



## NOTICE OF ANNUAL GENERAL MEETING 2019

Notice is hereby given that the Annual General Meeting of Aspen Group Limited ACN 004 160 927 (the "**Company**") and Aspen Property Trust ARSN 104 807 767 (the "**Trust**") (together "**Aspen Group**") will be held at Burke Room Level 9, 33 Erskine Street, Sydney 2000 at 11:30am on Friday, 29 November 2019.

**A proxy form is enclosed**

Please read the Notice of Meeting and Explanatory Statement carefully. If you are unable to attend the meeting, please complete and return the enclosed proxy form in accordance with the specified instructions.

## MEETING DETAILS AND IMPORTANT DATES

Date of Notice of Meeting	29 October 2019
Last date and time for receipt of Proxy Forms	11:30am (AEDT), on Wednesday, 27 November 2019
Date and time of Meeting	11:30am (AEDT), on Friday, 29 November 2019

## THIS DOCUMENT DOES NOT CONSTITUTE FINANCIAL PRODUCT ADVICE

The provision of this document is not, and should not be considered as, the provision of financial product advice. This document is not and should not be construed as a recommendation to you by any of Aspen Group Limited, the responsible entity of the Trust, or any of their related corporations, directors, employees or agents, nor any other person. The information in this document is of a general nature and does not take into account your individual investment objectives, financial situation or particular needs. Accordingly, before making a decision as to how to vote on the resolutions, you should conduct your own investigations and analysis and seek appropriate legal, financial, tax and other advice.

## FORWARD LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology including, without limitation, “may”, “could”, “believes”, “estimates”, “expects”, “intends” and other similar words. Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Aspen Group, the responsible entity and their respective directors) which may cause actual results or performance to be materially different from any future results or performance expressed or implied by such forward-looking statements. There can be no assurance that actual outcomes will not materially differ from those predicted or implied by any forward-looking statements and the forward-looking statements should not be relied on as an indication of future value or for any other purpose.

# AGENDA

## ORDINARY BUSINESS

### 1 Financial Accounts and Reports

To receive and consider the financial report for the year ended 30 June 2019 for Aspen Group, including the Directors' declaration, Directors' report and audit report.

There is no vote on this item.

### 2 Remuneration Report

#### **Resolution 1**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

*"That the Company's remuneration report for the year ended 30 June 2019 be adopted."*

The Remuneration Report appears on pages 11 to 22 of the 2019 Annual Report. Additional details about the Company's remuneration policies and practices are included in the Explanatory Statement.

(Note: the vote on this item is advisory only and does not bind the Directors, the Company or the responsible entity of the Trust).

#### **Voting Exclusion Statement**

In accordance with the Corporations Act, the Company and Trust will disregard any votes cast **in favour of** Resolution 1 by or on behalf of:

- a member of the Key Management Personnel (**KMP**), details of whose remuneration is included in the 2019 Remuneration Report; or
- a closely related party of a member of the KMP referred to above. A 'closely related party' is defined in the Corporations Act and includes any spouse, dependant and certain other close family members of a member of the KMP, as well as any companies controlled by a member of the KMP.

However, the Company need not disregard a vote if the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the proxy form; or
- by the Chairman where he has been expressly authorised to vote undirected proxies as he sees fit.

### 3 Re-election of Guy Farrands as a Director

#### **Resolution 2**

To consider, and if thought fit, to pass the following as an ordinary resolution of the Company:

*"To re-elect as a Director of the Company, Mr Guy Farrands who retires in accordance with Rule 7.3(d) of the Company's constitution and, being eligible, offers himself for re-election."*

Details of the qualifications and experience of Mr Farrands and the recommendation of the Board are set out in the attached Explanatory Statement.

## SPECIAL BUSINESS

### 4 Amendment to the Aspen Group Limited's Constitution - Capital Reallocation

#### **Resolution 3**

To consider, and if thought fit, to pass the following as a special resolution of the Company:

*"That, subject to the resolution in item 5 in the Notice of this Meeting being passed and Evolution Trustees Limited (ACN 611 839 519) (**Responsible Entity**) in its capacity as responsible entity of the Aspen Property Trust and Aspen Group Limited making an announcement to ASX Limited that the proposed capital reallocation between Aspen Property Trust and Aspen Group Limited will proceed:*

- (a) *with effect on and from the date that Members execute (through the Responsible Entity as their agent) a consent in writing in accordance with the constitution of Aspen Property Trust (as amended in accordance with the resolution in item 5 in this Notice of Meeting), Aspen Group Limited's Constitution is modified in the manner set out in Part 1 of Annexure A to the Notice of this Meeting; and*
- (b) *Members consent to any variation of the rights attaching to their shares in Aspen Group Limited constituted by:*
  - (i) *the modification of Aspen Group Limited's Constitution as provided in paragraph (a) of this resolution; and*
  - (ii) *the increase in each Member's obligation to contribute to the share capital of Aspen Group Limited in accordance with Aspen Group Limited's Constitution as so modified in paragraph (a) of this resolution."*

### 5 Amendment to the Aspen Property Trust Constitution – Capital Reallocation

#### **Resolution 4**

To consider, and if thought fit, to pass the following as a special resolution of Aspen Property Trust:

*"That, subject to the resolution in item 4 in this Notice of Meeting being passed and the Responsible Entity and Aspen Group Limited making an announcement to ASX Limited that the proposed capital reallocation between Aspen Property Trust and Aspen Group Limited will proceed, the constitution of Aspen Property Trust is modified in accordance with the provisions of the "Supplemental Deed – Aspen Property Trust" set out in Part 2 of Annexure A to the Notice of this Meeting, and that the Responsible Entity is authorised to execute the Supplemental Deed and lodge it with the Australian Securities and Investments Commission."*

The vote of any person excluded from voting on this item 5 (resolution 4) by section 253E of the Corporations Act will be disregarded.

### 6 Appointment of Auditor

#### **Resolution 5**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“That, in accordance with section 327B(1)(b) of the Corporations Act 2001 (Cth) and for all other purposes, Deloitte Touche Tohmatsu having been nominated by a shareholder and consented in writing to act in the capacity of Auditor, be appointed as the Auditor of Aspen Group.”*

## **7 Approval to issue ordinary shares to Mr John Carter**

### **Resolution 6**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr John Carter or his nominee fully paid ordinary shares in accordance with the terms summarised in the Explanatory Memorandum attached.”*

**Voting Exclusion Statement:** The Company and Trust will disregard any votes cast in favour of Resolution 6 by or on behalf of Mr John Carter, any other director and any of their Associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of this Resolution 6.

