
    - Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.
  - Satisfying itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements,

other than the public disclosure described in the preceding paragraph, and assessing the adequacy of such procedures periodically.

- Reviewing with the independent auditors and management the adequacy and effectiveness of the financial and accounting controls of the Company.
- Establishing procedures: (i) for receiving, handling and retaining of complaints received by the Company regarding accounting, internal controls, or auditing matters, and (ii) for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters as well as violations to the Company's Code of Business Conduct and Ethics.
- Reviewing with the independent auditors any audit problems or difficulties and management's response and resolving disagreements between management and the auditors and reviewing and discussing material written communications between management and the independent auditors, such as any management letter of schedule of unadjusted differences.
- Making inquires of management and the independent auditors to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risk to the Company.
- Providing oversight of the Company's policies, procedures and practices with respect to the maintenance of the books, records and accounts, and the filing of reports, by the Company with respect to third party payments in compliance with the *Corruption of Foreign Public Officials Act* (Canada), the *Extractive Sector Transparency Measures Act* (Canada) and similar applicable laws.
- Making inquires of management and the independent auditors to identify significant business, political, financial, litigation and control risks and exposures and assess the steps management has taken to minimize such risk to the Company.
- Assessing the overall process for identifying principal business, political, financial, litigation and control risks and providing its views on the effectiveness of this process to the Board.
- Ensuring that the disclosure of the process followed by the Board and its committees, in the oversight of the Company's management of principal business risks, is complete and fairly presented.
- Obtaining reports from management and the Company's independent auditors that the Company is in conformity with legal requirements and the Company's Code of Business Conduct and Ethics and reviewing reports and disclosures of insider and affiliated party transactions.
- Discussing any earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- Ensuring adequate procedures are in place for review of the Company's disclosure of financial information and assess the adequacy of these procedures at least once per year.
- Reviewing of confirmation of compliance with the Company's policies on internal controls, conflicts of interests, ethics, foreign corrupt practice, etc.
- Ensuring that the Company's annual information form and management information circular contains the required disclosure pursuant to applicable law.
- Reviewing with financial management and the independent auditors interim financial information, including interim financial statements, management discussion and analysis and financial press releases for the purpose of recommending approval by the Board prior to its release.

- On at least an annual basis, obtaining and reviewing a report prepared by the independent auditors describing (i) the auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the Company (to assess auditors' independence).
- Reviewing and approving hiring policies for employees or former employees of the past and present independent auditors.
- Reviewing disclosure by management in the event that management deviates from existing approved policies and procedures which disclosure must also must be contained in financial reporting sub-certification forms.
- Engaging independent counsel and other advisors, without seeking approval of the Board or management, if the Committee determines such advisors are necessary to assist the Committee in carrying out its duties and setting and paying for any counsel or advisors employed by the Committee for such purpose. The Committee shall advise the Board and management of such engagement.
- Discussing with the Company's legal counsel any legal matters that may have a material impact on the financial statements or of the Company's compliance policies and internal controls.
- Conducting special investigations, independent of the Board or management, relating to financial and non-financial related matters concerning the Company and/or any one or more of its directors, officers, employees, consultants and/or independent contractors, if determined by the Committee to be in the best interests of the Company and its Shareholders. The Committee shall advise the Board with respect to the initiations of such investigations and shall periodically report any findings such investigation to the Board.
- Reporting annually to the shareholders in the Company's annual information form on the carrying out of its responsibilities under this charter and on other matters as required by applicable securities regulatory authorities.

#### **IV. MEETINGS**

The Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than four times a year and any time the Company proposes to issue a press release with its quarterly or annual earnings information. Meetings may be held at any time deemed appropriate by the Committee.

The Audit Committee shall meet periodically in separate executive sessions with management (including the Chief Financial Officer), the internal auditors and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The independent auditors will have direct access to the Committee at their own initiative.

The Chairman of the Committee will report periodically the Committee's findings and recommendations to the Board.

## **SCHEDULE “A”**

### **POSITION DESCRIPTION FOR THE CHAIRMAN OF THE AUDIT COMMITTEE**

#### **1. PURPOSE**

The Chairman of the Audit Committee of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation.

#### **2. WHO MAY BE CHAIRMAN**

The Chairman will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

#### **3. RESPONSIBILITIES**

The following are the primary responsibilities of the Chairman:

- (a) chairing all meetings of the Committee in a manner that promotes meaningful discussion;
- (b) ensuring adherence to the Committee’s Charter and that the adequacy of the Committee’s Charter is reviewed annually;
- (c) providing leadership to the Committee to enhance the Committee’s effectiveness, including:
  - (i) providing the information to the Board relative to the Committee’s issues and initiatives and reviewing and submitting to the Board an appraisal of the Corporation’s independent auditors and internal auditing functions;
  - (ii) ensuring that the Committee works as a cohesive team with open communication, as well as ensuring open lines of communication among the independent auditors, financial and senior management and the Board for financial and control matters;
  - (iii) ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
  - (iv) ensuring that the Committee serves as an independent and objective party to monitor the Corporation’s financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;

- (v) ensuring that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions;
  - (vi) ensuring that procedures are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;
  - (vii) ensuring that clear hiring policies are put in place for partners and employees of the auditors;
- (d) ensuring that procedures are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns, ensuring the establishment of a budget process, which shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget regarding questionable accounting or auditing matters; and
- (e) managing the Committee, including:
- (i) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - (ii) preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - (iii) ensuring meetings are appropriate in terms of frequency, length and content;
  - (iv) obtaining and reviewing with the Committee an annual report from the independent auditors, and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
  - (v) overseeing the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;
  - (vi) ensuring that the auditors report directly to the Committee, as representatives of the Corporation's shareholders; and
- (vii) annually reviewing with the Committee its own performance.