



NOTICE OF ANNUAL GENERAL MEETING 2015

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 in the Wills Room, Chartered Accountants Conference Centre, 33 Erskine Street, Sydney, NSW at 9:30am on Monday, 16 November 2015.

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.

AGENDA

ORDINARY BUSINESS

1. Financial Accounts and Reports

To receive and consider the financial report for the year ended 30 June 2015 for Aspen Group, including the Directors' declaration, Directors' report and audit report.

There is no vote on this item.

2. Re-election of Clive Appleton as a Director by securityholders

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

Resolution 1

"To re-elect as a Director of the Company, Mr Clive Appleton, 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 Appleton and the recommendation of the Board are set out in the attached Explanatory Statement.

3. Re-election of John Carter as a Director by securityholders

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

Resolution 2

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

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

4. Remuneration Report

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

Resolution 3

"That the Company's remuneration report for the year ended 30 June 2015 be adopted."

The Remuneration Report appears on pages 15 to 28 of the 2015 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 will disregard any votes cast:

- by a member of the Key Management Personnel (**KMP**), details of whose remuneration is included in the 2015 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.

5. Issue of Performance Rights under the Performance Rights Plan (PRP) to Mr Clement Salwin

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

Resolution 4

"That approval is given for the purposes of ASX Listing Rule 10.14 and section 200E of the Corporations Act 2001 (Cth) and for all other purposes for the grant of 457,659 Performance Rights to Mr Clement Salwin on the terms described in the Explanatory Statement."

Voting exclusion statement

The Company and Trust will disregard any votes cast by Mr Salwin and any of his associates, unless the vote 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
- the Chairman of 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.

In addition, the Company and Trust will disregard votes cast by a member of the KMP (or any of their closely related parties) as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the Meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this resolution, even though it is connected with the remuneration of key management personnel.

6. Issue of STI Right to Mr Clement Salwin

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

Resolution 5

That approval is given for the purposes of ASX Listing Rule 10.11, section 200E of the Corporations Act 2001 (Cth) and for all other purposes, for the grant of the STI Right to Mr Clement Salwin on the terms described in the Explanatory Statement.

Voting exclusion statement

The Company and Trust will disregard any votes cast by Mr Salwin and any of his associates, unless the vote 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
- the Chairman of 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.

In addition, the Company and Trust will disregard votes cast by a member of the KMP (or any of their closely related parties) as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the Meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this resolution, even though it is connected with the remuneration of key management personnel.

GENERAL BUSINESS

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

By order of the Board



Mandy Chiang
Company Secretary

Dated: 15 October 2015

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 Monday, 16 November 2015 at 9:30am. The meeting will commence at 9:30am with registrations from 9:00am.

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.

As a member of the Company's KMP, the Chairman of the meeting is not permitted to vote undirected proxies on Resolutions 3, 4 and 5, unless he is expressly authorised to exercise the proxy even though it is connected with the remuneration of the Company's KMP. 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 each of Resolution 3, 4 and 5 (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 Resolutions 1 to 5.

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 9:30am (AEST) on Saturday, 14 November 2015. 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
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. 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 9.30am (AEST) on 14 November 2015.

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 9:30am (AEST) on 14 November 2015. 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

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 2015,

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 – Election of Clive Appleton as a Non-Executive Director by securityholders

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 Clive Appleton retires by rotation and offers himself for re-election.

Mr Clive Appleton joined the Board of the Company as a non-executive Director in April 2012.

Mr Appleton has had a successful career in property and funds management with over 30 years' experience in several of Australia's leading retail property investment, management and development groups.

Mr Appleton's early career was spent with the Jennings Group where, from 1986, he held senior executive roles, responsible for managing and developing the retail assets jointly owned by Jennings Properties Limited (**JPL**) and Jennings Property and Investment Group. In 1990, following a restructure of JPL to become Centro Properties Limited, Mr Appleton became managing director.

From 1997 to 2004, Mr Appleton was the managing director of the Gandel Group Pty Limited, one of Australia's leading retail property investment, management and development groups.

From December 2011 to June 2015, Mr Appleton was a non-executive director of Federation Centres.

In 2005 Mr Appleton joined APN Property Group Limited as managing director.

Mr Appleton is currently a non-executive director of the Gandel Group, Arrow International Group Limited, APN Property Group Limited, Perth Airport Pty Ltd and Perth Airport Development Group Pty Ltd. He is also a council member of Cairnmillar Institute.

The Directors (other than Mr Appleton) unanimously recommend that securityholders vote in favour of Resolution 1.

Resolution 2 – Election of John Carter as a Non-Executive Director by securityholders

Rule 7.3(g) of the Company's constitution provides that if the directors of the Company have appointed a director, that director must retire at the next annual general meeting and is eligible for re-election at that meeting.

Accordingly John Carter retires and offers himself for re-election.

Mr John Carter joined the Board of the Company as a non-executive Director in February 2015.

Mr Carter has over 30 years' experience in real estate and financial markets. In 2004 Mr Carter established Mill Hill Capital to pursue investment opportunities in Real Estate, Agriculture and Equities.

Prior to this Mr Carter was managing director, co-head of Equities and on the Australian Executive Committee for UBS in Australasia from 2001 - 2004.

From 1991 - 2001 Mr Carter was head of property and head of real estate research at UBS. While at UBS, John led over \$10 billion of M&A and \$20 billion of capital raising transactions for Australia's leading companies including Colonial, Westfield, Stockland, GPT, Mirvac, AMP, Multiplex, Macquarie Airports and Bankers Trust.

Prior to UBS Mr Carter was involved in commercial real estate at two international real estate consultancy groups.