## **8 Approval to issue ordinary shares to Mr David Dixon**

### **Resolution 7**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr David Dixon or his nominee fully paid ordinary shares in accordance with the terms summarised in the Explanatory Memorandum attached.”*

**Voting Exclusion Statement:** The Company and Trust will disregard any votes cast in favour of Resolution 7 by or on behalf of Mr David Dixon, any other director and any of their Associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of this Resolution 7.

## 9 Grant of Performance Rights to John Carter

### **Resolution 8**

To consider and if thought fit to pass the following as an **ordinary resolution**:

*For the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and all other purposes the Directors are authorised to issue 295,807 Performance Rights to John Carter (a Director of the Company) or his nominee, as soon as practicable following the conclusion of the Company's 2019 Annual General Meeting, and in any case, by no later than 12 months after the conclusion of the Company's 2019 Annual General Meeting, on the terms and conditions set out in the Explanatory Memorandum.*

**Voting Exclusion Statement:** The Company and Trust will disregard any votes cast in favour of Resolution 8 by or on behalf of Mr John Carter, any other director and any of their Associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of this Resolution 8.

## 10 Grant of Performance Rights to David Dixon

### **Resolution 9**

To consider and if thought fit to pass the following as an **ordinary resolution**:

*For the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and all other purposes the Directors are authorised to issue 295,807 Performance Rights to David Dixon (Joint CEO of the Company) or his nominee, as soon as practicable following the conclusion of the Company's 2019 Annual General Meeting, and in any case, by no later than 12 months after the conclusion of the Company's 2019 Annual General Meeting, on the terms and conditions set out in the Explanatory Memorandum.*

**Voting Exclusion Statement:** The Company and Trust will disregard any votes cast in favour of Resolution 9 by or on behalf of Mr David Dixon, any other director and any of their Associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of this Resolution 9.

## 11 Approval of 10% Placement Facility

### **Resolution 10**

To consider, and if thought fit, to pass the following resolution as a special resolution:

*“That for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities totalling up to 10% of the Company's share capital calculated in accordance with ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this notice of Meeting.”*

**Voting Exclusion Statement:** The Company and Trust will disregard any votes cast in favour of Resolution 10 by any person who may participate in the proposed issue of equity securities under this Resolution 10 and any person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder. If Resolution 10 is passed, and any of their associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of this Resolution 10.

**Note:** In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.

## GENERAL BUSINESS

To transact any business that may be properly brought before the meeting.

By order of the Boards of the Company and the Responsible Entity



**Mark Licciardo**  
**Company Secretary**

# ANNEXURE A TO THE NOTICE OF ANNUAL GENERAL MEETING

## Part 1 - Proposed amendments to the Constitution of Aspen Group Limited ("Company Constitution")

It is proposed that the Company Constitution be amended in the manner set out below.

- (1) Insert a new clause 3.2A 'Capital Reallocation' before clause 3.3 as follows:

### **"3.2A Capital Reallocation**

- (a) (***Increase in liability to contribute to share capital***) If on or before the Record Date, the Responsible Entity determines in accordance with the Stapled Trust Constitution to pay a Capital Reallocation Amount to Stapled Trust Unitholders then:
- (i) the liability of each Eligible Member to contribute to the share capital of the Company is increased with effect on and from the Implementation Date by the Contribution Amount; and
  - (ii) each Eligible Member is liable to pay to the Company on the Implementation Date the Contribution Amount, in respect of each share in the Company held by the Eligible Member on the Record Date and is taken to have been made subject to a call for the Contribution Amount made and payable on the Implementation Date.
- (b) (***Payment of increased liability***) If the Responsible Entity determines in accordance with the Stapled Trust Constitution to pay a Capital Reallocation Amount to the Company on behalf of Eligible Members which is equal to the product derived by multiplying the number of Stapled Securities on issue as at the Record Date by the Contribution Amount, then:
- (i) the Company acknowledges that each Eligible Member is deemed to have appointed the Responsible Entity as its attorney and agent to do all things the Responsible Entity considers necessary or desirable to give effect to the payment of the Capital Reallocation Amount to the Company;
  - (ii) the Company accepts the Capital Reallocation Amount as a good and final discharge of each Eligible Member's liability under this clause 3.2A to contribute to the share capital of the Company under this clause 3.2A;
  - (iii) each Eligible Member has, with effect on and from the receipt by the Company of the payment, no further liability under this clause 3.2A to contribute to the share capital of the Company, and the determination by the Responsible Entity applies and this clause 3.2A operates in accordance with its terms despite any prior direction given by the Eligible Member in respect of payments out of the Stapled Trust; and
  - (iv) the Company may (following the above steps) direct the Responsible Entity to retain and apply all or any part of the Capital Reallocation Amount towards repayment of any loan to the Company from the Stapled Trust."

- (2) Insert the following new definitions in alphabetical order in clause 1.3:

**"Capital Reallocation Amount** has the meaning given in the Stapled Trust Constitution;



**Contribution Amount**, in relation to an Eligible Member, means the amount representing the Eligible Member's proportionate interest in the Capital Reallocation Amount, calculated based on the proportion of shares held that Eligible Member;

**Eligible Member** means each Member registered as a holder of shares in the Company on the Record Date;

**Implementation Date** means the fifth business day after the Record Date or if an earlier date on or after the Record Date is determined by the Directors for the purposes of this definition, that earlier date;

**Record Date** means 7.00pm (Sydney time) on the date that clause 3.2A of this Constitution takes effect;

**Stapled Trust Constitution** means the constitution establishing the Stapled Trust, as may be amended from time to time."

