



ASHLEY SERVICES GROUP

TRAINING | RECRUITMENT | LABOUR HIRE

ASX ANNOUNCEMENT

15 February 2016

Appointment of Managing Director and Chief Executive Officer

As announced on 14 December 2015, Mr Stewart Cummins has been appointed as Managing Director and Chief Executive Officer (MD & CEO) of Ashley Services Group Limited (ASX: ASH) effective 15 February 2016, following the retirement of current MD, Mr Ross Shrimpton. Mr Shrimpton will assume a Non-Executive Director (NED) role from today.

Mr Cummins commenced with the Company on 14 December 2015 as Chief Operating Officer and has worked closely with Mr Shrimpton over the past two months to achieve a smooth transition.

“Stewart has impressed all stakeholders with his ‘can do’ attitude and strong leadership since starting with ASH and has already made a number of value accretive changes in the business. On behalf of the Board, I also wish to acknowledge the significant contribution of Ross Shrimpton as founding MD, and look forward to his continuing contribution in his new role as a NED”, said ASH Chairman, Ian Pratt.

A summary of the key terms of engagement for Messrs Cummins and Shrimpton are attached.

For further information, please contact:

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Summary of the Key Terms of Engagement – Mr Stewart Cummins

Commencement Date

ASH will employ Mr Cummins in the position of Managing Director and CEO effective 15 February 2016.

Term

Mr Cummins will be appointed for an ongoing term subject to termination by either party giving 6 months' notice.

Remuneration

Fixed Remuneration

Mr Cummins will be entitled to a fixed annual salary of \$600,000 (inclusive of superannuation). This will be subject to annual review.

Short Term Incentive (STI)

Mr Cummins will be entitled to a maximum potential STI of \$300,000 per annum (equivalent to 50% of his Fixed Remuneration) subject to financial and non-financial performance of ASH. Mr Cummins' performance will be assessed against performance targets and priorities set by the Board.

Long Term Incentive (LTI)

Mr Cummins will be entitled to a maximum potential long-term incentive of up to \$150,000 per annum (equivalent to 25% of his Fixed Remuneration). Key LTI terms and conditions are:

- Vesting and Delivery of Shares

50% of the Performance Rights ('Rights') will vest on the third anniversary of the Date of Grant and 50% of the Rights will vest on the fourth anniversary of the Date of Grant.

- Vesting Conditions

The vesting of Rights is conditional on the satisfaction of the following conditions:

- ✓ Participant being **continuously employed** by the company or an entity owned by the company from the **Date of Grant** to the **Vesting Date** (inclusive) unless the Board determines otherwise.
- ✓ The following conditions (**Performance Conditions**) being met, with 50% of the allocation attributable to each individual performance condition.

**Performance Condition 1:**

Based on the Company's Earnings Per Share Growth (EPSG) compared against the EPSG Target:

- Compound annual EPSG of less than 10% = 0% proportion of Rights to vest
- Compound annual EPSG of equal to or greater than 10% = 100% proportion of Rights to vest

Performance Condition 2:

Relative total shareholder return (TSR)

This performance condition is a measure of ASH's TSR compared to the TSR of a comparator group of 20 competing and industry related companies at the beginning of the respective performance periods. TSR is measured by the change in value of the ASH's cumulative TSR over the performance period compared to the TSR performance of the comparator group over the same period.

The relative TSR vesting scale is as follows:

Relative TSR v Comparator Group	% vesting
Below 50%	nil
50%	50%
50% to 75%	Sliding scale; 2% for every 1%
>75%	100%

- Rights that do not vest on or prior to the Vesting Date will automatically lapse.

Mr Cummins will forfeit any unpaid incentives if his employment is terminated by his resignation or due to any misconduct or poor performance.

Restrictive Covenant

Mr Cummins may be restrained for up to 36 months after termination of his employment with ASH from being engaged in competition to ASH.

Summary of the Key Terms of Engagement – Mr Ross Shrimpton**Commencement Date**

Mr Shrimpton will commence as a Non-Executive Director effective 15 February 2016.

Remuneration**Fixed Remuneration**

Mr Shrimpton will not receive any remuneration. This will be subject to annual review.