

CORPORATE GOVERNANCE STATEMENT

BUILDING BETTER FUTURES.



ambition

Corporate Governance Statement

as at 31 December 2018

The Board is responsible for the overall corporate governance of Ambition Group Limited (Ambition or Company), including adopting the appropriate policies and procedures and seeking to ensure Ambition Directors, management and employees fulfil their functions effectively and responsibly.

The Board has adopted corporate governance policies and practices by reference to the 3rd edition of the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (ASX Recommendations). Where Ambition's practices depart from the ASX Recommendations, Ambition intends to work towards compliance but does not consider that all practices are appropriate for the size and scale of Ambition's operations.

Ambition's main policies and practices (by reference to the ASX Recommendations) are summarised below. It also identifies the extent to which those policies and practices do not comply with the ASX Recommendations.

Principle 1: Lay Solid Foundations for Management and Oversight

The Board has ultimate responsibility for setting policies regarding the business and affairs of Ambition for the benefit of Shareholders and other stakeholders. The Board delegates management of Ambition's resources to the Executive Chairman & CEO, and senior management to deliver the strategic direction and objectives determined by the Board.

The Board and management have agreed on their respective roles and responsibilities and the Board has adopted a Board Charter that details the Board's functions and responsibilities and the areas of authority delegated to senior management.

The Board has established a Remuneration, Human Resources & Nominations Committee which, amongst other functions, will evaluate the performance of the Executive Chairman and the Chief Financial Officer (CFO).

Responsibilities

The responsibilities of the Board include:

- Reviewing and approving the strategic plan for the Company with involvement in planning and goal setting for the Company and its intended growth;
- Monitoring the performance of the Company and its management team;
- Selecting and appointing the CEO, planning for the succession of senior management and setting appropriate remuneration packages;
- Setting clearly defined lines of authority from the Board to the CEO;
- Agreeing on performance indicators with management;
- Taking appropriate steps to protect the Company's financial position and its ability to meet its debts and other obligations as they fall due;
- Establishing and monitoring policies directed at ensuring that the Company complies with the law and conforms to the highest standards of financial and ethical behaviour;

Ensuring that the Company is adhering to reporting systems and appropriate internal controls (operational and financial) together with appropriate monitoring of compliance activities; and

- Ensuring that the Company accounts are true and fair in conformity with Australian Accounting Standards and the Corporations Act 2001 (Cth).

Ambition's management is required to supply the Board with information in a timeframe, form and quality that will enable it to effectively discharge its duties and to request additional information, if required, to make informed decisions. This is facilitated by the Company Secretary, who is responsible for completion and dispatch of Board agendas and briefing materials, and is accountable to the Board through the Chair on all matters to do with the proper functioning of the Board.

Ambition has a written agreement with each Director and senior executive setting out the terms of their appointment.

Information relevant to election of Directors

Ambition undertakes appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election, as a Director. If Shareholders are making a decision on whether or not to elect or re-elect a Director, the Board will provide Shareholders with all material information in its possession that is relevant to that decision.

Performance evaluation for Directors

The board undertakes an annual self-assessment of its collective performance and considers the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Group. The Board also reviewed the performance of the Executive Chairman and of board committees. Management are invited to contribute to this appraisal process which may be facilitated by an independent third party. To date, this has been actioned internally. The results and any action plans are documented, together with specific performance goals which are agreed for the coming year.

Performance evaluation of senior executives

Ambition has established processes for evaluating the performance of its senior executives. In summary, each senior executive is evaluated against the achievement of pre-agreed performance objectives. The evaluation process is conducted annually and is followed by the determination of appropriate remuneration of the relevant senior executives. Detailed information regarding Ambition's remuneration practices is provided in the Remuneration Report in the 2018 Annual Report. An evaluation of senior executives has taken place during the financial year ended 31 December 2018 in accordance with the processes described above.