## Part 2 - Proposed amendments to the Constitution of the Aspen Property Trust ("Stapled Trust Constitution")

It is proposed that the Stapled Trust Constitution be amended in the manner set out below:

- (1) Insert immediately after clause 11.19 new clause 11.20 as follows:

"11.20 Capital Reallocation

- (a) The Responsible Entity may designate an amount to be paid under clause 11.9 (*'Other Distributions'*) as a "Capital Reallocation Amount", in which event clause 11.20(b) applies in relation to the payment of the amount.
- (b) Each Member entitled to be paid a proportion of a Capital Reallocation Amount irrevocably agrees and directs that:
  - (i) the Responsible Entity must pay the proportion to the Stapled Company (or as otherwise directed by the Stapled Company) on behalf of the Member in discharge of a liability of the Member (in its capacity as a holder of Stapled Shares) imposed or to be imposed on the Member in accordance with the constitution of the Stapled Company, to contribute an amount equal to the proportion of the share capital of the Stapled Company held by the Member; and
  - (ii) the only means by which the Member's entitlement to the proportion of the Capital Reallocation Amount may be paid by the Responsible Entity is as expressly provided in clause 11.20(b)(i) and payment of that proportion in accordance with that clause is a good and final discharge of any obligation or other liability of the Responsible Entity to pay or otherwise account for the Capital Reallocation Amount or any proportion of the Capital Reallocation Amount, and this agreement of and direction by the Member applies despite any prior direction given by the Member in respect of payments out of the Trust."

- (2) Insert immediately after clause 13.15 new clause 13.16 as follows:

**"Capital Reallocation**

13.16 Each Eligible Member irrevocably appoints (as its attorney and agent) and directs the Responsible Entity to:

- (c) consent in writing (which consent may be a single document or two or more documents executed by the Responsible Entity on behalf of all Eligible Members) to any variation of the rights attaching to any shares in the Stapled Company Stapled to Units held by the Eligible Member constituted by:
    - (i) any modification of the constitution of the Stapled Company that increases or provides for an increase in the liability of the Eligible Member in its capacity as a holder of Stapled Shares to contribute to the share capital of the Stapled Company; and
    - (ii) the increase in that liability;
  - (d) agree in writing (which agreement may be a single document or two or more documents executed by the Responsible Entity on behalf of all Eligible Members) to the increase in the Eligible Member's liability to contribute to the share capital of the Stapled Company in accordance with the constitution of the Stapled Company;
  - (e) apply on behalf of the Eligible Member the amount of the Eligible Member's entitlement to be paid a proportion of a Capital Reallocation Amount to discharge in full the increase in the Eligible Member's liability in its capacity as a holder of Stapled Shares to contribute to the share capital of the Stapled Company;
  - (f) do all things the Responsible Entity considers necessary or expedient (including dealing with fractional entitlements and resolving any difficulty) to give effect to the payment of the Capital Reallocation Amount in accordance with this constitution.”.
- (3) Insert in clause 31.1 the following new definitions in alphabetical order:
- “Capital Reallocation Amount:** any amount that the Responsible Entity determines to be paid under clause 11.9 and designates as a Capital Reallocation Amount as provided in clause 11.20(a).
- Eligible Member:** each Member registered as a holder of Units on the Record Date.
- Record Date:** has the meaning given in Clause 1.3 of the constitution of the Stapled Company.”.

# RELATING TO VOTING

## HOW TO VOTE

You may vote by attending the meeting in person or by proxy or a body corporate can appoint a corporate representative.

## VOTING IN PERSON

To vote in person, you must attend the meeting on Friday, 29 November 2019 at 11:30am. The meeting will commence at 11:30am with registrations from 11:00am.

## VOTING BY PROXY

A Securityholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Securityholder. A proxy need not be a Securityholder.

If you intend to appoint the Chairman of the meeting as your proxy, or the Chairman of the meeting becomes your proxy by default, you can direct the Chairman how to vote by either marking the boxes for Resolutions (for example, if you wish to vote 'for', 'against' or to 'abstain' from voting), or you can expressly authorise the Chairman to vote as he sees fit on those Resolutions by marking the Chairman's box on the proxy form. The Chairman intends to vote all available proxies in favour of the Resolutions. Although the Chairman is a member of the Company's KMP, the Chairman of the meeting is permitted to vote undirected proxies on the Resolutions if the person who is entitled vote on the Resolutions appoints the Chairman as proxy and expressly authorises the Chairman to vote undirected proxies on the Resolution.

A Securityholder that is entitled to cast two (2) or more votes may appoint up to two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Securityholder's votes.

**To be effective, proxies must be lodged by 11:30am (AEDT) on Wednesday, 27 November 2019. Proxies lodged after this time will be invalid.**

Proxies may be lodged using any of the following methods:

- by post to Aspen Group Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- in person to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000;
- by faxing a completed proxy form to +61 2 9287 0309; or
- online – [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)  
Select 'Investor and Employee Login' and enter the holding details as shown on the proxy form. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

The proxy form must be signed by the Securityholder or the Securityholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Securityholders can download and fill out the 'Appointment of Corporate Representation' form from the website of the securities registry of Aspen Group – [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Where the appointment of a proxy is signed by the appointer's attorney, an originally certified copy of the power of attorney, or the power itself, must be received by Aspen Group at the above address by 11.30am (AEDT) on 27 November 2019.

## **VOTING ENTITLEMENTS**

The Directors have determined that for the purposes of Regulation 7.11.37 of the Corporations Regulations, the persons eligible to vote at the meeting will be those persons who are registered as Securityholders at 7:00pm (AEDT) on 27 November 2019. Accordingly, Security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

# EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Meeting and contains information about the Resolutions contained in the Notice of Meeting. You should read the Notice of Meeting and this Explanatory Statement carefully, and seek your own independent advice on any issues that you are not certain about.

## ANNUAL FINANCIAL REPORT – ASPEN GROUP LIMITED AND ASPEN PROPERTY TRUST

The Corporations Act requires:

- *the reports of the Directors and auditors; and*
- *the annual financial report, including the financial statements of Aspen Group for the year ended 30 June 2019,*

to be laid before the Annual General Meeting. Neither the Corporations Act nor the Company's constitution requires a vote of Securityholders on the reports or statements. However, Securityholders will be given ample opportunity to raise questions or comments on the management of Aspen Group.

## PROPOSED RESOLUTIONS

### Resolution 1 - Remuneration Report

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2019.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives (which includes senior management) of the Company. **A copy of the Remuneration Report appears on pages 11 to 22 of the Annual Report, which is available from Aspen Group or on its website.**

The resolution is advisory only and does not bind the Company or its Directors. However the Board will consider the outcome of the vote and comments made by shareholders at the meeting on the remuneration report when reviewing the Company's remuneration policies. If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors must stand for re-election. The Company encourages all shareholders to cast their votes on Resolution 1 (Adoption of the Remuneration Report).

