

RISK MANAGEMENT POLICY

Ambition views effective risk management as key to achieving and maintaining its operational and strategic objectives.

Risk Oversight

The Ambition Board (the Board) is responsible for approving and reviewing the Ambition Group risk management strategy and policy. The active identification of risks and implementation of mitigation measures is the responsibility of Management.

To assist the Board in discharging its responsibility in relation to risk management, the Board has delegated certain activities to the Audit & Risk Committee. The responsibilities of this Committee are contained in the Committee's charter a summary of which is available at www.ambitiongrouplimited.com.

The Board has also delegated various authorities to the CEO and subsidiary Boards and Committees to enable the setting of certain risk management policies and procedures.

When considering the Audit and Risk Committee's review of financial reports, the Board receives a written statement, signed by the CEO and the CFO, that the company's financial reports give a true and fair view, in all material respects, of the company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

Similarly in reviewing risk management reports, in a separate written statement the CEO and the CFO also confirm to the Board that the company's risk management and internal control systems are operating effectively in relation to material business risks for the period, and that nothing has occurred since period end that would materially change the position.

An outline of the key risks being managed by the Group is provided in the Risk Profile section below.

Ambition Risk Appetite Statement

The risk context within which the Ambition Group operates is characterised by the intent to deliver adequate shareholder returns in an increasingly competitive environment.

For strategic risks, the Board's appetite recognises changes in the labour markets, changes in legislation, a loss of a key contract or several contracts, conflicts of interest with one or more client(s) or general business conflicts of interest, a negative impact of reputation and increased competition.

It is recognised though that an inherent component of operating in its environment requires the Group to accept significant levels of residual strategic risk.

The Board's appetite for the occurrence of largely internally manageable significant risk incidents including financial, operational, legal and regulatory risks is very low. In this regard the Group will:

- Implement a control environment that within practical constraints (in all but the most extreme circumstances) minimises the likelihood of significant risk events;
- Put adequate arrangements in place to ensure compliance with licence and regulatory requirements; and
- Seek operational excellence and effect change only after careful consideration of impacts and remediation methods.

Adequate capital and liquidity is to be in place to underpin business operations, future growth and absorb foreseeable loss events in all but the most extreme circumstances.

Management of Risks

In addition to daily management of business activities, each business unit is required to formally profile its risk environment monthly in the Management reports, including identification of key risks, assessment of control design and operation, and evaluation of key risk indicators.

The Audit and Risk Committee has responsibility for considering Management's reports regarding the effectiveness of Ambition's risk management framework and processes.

Risk Profile

Ambition's activities give rise to a broad range of risks to Ambition's commercial return and enterprise value which are considered under the categories of Strategic, Financial, Legal & Regulatory and Operational risk and include:

Strategic Risks

- Fluctuations in macroeconomic and market activity levels
- Technology innovation
- Product and service innovation
- Reputation risks arising from (internal or external) incidents, policies or events

Financial Risks

- Adequacy of Ambition Group capital, funding and liquidity
- Legal and Regulatory Risks
- Compliance with, and the impact of changes to, applicable laws and regulations in Australia and overseas

Operational Risks

- Ensuring complete and accurate processing and reporting of transactions, availability of systems, structured changes to procedures, comprehensive service provider agreements, appropriate staff management practices, and robust business continuity arrangements