Diversity Policy and Gender Diversity

The Company values diversity and recognises the benefits diversity can contribute to achieving the Company's goals. Accordingly, the Company has developed a Diversity Policy, which outlines the Company's diversity objectives in relation to gender, age, cultural background, and ethnicity, amongst the other areas specified in the Diversity Policy, a summary of which can be found on the Company's website (www.ambitiongrouplimited.com). The Company's Diversity Policy includes the Company's requirement to establish measurable objectives for achieving and maintaining gender diversity, as well as the requirement to assess and report annually the Company's progress in achieving these objectives to the Board.

The Company promotes its Diversity Policy through communication of the Policy to all employees. This dissemination of the Diversity Policy greatly assists in applying and developing a shared and inclusive understanding of the Diversity Policy across the Company and its subsidiaries (Group). The Company also addresses discrimination and harassment through prevention and awareness of the Company's Diversity Policy. The Company believes that it should hire, develop, promote and retain people strictly on the basis of their talents, experience, commitment and performance.

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The Company also has a number of initiatives in place which assist in achieving, fostering and supporting the Diversity Policy, including:

- Retention of key employees: creating an environment of growth, advancement and retention for all staff, regardless of gender, age, cultural background, and/or ethnicity;
- Communication plan: circulating the Diversity Policy annually to highlight expectations around behaviour consistent with encouraging diversity;
- Hiring: employees and Directors are selected from a diverse candidate pool;
- Development and career progression: as part of the Company's succession planning process, well-performing staff are identified for career progression.
- The Ambition Academy is our global program for introducing potential Consultants with little or no recruitment experience into the Ambition Group business.
- Review: the Company reviews objectives and the progress made against these objectives on an annual basis. In particular, reporting on participation and placement of women in leadership positions is evaluated;

The Company's Diversity Policy outlines gender diversity and its commitment to creating a fair, equitable and respectful workplace, where all are supported in an inclusive environment, are given recognition based on individual merit and are considered for opportunities to advance and succeed, regardless of their gender. As part of its commitment to improving gender balance in the workplace, the Company has adopted the ASX Recommendations.

The proportion of women employees at different levels in the Group is set out below:

Level	2018	2017
Women on the board	25%	25%
Women in management roles ¹	50%	52%
Women in all other roles	70%	65%

¹ Women with a leadership role in the Group

Principle 2: Structure the Board to Add Value

The Ambition Board is currently made up of four Directors, three of whom are Non-Executive Directors (Paul Young, Richard Petty and Deborah Hadwen) with Nick Waterworth as Executive Chairman and CEO.

Recommendation 2.4 of the ASX Recommendations states that a Board should comprise of a majority of independent Directors. The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgment. Directors are considered to be independent if they are not a member of management and if they are free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Ambition and its Shareholders generally. The Board will consider the materiality of any given relationship on a case-by-case basis and will adopt materiality guidelines to assist it in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

In accordance with the above guidelines, the Board considers each of Paul Young, Richard Petty and Deborah Hadwen to be an independent Director. The current Chair, Nick Waterworth, is not considered an independent Director.

Mr. Nick Waterworth is the Executive Chairman and is also a major shareholder in the Company. Given the depth of his company experience and industry standing, he is considered to be appropriately placed to serve as Executive Chairman, notwithstanding that pursuant to the ASX recommendation he is not considered as an “independent” Chairman. The Deputy Chairman, Paul Young, is an independent Director, albeit he has a greater than 5% shareholding. The Non-Executive Directors will meet as necessary without the Executive Chairman present. For these reasons the ASX recommendation for an independent Chairman has not been adopted.

Board skills matrix

Ambition’s objective is to have an appropriate mix of expertise and experience on the Board in order to effectively discharge its responsibilities. The existing mix of the Board’s expertise and experience is described below:

Strategy and Governance

- Strategic and commercial acumen
- Corporate governance

Finance and Risk

- Financial acumen
- Risk and compliance

Industry and Executive Experience

- Recruitment experience
- Professional services experience
- Executive leadership

Functional Expertise

- Technology competence
- People, culture and conduct

Behavioural

- Desired behaviour

Remuneration, Human Resources & Nominations Committee

The Remuneration, Human Resources & Nominations Committee has the responsibility for planning succession in Board appointments, subject to Board and Shareholder approval. This Committee must consist of the non-executive directors. Currently, Paul Young, Richard Petty and Deborah Hadwen are members of this Committee. The Chair to this Committee is Deborah Hadwen. The number of meetings held and attended by each member of the Remuneration & Nominations Committee during the year are set out in the Directors’ Report within the Annual Report.