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the meeting is appointed as your proxy and you have not directed the Chairman how to vote on Resolution 1 by signing and returning the Proxy Form, the Shareholder is considered to have provided an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

### Recommendation

**The Directors unanimously recommend that Securityholders vote in favour of Resolution 1. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolution 1.**

## Resolution 2 – Re-election of Guy Farrands as a Director

Rule 7.3(a) of the Company's constitution provides that if the Company has 3 or more Directors, one third of the Directors must retire each year. The Director or Directors who have held their office for the longest period of time since their last appointment will retire.

Accordingly Guy Farrands retires by rotation and offers himself for re-election.

Mr Farrands has over 30 years' experience in direct and listed property markets both in Australia and internationally across commercial, retail, industrial, residential and retirement asset classes. He was managing director and CEO of GEO Property Group (now Villa World Limited) between 2007 and 2011. Previously Mr Farrands was CEO of Valad Property Group between 2005 and 2007, departing prior to Valad's acquisition of Crownstone / Scarborough. Prior to that Mr Farrands was head of corporate development and investor relations for Valad.

Mr Farrands' former roles included division director of the real estate division of Macquarie Bank's Investment Banking Group where he managed IPOs, equity raisings and mergers and acquisitions, associate director and joint head of property for Heine Management Limited and Manager in the Investment Sales Department at Jones Lang LaSalle.

Mr Farrands is currently the Chief Financial Officer of Viva Energy REIT.

Appointed a Non-Executive director on 26 November 2012 and Chairman of the Audit Committee (reconstituted as the Audit, Risk and Compliance Committee in February 2016) on 22 January 2013.

### Recommendation

**The Directors (other than Mr Farrands) unanimously recommend that Securityholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolution 2.**

## Resolutions 3 and 4 - Capital Reallocation Proposal

Units in APT ("**APT Units**") and shares in AGL ("**AGL Shares**") are stapled ("**Stapled Securities**") and are listed on the Australian Securities Exchange ("**ASX**") (ASX code APZ).

There is presently a disparity between the net tangible asset ("**NTA**") value of APT and AGL. This has resulted from various factors relating to the historical legal structure of APZ. By way of background, AGL has traditionally acquired the 'operating' and 'development' components of portfolio properties (including goodwill) and APT has acquired the title to the land and fixtures comprising the portfolio. APT then leases the properties to AGL to enable AGL to carry on its business on the land. In return, AGL charges APT certain management fees and is entitled to be reimbursed for expenses incurred in operating APT's property assets.

Due to the debt in AGL and property valuation changes over time (with the properties being held on the balance sheet of APT), the NTA split of the Aspen Group has become heavily weighted in favour of APT.

The capital of Aspen Group overall is approximately \$108.77 million as at 30 June 2019. The approximate allocation of this capital as at 30 June 2019 is 0.25 per cent to AGL and 99.75 per cent to APT.

As such, Aspen Group is contemplating a reallocation of capital between the two stapled entities. However, the constitution for the AGL and the constitution for APT do not currently facilitate the re-balancing of capital within the stapled structure.

Accordingly, Aspen Group is proposing to amend these constituent documents in the manner described in this Explanatory Statement to facilitate reallocations from time to time of capital from APT to AGL (**Capital Reallocations**).

If approved, Aspen Group is contemplating an initial reallocation of capital between APT and AGL by increasing the share capital of AGL through applying a distribution of up to \$0.31 per APT Unit by way of additional contribution to AGL's share capital ("**FY2020 Capital Reallocation Proposal**"). The total amount of capital proposed to be reallocated under the FY2020 Capital Reallocation Proposal from APT to AGL will be up to approximately \$30 million.

Following the implementation of a Capital Reallocation (including the FY2020 Capital Reallocation Proposal), the capital of the Aspen Group overall is not expected to change.

Under the FY2020 Capital Reallocation Proposal, the Aspen Group's capital will be reallocated so that it comprises approximately 28 per cent to AGL and 72 per cent to APT.

The aim of Capital Reallocations is to help ensure that both AGL and APT are appropriately capitalised to support their activities.

#### **(A) Capital Reallocations in more detail**

Importantly:

- all Securityholders will be treated equally under a Capital Reallocation;
- the contributions to AGL will be on a pro-rata basis such that there will be no change in voting rights or control of either of AGL or APT;
- the Capital Reallocation, when implemented, will not result in a change in the aggregate NTA per stapled security (the only change will be a reduction in the NTA allocated to the APT Unit component and a corresponding increase in the NTA allocated to the AGL Share component of the stapled security);
- Securityholders will not receive a cash payment as the distribution of capital in respect of each APT Unit can only be applied by way of additional contribution to the share capital of AGL by each Securityholder, despite any prior direction given by a Securityholder in respect of distributions by APT;
- based on an analysis of the historical trading price of stapled securities, the Special Capital Distribution that occurred in 2017 and tax deferred components and AMIT cost base net amounts in respect of previous distributions, the Board considers that it is unlikely that any Securityholders could make a capital gain as a result of the FY2020 Capital Reallocation Proposal;
- the number of APT Units, AGL Shares and therefore the number of stapled securities will remain the same before and after implementation of a Capital Reallocation; and
- stapled securities will continue to be quoted on ASX on the same basis before and after implementation of a Capital Reallocation.

#### **(B) Securityholder approvals required**

Capital Reallocations (including the FY2020 Capital Reallocation Proposal) cannot be implemented unless resolutions to amend both the AGL Constitution and APT Constitution are passed at the Annual

General Meetings. These proposed amendments require the approval of AGL Shareholders under the resolution in item 4 and APT Unitholders under the resolution in item 5 of the Notice of Meeting.

Even if the amendments are approved at the Meetings in relation to both the AGL Constitution and the APT Constitution, the amendments to the constitutions will not take effect until:

- the Aspen Group makes an announcement to ASX Limited that a proposed capital reallocation between APT and AGL will proceed;
- with respect to the AGL Constitution, Evolution Trustees Limited (ACN 611 839 519), as agent of each Securityholder, provides written consent to increase their liability to contribute to the share capital of AGL; and
- the relevant regulatory filings are made.

