

Australia & International Holdings Limited

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Corporate Governance Statement 30 June 2017

The Board of Australia & International Holdings Limited is committed to high levels of accountability and integrity and adheres to the following principles of corporate governance:

- The adoption of transparent structures and operations;
- The application of robust risk management and internal structures; and
- Board accountability to shareholders and interested parties.

Structure of the Board

The Board is structured to maintain an appropriate balance of independent directors and to support a suitable degree of separation from the management of the Company. The Board currently consists of four directors, with the Chairman and one other director being fully independent.

Details of the qualifications and experience of the directors are included in the Directors' Report attached to the Financial Statements.

Roles, Responsibilities and Functioning of the Board

The main functions and responsibilities of the Board are:

- Oversight of the Company;
- Review and approve the investment strategy for the investment portfolio;
- Ensure systems and processes are in place to mitigate risks;
- Approve and monitor financial performance and reporting;
- Appropriately discharge its legal and compliance obligations and responsibilities;
- Properly assess the performance of the Investment manager;
- Ensure transparency in reporting to shareholders, the market, and all other interested parties.

The Board holds regular quarterly meetings, and other meetings as required, to fulfill its obligations and duties. Each Director is expected to expend sufficient time to enable them to carry out their duties.

Directors have unrestricted access to all Company records and receive quarterly reports sufficient for them to make proper assessments and fulfill their responsibilities and duties.

Directors are, at all times, expected to act in the best interests of the Company, and must disclose any conflicts of interest, both actual or potential, to the Board, and further, remove any such conflicts if requested by the Board to do so. Related party interests and transactions are disclosed in the Annual Report.

The Board has delegated responsibility for the operation and administration of the Company to the Investment Manager, Burrell Stockbroking Pty Ltd, whose performance is monitored by the Directors at each quarterly Board meeting.

Committees

The size and nature of the Company does not warrant the establishment of a nomination committee; however, the Board seeks to maintain a balanced mix of investment, finance, business and legal skills in its composition, so that it can properly fulfill its role and carry out its functions with a high degree of professionalism.

Further, the size and nature of the Company does not warrant the establishment of an audit or compliance committee, with the full Board undertaking these functions.

As the Directors have not to this date sought any remuneration for their services to shareholders, there has not been any need to establish a remuneration committee.

Risk Management

The Board is responsible for identifying and managing risks to the Company.

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. Investment risk is reduced by setting an appropriate

investment strategy with guidelines and benchmarks for the investment manager to follow with regular Board review.

Compliance risks are reduced by having appropriate controls and policies and procedures in place with audit review.

Board Accountability

The Board is accountable to shareholders and is committed to providing factual, useful and timely information in order for shareholders to be able to assess the merits of and the risks associated with the Company.

This is done by providing continuous disclosure via the NSX market website, through the Company's webpage on the Burrell Stockbroking and Superannuation website at www.burrell.com.au, and through direct communication. Shareholders are also encouraged to attend the Company's Annual General Meeting.