The Board has a program in place for inducting new directors and provides appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their roles effectively.

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Principle 3: Act Ethically and Responsibly

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Ethics and Conduct (Code) to be followed by all employees and officers of the Company. The key aspects of this Code are to:

- act honestly, with integrity, fairness and equity;
- observe the rule and spirit of all laws and regulations which govern the operation of Ambition, its business environment and its employment practices;
- act in the best interest of Ambition;
- not knowingly participate in any illegal or unethical activity;
- avoid any real or perceived conflict of interest; and
- use company resources and property properly.

Ambition also has in place a Securities Trading Policy which applies to all staff, Directors and contractors of the Company. The Policy prohibits these individuals from dealing in the Company's securities (e.g. shares) when they are in possession of price-sensitive information, as defined by the Corporations Act 2001 (Cth). The Securities Trading Policy also restricts Directors and employees in possession of price sensitive information from trading in Ambition securities outside of the "share trading window". The "share trading window" is the period 28 days after:

- a) Release of half yearly results to the ASX;
- b) Release of annual results to the ASX;
- c) Conclusion of the Annual General Meeting of the company; or
- d) Any other time the Board considers the market to be fully informed about the Group's operations.

The Securities Trading Policy is circulated at least twice a year to Directors, key management personnel and anyone who is in possession of price sensitive information, along with an email reminding them of their obligations to abide by the Securities Trading Policy.

A copy of the Code and the Securities Trading Policy are available on the Company's website (www.ambitiongrouplimited.com).

Principle 4: Safeguard Integrity in Financial Reporting

The Board requires the CEO and CFO to provide to the Board, prior to the Board approving Ambition's financial statements, a declaration that in their opinion, Ambition's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Ambition, and that this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Audit & Risk Committee

The Board has established an Audit & Risk Committee. This Committee must consist of the non-executive directors. Currently, all the Non-Executive Directors (i.e. Paul Young, Richard Petty and Deborah Hadwen) are members of this Committee. Paul Young acts as the Chair of the Committee.

The current composition of the Audit & Risk Committee complies with Recommendation 4.1 of the ASX Recommendations.

The number of meetings held and attended by each member of the Audit & Risk Committee during the year is set out in the Directors' Report within the Annual Report. The relevant qualifications and experience of the members of the Committee are also set out in the Annual Report.

As set out in Ambition's Audit & Risk Committee Charter, the Committee's primary functions are to review:

- significant accounting and reporting matters;
- the reporting of financial information;
- the appointment and effectiveness of the external auditor;
- systems of internal control and internal audit; and
- the risk management framework.

Principle 5: Make Timely and Balanced Disclosure

Continuous Disclosure and Shareholder Communication

Ambition is committed to observing its disclosure obligations under the ASX Listing Rules. Ambition has adopted a Continuous Disclosure Policy which establishes procedures aimed at ensuring that Directors and management are aware of, and fulfil their obligations in relation to, the timely disclosure of material price-sensitive information.

The Continuous Disclosure Policy is disclosed on Ambition's website (www.ambitiongrouplimited.com).

Principle 6: Respect the Rights of Security Holders

Ambition is committed to keeping Shareholders informed of all major developments affecting Ambition's state of affairs relevant to Shareholders, in accordance with all applicable laws. Ambition has also implemented an investor relations program to facilitate effective two-way communication with investors and to encourage participation at Shareholder meetings. Information will be communicated to Shareholders through the lodgement of announcements with the ASX and the publishing of information on Ambition's website (www.ambitiongrouplimited.com).