**(C) When will the FY2020 Capital Reallocation Proposal be implemented?**

If the amendments to the constitutions proposed under the resolutions in items 4 and 5 are approved and Aspen proceeds with the FY2020 Capital Reallocation Proposal, the Responsible Entity wishes to retain flexibility as to the timing of Capital Reallocations. While no fixed date has been set, the FY2020 Capital Reallocation Proposal must occur prior to 30 June 2020, if it is to occur at all.

The proposed amendments to the constitutions of AGL and APT confer powers on the Aspen Group which are broader than those which are required to implement the FY2020 Capital Reallocation Proposal (as described in this Explanatory Statement) as they provide the Aspen Group with flexibility to make capital reallocations in the future when circumstances may arise which require a rebalancing of capital from APT to AGL.

Further, the Aspen Group will not need to seek Securityholder approval in the future in order to conduct future Capital Reallocations (unless they involve a return of capital by the Trust). This will save the Aspen Group the time and expenses of having to amend the constitutions of AGL and APT in order to facilitate such capital reallocations.

A Capital Reallocation will only be implemented (and the amendments to the AGL Constitution and the APT Constitution will only take effect) if:

- the resolutions in items 4 and 5 have been passed at the Meetings;
- the Board is satisfied at the time the Capital Reallocation is to be implemented that it is in the best interests of all Securityholders as a whole, that it is fair and reasonable to all Securityholders as a whole and does not materially prejudice the Aspen Group's ability to pay its creditors; and
- the Aspen Group notifies ASX Limited prior to the proposed implementation date that the Capital Reallocation is proceeding.

Notwithstanding the passing of the resolutions in items 4 and 5, the Responsible Entity is not obliged to proceed with the FY2020 Capital Reallocation Proposal or any other Capital Reallocation.

**(D) How is the FY2020 Capital Reallocation Proposal (if it proceeds) to be implemented?**

- 1) The Responsible Entity will be appointed as agent of each Securityholder (in their capacity as an APT Unitholder) to provide written consent to an increase in their liability to contribute to share capital in respect of the AGL Shares respectively held by them on the record date as a component of the stapled securities and to apply a distribution of capital of up to \$0.31 per APT Unit made at the same time by APT to discharge the full amount of that increase in liability.



- 2) APT will make the distribution of capital in respect of each APT Unit which can only be applied to discharge in full the increased liability to contribute to the share capital by each Securityholder (in their capacity as a AGL Shareholder) in respect of each AGL Share they respectively hold, despite any prior direction given by a Securityholder in respect of distributions by APT.
- 3) With effect from the receipt of the written consent from the Responsible Entity as the agent of the Securityholder, the liability to contribute share capital of AGL will increase and then be immediately discharged by the APT capital distribution.

**(E) Key reasons to vote in favour of the Capital Reallocations**

The Board believes that the key reasons to vote in favour of the Capital Reallocations are as follows:

- a Capital Reallocation will result in a balance sheet of the Aspen Group that provides a more desirable debt/equity mix for sustainable long term growth;
- a Capital Reallocation is expected to reduce the administrative requirements and costs associated with internal debt arrangements;
- a Capital Reallocation will result in the total allocation of equity across Aspen Group being more closely aligned with its strategy. This includes allocating equity to the long term investments of AGL; and
- if any future capital raisings are undertaken, equity will be more appropriately allocated between APT and AGL.

**(F) Potential reasons to vote against the Capital Reallocations**

The Board believes that potential reasons to vote against the Capital Reallocations are as follows:

- although the overall cost base of a Securityholder's stapled securities should not be reduced by the Capital Reallocation, the cost base of a Securityholder's APT Units will be reduced. This may cause Securityholders to make a capital gain as a result of future AMIT cost base net decrease amounts at an earlier time than would have occurred, but for the Capital Reallocation (see 'Taxation impact of the Capital Reallocation' below for further details);
- to the extent the capital reallocation exceeds a Securityholder's cost base in an APT Unit, the Securityholder may make a taxable gain equal to that excess. Note however that there will be an increase to the cost base of the Securityholder's AGL shares. In respect of the FY2020 Capital Reallocation Proposal, based on an analysis of the historical trading price of the stapled securities and previous tax deferred distributions, the Group considers that it is unlikely that any Securityholders could make a capital gain as a result of the FY2020 Capital Reallocation Proposal; and
- Aspen Group will incur some transaction costs in order to implement the Capital Reallocation (such as registry costs, accounting and legal fees). The transaction costs for the FY2020 Capital Reallocation Proposal are expected to be approximately \$100,000.

**(G) Taxation impact of Capital Reallocations**

**General**

Set out below is a summary of the general Australian tax implications of the Capital Reallocations for Securityholders that hold their stapled securities on capital account. These comments are of a general nature only and do not constitute tax advice and should not be relied upon as such. Securityholders should obtain independent advice as to the taxation consequences to them of a Capital Reallocation (including the FY2020 Capital Reallocation Proposal).

The summary does not apply to Securityholders that have made an election for taxation of financial arrangements ("TOFA") purposes that affects the recognition of income in respect of stapled securities or that hold interests in stapled securities subject to restrictions under an employee security scheme.

### ***Income***

The distribution of capital by APT should not be included in a Securityholder's assessable income as ordinary income.

### ***Cost base - APT Units***

Under a Capital Reallocation, a Securityholder's cost base for each of their APT Units will be reduced by the lesser of that cost base and the amount of the distribution of capital.

To the extent that the distribution of capital exceeds a Securityholder's cost base for an APT Unit, the Securityholder will make a capital gain equal to that excess. This capital gain will be disregarded if the Securityholder is a non-resident and the APT Unit is not taxable Australian property. Where a Securityholder has held the relevant APT Unit for at least 12 months, the capital gain would be reduced by 50 per cent (for individuals and trusts) or 33.33 per cent (for complying superannuation funds).

A company is not eligible to reduce its capital gain arising from the distribution of capital. A non-resident individual Securityholder is not eligible to reduce its capital gain arising from the distribution of capital unless they acquired their APT Unit before 8 May 2012.

Generally, a Securityholder's cost base in an APT Unit will be a proportion of the cost of acquisition of the stapled security in which it is included, reduced by the tax deferred components (before 1 July 2016) or adjusted by the AMIT cost base net amounts (from 1 July 2016, when APT elected to adopt the attribution managed investment trust regime) in respect of distributions by APT to the Securityholder in respect of that unit.

The proportion of the overall cost of a stapled security allocated to an APT Unit should be based on a reasonable methodology such as the NTA weighting of each entity at the time of acquisition. Details of historical issue prices and NTA weightings can be obtained from the investor relations section on Aspen's website at <https://www.aspengroup.com.au/shareholder-information/tax-information/allocation-cost-base/>

In respect of the FY2020 Capital Reallocation Proposal, based on an analysis of the historical trading price of the stapled securities, the Special Capital Distribution that occurred in 2017 and tax deferred components and AMIT cost base net amounts on previous distributions the Group considers that it is unlikely that any Securityholders could make a capital gain as a result of the FY2020 Capital Reallocation Proposal. However, all Securityholders will have their cost bases in their APT Units reduced. This may cause Securityholders to make a capital gain as a result of future AMIT cost base net amounts in distributions by APT at an earlier time than would have occurred, but for the Capital Reallocation.

### ***Cost base - AGL Shares***

A Securityholder's cost base for their AGL Shares should be increased by the capital contribution. Because no new shares will be issued by AGL, this will be an adjustment to the cost base of the existing AGL Shares.

For Securityholders that do not make a capital gain, the decrease in the cost base of their APT Units should be equal to the increase in the cost base of their AGL Shares. Accordingly, the overall cost base of each stapled security should remain the same.

For Securityholders that do make a capital gain (if any), the overall cost base of each stapled security should increase by the amount of the gross capital gain (i.e. before the application of the CGT discount, if available). That is, a future capital gain on disposal of a stapled security that would otherwise have been realised would be reduced by the amount of the capital gain resulting from the Capital Reallocation.

#### **Acquisition date**

A Capital Reallocation should not affect the date of acquisition of a Securityholder's stapled securities for tax purposes.

#### **(H) The Proposed Amendment to the AGL Constitution**

The resolution in item 4 proposes an amendment to the AGL Constitution to facilitate a Capital Reallocation. The amendments to the AGL Constitution will take effect only if:

- the amendments are approved at the Meetings in relation to both the AGL Constitution and the APT Constitution;
- the Aspen Group makes an announcement to ASX Limited that the proposed FY2020 Capital Reallocation Proposal between APT and AGL will proceed; and
- the Responsible Entity, as agent of each Securityholder, provides written consent to increase their liability to contribute to the share capital of AGL.

The amendments will provide that if APT makes a distribution of its capital on terms where the amount distributed is to be applied on behalf of each APT Unitholder to AGL as an additional contribution to the share capital of AGL, then the liability of each AGL Shareholder to contribute to the share capital of AGL will increase by the same amount as the capital distribution and that liability will immediately be discharged by the APT capital distribution.

#### **(I) The Proposed Amendment to the APT Constitution**

The resolution in item 5 proposes the amendment of the APT Constitution in order to facilitate Capital Reallocations. The resolution in item 5 is required under section 601GC of the Corporations Act which permits the APT Constitution to be amended by special resolution of APT Unitholders.

The amendment to the APT Constitution will take effect only when:

- the amendments are approved at the Meetings in relation to both the AGL Constitution and the APT Constitution;
- Aspen makes an announcement to ASX Limited that the proposed FY2020 Capital Reallocation Proposal between APT and AGL will proceed; and
- following the above, the relevant regulatory filings are made.

The amendments will provide that the Responsible Entity may make a capital distribution on the terms that it be applied by the Responsible Entity as agent of each APT Unitholder by way of additional contribution to the share capital of AGL. If a Capital Reallocation is to proceed, each APT Unitholder irrevocably appoints and directs the Responsible Entity:

- a) as its attorney and agent to consent in writing to any variation of rights attached to APT Unitholder's AGL Shares which are stapled to their APT Units that results in an increase in their liability to contribute to the share capital of AGL;
- b) to agree in writing to the increase in the APT Unitholder's liability to contribute to the share capital of AGL in respect of their AGL Shares stapled to their APT Units;

- c) to apply the capital distribution to discharge in full the increase in the APT Unitholder's liability to contribute to the share capital of AGL in respect of their AGL Shares stapled to their APT Units; and
- d) do all things the Responsible Entity considers necessary to give effect to the APT Unitholders' resolution.

**(J) What if the Capital Reallocation Resolutions are not approved?**

If Securityholders do not approve all of the **Capital Reallocation Resolutions** (being Resolutions in items 4 and 5 ), then:

- (a) the Aspen Group will not undertake the FY2020 Capital Reallocation Proposal;
- (b) there will be no change to the capital structure of APT and AGL;
- (c) the Aspen Group will need to consider alternative methods to re-allocate capital in order to achieve an appropriate NTA split between the Company and the Stapled Trust;
- (d) AGL may also be constrained in funding potential investment opportunities; and
- (e) if a capital raising is undertaken in the future, in accordance with industry practice, the capital raised will be allocated to APT and AGL on the basis of relative NTA. At current levels approximately 99.75 per cent of this capital would be allocated to APT. This will be the case even where this capital is more appropriately required by AGL.

**Recommendation**

**The Directors recommend that Securityholders vote in favour of these resolutions. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolution 3 and 4.**

## **Resolution 5 – Appointment of Auditor**

Following a competitive tender of external audit services, the Board selected Deloitte Touche Tohmatsu as the proposed new auditor of the Company.

PricewaterhouseCoopers (PWC), the Company's auditor, has advised the Company that it has applied to the Australian Securities and Investments Commission (ASIC) for consent to resign as auditor of the Company with effect from the close of the Meeting. The consent of ASIC is required under the Corporations Act for PWC to resign as auditor. If ASIC does not grant its consent to the resignation, PWC will continue to hold office as the Company's auditor.

The Corporations Act requires the Company to obtain the approval of Shareholders for the appointment of Deloitte Touche Tohmatsu as auditor of the Company.

In accordance with section 328B of the Corporations Act, Patrick Maddern a shareholder of the Company, has nominated Deloitte Touche Tohmatsu for appointment as auditor of the Company. A copy of the nomination is reproduced below. Deloitte Touche Tohmatsu has consented to the appointment and, as at the date of the Notice, has not withdrawn its consent.