In particular, Ambition's website will contain information about Ambition, including media releases, key policies and the Charters of Ambition's Board and Board Committees. All relevant financial information and reports released to the market will be posted on Ambition's website as soon as this information has been released to the ASX.

The Ambition AGM provides an important opportunity for Shareholders to express their views to the Ambition Board and management. Shareholders are encouraged to attend the AGM or, if unable to attend, to vote on the motions proposed by appointing a proxy or by other means included in the notice of AGM. Notice of AGM and accompanying explanatory material will be available on Ambition's website (www.ambitiongrouplimited.com) and be provided to Shareholders as required under the Corporations Act. At the AGM, Shareholders will be invited to ask the Chair or any member of the Board questions about or comment on the results, operations, strategy and/or management of Ambition. The external auditor will also be available at the AGM to answer questions about the conduct of the audit and preparation and content of the auditor's report.

Shareholders have the option to elect to receive communications from, and send communications to, Ambition and its share registry electronically.

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Principle 7: Recognise and Manage Risk

The identification and proper management of Ambition's risk is an important priority of the Board. Ambition has therefore adopted a Risk Management Policy, which is disclosed on Ambition's website (www.ambitiongrouplimited.com). This Policy highlights the risks relevant to Ambition's operations, and Ambition's commitment to designing and implementing systems and methods appropriate to minimise and control its risks. This Policy ensures:

- regular reporting to the Board by the CEO on Ambition's key risks and the management of those risks; and
- assurances are provided by the CEO on the soundness and effectiveness of Ambition's risk management and internal compliance and control system

The Audit & Risk Committee is responsible for reviewing and reporting on the efficiency, effectiveness and appropriateness of the Company's Risk Management Policy, and monitoring and advising to the Board on matters as they relate to risk management.

The Audit & Risk Committee reviews Ambition's risk management framework at least annually to satisfy itself that it continues to be sound. During the financial year ended 31 December 2018, such a review has taken place.

Audit & Risk Committee

The membership of the Audit & Risk Committee is set out above in Principle 4. Ambition complies with Principle 4. As set out in Ambition's Audit & Risk Committee Charter, the Committee's primary functions include the review of:

- systems of internal control and internal audit; and
- the risk management framework.

Internal Audit

Given Ambition's size, the Company does not have a separate internal audit function.

The responsibility for the monitoring of the internal control framework is performed by the Audit & Risk Committee.

The Board considers that the combination of Audit & Risk Committee oversight and external financial audits is appropriate for a company of this size

Sustainability risks

As mentioned above, the Company has adopted a Risk Management Policy to monitor its exposure to, and manage, its economic sustainability risks. The Company has no material exposure to environmental and social sustainability risks.

Principle 8: Remunerate Fairly and Responsibly

The remuneration structure for Non-Executive Directors is clearly distinguished from that of the Executive Directors. The Board has therefore established a Remuneration, Human Resources & Nominations Committee.

Remuneration, Human Resources & Nominations Committee

This Committee must consist of the non-executive directors. Currently, Paul Young, Richard Petty and Deborah Hadwen are members of this Committee. The Chair to this Committee is currently Deborah Hadwen.

The number of meetings held and attended by each member of the Remuneration & Nominations Committee during the year is set out in the Directors' Report within the Annual Report.

As set out in Ambition's Remuneration, Human Resources & Nominations Committee Charter, the primary functions of the Committee are to make recommendations to the Board on:

- remuneration and incentive policies for Executive Directors and senior management;
- Ambition's recruitment, retention and termination policies for senior executives; and
- remuneration and incentive policies for Non-Executive Directors.

Equity-based remuneration scheme

Ambition has an existing equity-based remuneration scheme, being its Employee Share Plan, which may be available to key management personnel and senior management. Under the Company's Securities Trading Policy, all directors and senior executives of the Company (including the CEO) are prohibited from dealing in any financial products issued or created over the Company's shares by third parties, or dealing in associated products. In addition, they must not enter into a transaction that operates to limit the economic risk of their shareholding in the Company.

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