**Recommendation**

**The Directors unanimously recommend that Securityholders vote in favour of Resolution 5. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolution 5.**

## **Resolutions 6 to 7– Approval to issue ordinary shares to Joint CEO's**

The Independent Board Committee resolved to issue Messrs Carter and Dixon (together the Related Parties) the Short Term Incentive (STI) payment of \$28,000 each equating to 25% of their respective FY19 salary, 50% of it to be payable in cash and the other 50%, subject to shareholder approval in shares deferred for 12 months.

The Company is seeking shareholder approval for all purposes, including ASX Listing Rules 10.11, for the grant of the relevant fully paid ordinary shares to the Related Parties.

Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% available under that rule. However, if approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1. This means that the fully paid ordinary shares granted to the Related Parties will not use up part of the 15% available under ASX Listing Rule 7.1.

### **Issue of shares to Mr John Carter**

The Board, Mr Carter aside, recommends that Members approve the grant of a total of 13,445 fully paid ordinary shares in the capital of the Company to John Carter.

### **Issue of shares to Mr David Dixon**

The Board, Mr Dixon aside, recommends that Members approve the grant of a total of 13,445 fully paid ordinary shares in the capital of the Company to David Dixon.

The proposed grants are in respect of fully paid ordinary shares at a valuation of \$1.0413 (being the Volume Weighted Average Price for the period 23 June 2019 to 28 June 2019) per share that are to be issued as part of the STI, subject to Shareholder approval.

Remunerating Directors in this manner aligns the reward to Directors with those of Shareholders. The fully paid ordinary shares will be issued pari passu to existing securities and subject to a 12 month trading lock. The shares will be issued within one month from the date of the Meeting.

### **Recommendation**

**The Directors (other than Mr Carter) unanimously recommend that Securityholders vote in favour of Resolutions 6 and 7. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolutions 6 and 7.**

## **Resolutions 8 to 9 – Grant of Performance Rights**

Subject to Securityholder approval, Performance Rights with a face value of \$312,075.00 (representing 75% of total fixed remuneration) will be granted to John Carter and David Dixon as part of their remuneration package for the 2020 financial year. Each performance right entitles Messrs Carter and Dixon to one stapled security at the end of the Performance Period, subject to the satisfaction of the Performance measures described below.

The number of Performance Rights issued in accordance with the LTI Plan will be based on the face value methodology. The price used to calculate the number of Performance Rights to be issued will be the closing price at 30 June 2019 (CP). The number of Performance Rights will be derived by dividing the face value of \$312,075.00 by the CP which equates to 295,806 Performance Rights. These will be granted at no cost and subject to the rules of the LTI Plan. Performance Rights do not carry any distribution or voting rights prior to vesting.

### Performance Measures

50% of the Performance Rights will be subject to Aspen achieving a relative Total Securityholder Return (TSR) target which measures and compares the TSR performance of Aspen against a comparator group over the Performance Period of 3 years. The S&P ASX 300 Property Sector index will be used as the comparator group as it represents the Company's listed property peers who compete for capital and talent.

50% of the Performance Rights will be subject to Aspen achieving a Total Return (TR) target over the Performance Period.

TSR - The vesting conditions will be based on the performance ranked against the median of the Comparator Group at the end of the Performance Period as follows:

At or above the 75 <sup>th</sup> percentile	100%
At or above 51 <sup>st</sup> percentile but below 75 <sup>th</sup> percentile	Prorate vesting from 51%
Below 51 <sup>st</sup> percentile	Nil

TR - The TR component will be determined as follows:

Change in NTA value per security (during the year) + distributions per security (during the year) divided by NTA value per security at the beginning of the year. The number of Performance Rights to vest will be determined by reference to the compound annual TR achieved over the Performance period compared to Aspen's hurdle, as follows:

At or above 8%	100%
At or above 7%	Prorata from 50%
Below 7%	Nil

### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision, which includes where the financial benefit given constitutes reasonable remuneration in the circumstances of the Company under the exception in section 211 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Messrs Carter and Dixon are a related party of the Company.

Resolutions 8 and 9 relates to the proposed grant of Performance Rights to Messrs Carter and Dixon.

The Board considers that the financial benefit given by the grant of Performance Rights constitutes reasonable remuneration for the purposes of the exception in the Corporation Act.

The grant of Performance Rights to Messrs Carter and Dixon is to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership.

The Directors consider that the incentives represented by the grant of these Performance Rights are an efficient means for the Company to incentivise the Director to continue to contribute to the growth and development of the Company.

The proposed grant of Performance Rights to Messrs Carter and Dixon will be subject to the Plan Rules.

#### **Information Requirements - Listing Rules 10.14 and 10.15**

Listing Rule 10.14 requires Shareholder approval by ordinary Resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Performance Rights under the Plan to Messrs Carter and Dixon.

The following information is provided to Shareholders in relation to Resolutions 8 and 9 for the purposes of Listing Rule 10.15:

- (a) the Performance Rights will be granted to Messrs Carter and Dixon (or their nominees);
- (b) the maximum number of Performance Rights to be granted to John Carter (or his nominees) is 295,806 Performance Rights;
- (c) the maximum number of Performance Rights to be granted to David Dixon (or his nominees) is 295,806 Performance Rights;
- (d) the Performance Rights will be granted for no consideration, and accordingly, no funds will be raised by the grant of the Performance Rights;
- (e) no other persons referred to in ASX Listing Rule 10.14 have received securities under the PRP since the last approval;
- (f) only Directors who are also eligible employees of the Company (or their permitted nominees), nominated by the Board, are entitled to participate in the Plan. Therefore, there are no other persons referred to under Listing Rule 10.14 other than John Carter who are entitled to participate in the Plan because each of the other current Directors of the Company are Non-Executive Directors.

As Shareholder approval is being sought for the purposes of Listing Rule 10.14, Shareholder approval is not required under Listing Rule 7.1.

The Performance Rights are expected to be granted to Messrs Carter and Dixon within 12 months of the date of the meeting.

### Recommendation

**The Directors (other than Mr Carter) unanimously recommend that Securityholders vote in favour of Resolutions 8 and 9. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolutions 8 and 9.**

## Resolution 10 – Approval of 10% Placement Facility

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval by special resolution at its Annual General Meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the Annual General Meeting (10% Placement Capacity). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

If Shareholders approve Resolution 10, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being Shares (ASX Code: APZ).

The number of equity securities that the Company may issue under the approval sought by Resolution 10 will be calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A:

$$(A \times D) - E$$

Where:

**A** = the number of fully paid Shares on issue 12 months before the date of issue or agreement to issue:

plus the number of Shares issued in the 12 months under an exception in ASX Listing Rule 7.2;

plus the number of partly paid Shares that became fully paid in the 12 months;



plus the number of fully paid Shares issued in the 12 months with the approval of Shareholders under ASX Listing Rules 7.1 and 7.4; and

less the number of fully paid Shares cancelled in the 12 months.

**D** = 10%.

**E** = the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

Technical information required by ASX Listing Rule 7.1A

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 10 may include the raising of capital to facilitate further investment opportunities.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 10:

**Minimum Price:** Under the ASX Listing Rules, the minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

**Risk of voting dilution:** Shareholders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any equity securities under the issue, unless the only equity securities issued under the 10% Placement Capacity are options and these options are not exercised.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below, assuming that any options issued under the 10% Placement Capacity are exercised.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of the Shares and the current number of Shares on issue as at the date of this notice of Meeting.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula set out above) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.<sup>1</sup>

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$ 0.590  50% decrease in Issue Price	\$ 1.180  Issue Price	\$ 2.360  100% increase in Issue Price
<b>Current Variable A</b>  96,321,775	<b>10% Voting dilution</b>	9,632,178	9,632,178	9,632,178
	<b>Funds raised</b>	\$ 5,682,985	\$ 11,365,969	\$ 22,731,939
<b>50% increase in current Variable A</b>  144,482,663	<b>10% Voting dilution</b>	14,448,266	14,448,266	14,448,266
	<b>Funds raised</b>	\$ 8,524,477	\$ 17,048,954	\$ 34,097,908
<b>100% increase in current Variable A</b>  192,643,550	<b>10% Voting dilution</b>	19,264,355	19,264,355	19,264,355
	<b>Funds raised</b>	\$ 11,365,969	\$ 22,731,939	\$ 45,463,878

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;
- (iii) The current issue price is \$1.180, being the closing price of the shares on ASX on 7 October 2019.
- (iv) The current number of shares on issue is the Shares on issue as at 7 October 2019.

The table shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

If Shareholder approval is granted for Resolution 10, then that approval will expire on the earlier of:

- (i) 30 November 2020, being 12 months from the date of the Meeting; or
- (ii) the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking).

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

**Purpose of Issue under 10% Placement Capacity:** The Company may issue equity securities under the 10% Placement Capacity for various purposes including the following:

- (i) to raise cash, in which case the Company intends to use funds raised for investment purposes in line with the Company's investment policy outlined in the Company's prospectus or to fund expenditure on existing assets or for general working capital; or
- (ii) as non-cash consideration for investments, and in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

**Allocation under the 10% Placement Capacity:** The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

**Previous Approval under ASX Listing Rule 7.1A:** The Company has not previously obtained Shareholder approval under ASX Listing Rule 7.1A.

### **Recommendation**

**The Directors unanimously recommend that Securityholders vote in favour of Resolutions 10. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolutions 10.**

## GLOSSARY

Capitalised terms used in this Notice of Meeting and Explanatory Statement have the following meanings.

Term	Meaning
\$	Australian dollars.
AFSL or AFS Licence	Australian financial services licence
ASIC	Australian Securities and Investments Commission
Aspen Group	the Company and the Trust.
ASX	ASX Limited.
Board	the board of Directors of the Company.
Company	Aspen Group Limited (ACN 004 160 927).
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Evolution Trustees	Evolution Trustees Limited ACN 611 839 519 AFSL486217.
Explanatory Statement	the explanatory statement forming part of this Notice of Meeting.
FY	financial year.
KMP	the key management personnel of the Company.
Listing Rules	the Listing Rules of the ASX.
Meeting	the meeting of Securityholders convened by the Notice of Meeting.
Notice of Meeting	the notice convening a meeting of Securityholders to be held on 29 November 2019.
Portfolio	all of the assets and associated liabilities of Aspen Group including all income and accretions.

**Remuneration Report**      the Company's remuneration report for the year ended 30 June 2019.

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**Resolutions**              the resolutions proposed to be put to Securityholders as set out in the Notice of Meeting.

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**Securityholder**            a person registered as the holder of Stapled Securities.

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**Stapled Security or Security**      a fully paid ordinary share in the Company and a fully paid unit in the Trust stapled and traded together in accordance with the constitutions of the Company and the Trust as amended from time to time.

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**Trust**                      Aspen Property Trust (ARSN 104 807 767).

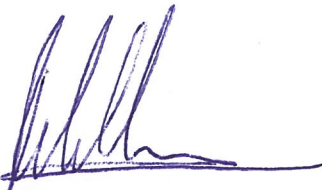
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14 October 2019

Aspen Group Limited  
21 Oxford Street  
Bondi Junction NSW 2022

RE: NOTICE OF NOMINATION OF AUDITOR IN ACCORDANCE WITH SECTION 328B OF THE  
CORPORATIONS ACT 2011 (Cth)

I Patrick Maddern, being a member of Aspen Group Limited nominates Deloitte Touche Tohmatsu of  
225 George Street, Sydney NSW 2000 for appointment to the position of Auditor of the Company at  
the next Annual General Meeting.

A handwritten signature in blue ink, consisting of several vertical strokes followed by a horizontal line, positioned above a horizontal line.

Patrick Maddern

## LODGE YOUR VOTE

**ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**BY MAIL**  
Aspen Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:30am on Wednesday, 27 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

**ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

**BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of Aspen Group Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:30am on Friday, 29 November 2019 at Burke Room Level 9, 33 Erskine Street, Sydney 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 6, 7, 8 & 9:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 6, 7, 8 & 9, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Grant of Performance Rights to David Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Guy Farrands as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Amendment to the Aspen Group Limited's Constitution - Capital Reallocation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Amendment to the Aspen Property Trust Constitution - Capital Reallocation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval to issue ordinary shares to Mr John Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval to issue ordinary shares to Mr David Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Grant of Performance Rights to John Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

APZ PRX1901D