The Directors (other than Mr Carter) unanimously recommend that securityholders vote in favour of Resolution 2.

Resolution 3 - Remuneration Report

Under the Corporations Act the Company is required to include in its Directors' report a detailed Remuneration Report relating to Directors' and executives' remuneration. Section 300A of the Corporations Act sets out the information to be included in the Remuneration Report. **A copy of the Remuneration Report appears on pages 15 to 28 of the Annual Report, which is available from Aspen Group or on its website.**

Sections 249L(2) and 250R(2) of the Corporations Act require that a resolution on the Remuneration Report be put to the vote of shareholders at the Company's Annual General Meeting. The vote on this resolution is advisory to the Company only.

The report describes the remuneration principles used by the Company to determine the nature and amount of remuneration and includes details of the remuneration of Directors and specified executives.

As outlined in the Remuneration Report, a key principle of remuneration is that the financial rewards of KMP are linked to the performance of Aspen Group and the delivery of outcomes relative to the strategic objective of the business, which is to become a focused provider of value for money accommodation. In this regard, a number of strategic goals have been achieved during FY15 including the acquisition of accommodation parks, the sale or settlement of non-core assets, aggressive reduction in overheads, and completion of a number of capital management initiatives. On the other hand, NAV per security fell during FY15, and discontinued operations were not exited in full, in particular, the Spearwood South property remained unsold.

The key points in respect of FY15 remuneration during the year were:

- The FY13 issue (tranche 3) of the performance rights issued to KMP and staff, together with the legacy employee share plan, were cancelled because they did not meet the hurdles required to achieve vesting. FY14 issue (tranche 4) and FY15 issue (tranche 5) of performance rights are currently below their performance benchmark as at 30 June 2015.
- The quantum of short term incentives paid to eligible KMP was down 56% on the previous year. On average only 23% of the maximum opportunity for incentives available to KMP was paid.
- All Directors' fees and Board Committee fees were unchanged from FY14.

The Remuneration Committee and the Board have approved the following changes for FY16 in respect of the Company's remuneration of its Chief Executive Officer and Managing Director:

- a reduction in the potential STI by 33% (from 75% of base salary to 50%); and
- a reduction in the potential LTI by 40% (from 125% of base salary to 75%).

For FY16, there will be no increase to base Board fees and Committee fees for non-executive directors.

The Directors unanimously recommend that securityholders vote in favour of Resolution 3.

Resolution 4 – Grant of Performance Rights to Clement Salwin

The Board proposes to invite Mr Clement Salwin, Chief Executive Officer and Managing Director of the Company, to participate in the performance rights plan (**PRP**) and to grant Mr Salwin 457,659 performance rights (**Performance Rights**) for FY16, subject to vesting conditions. The PRP was most recently approved at the 2013 Annual General Meeting and a copy of the PRP can be found on Aspen Group's website.

Each Performance Right, subject to satisfaction of the vesting conditions, will entitle Mr Salwin to one fully paid Stapled Security in Aspen Group, which will rank equally with those traded on the ASX at the time of issue. Performance rights do not carry distribution or voting rights.

The proposed grant to be made to Mr Salwin under the PRP is consistent with Aspen Group's remuneration structure as set by the Remuneration Committee.

In accordance with the terms of the PRP, the Performance Rights will be granted at no cost to Mr Salwin and no amount will be payable by Mr Salwin for the acquisition of Stapled Securities on vesting of the Performance Rights if the vesting conditions are met.

Vesting conditions

The vesting conditions imposed on the Performance Rights under the PRP and Mr Salwin's employment contract are:

- (i) continued employment throughout the vesting period;
- (ii) a minimum internal performance rating throughout the three year vesting period; and
- (iii) relative total securityholder return (**TSR**) that meets the required performance criteria.

TSR Hurdle

TSR is a measure of the return to securityholders (over the vesting period) provided by security price appreciation, plus reinvested distributions expressed as a % of investment. The S&P ASX 300 Property Sector index will be used as a comparator group as it represents the Company's listed property peers who compete for capital and talent.

The TSR hurdle will be tested at the end of the performance period (three years from grant) by calculating the TSR growth performance of each company in the comparator group. The performance of each company is then ranked, using percentiles. Aspen Group's performance will then be calculated at the end of the performance period and compared to the percentile rankings to determine the relative TSR. The vesting of Performance Rights will be determined using the matrix in the table below.

The following vesting schedule applies to the award of the Performance Rights to Mr Salwin:

Relative TSR over three years	Proportion of rights vested
At or below the 50 th percentile	0%
At the 51 st percentile	50%
Between the 51 st percentile and the 75 th percentile	Straight-line between 50% and 100%
75 th percentile or above	100%

The TSR hurdle must be satisfied to gain the proportion of Performance Rights referred to in the right hand column (assuming the other vesting conditions have been satisfied).

Lapse of Performance Rights

The Performance Rights will lapse if:

- (i) Mr Salwin's employment is terminated for cause;
- (ii) Mr Salwin transfers his Performance Rights without the prior written consent of the Board;
- (iii) a vesting condition attaching to the Performance Rights is not satisfied; or
- (iv) the Performance Rights are not exercised within the specified period.

Impact of Mr Salwin leaving the Aspen Group before the vesting of the Performance Rights

If Mr Salwin leaves the Aspen Group, the Performance Rights that have not yet vested are to be treated as follows:

- (i) if Mr Salwin is terminated for cause, the Performance Rights automatically lapse;
- (ii) if Mr Salwin ceases employment for ill health or death, the Performance Rights automatically lapse unless the Board determines otherwise; or
- (iii) if Mr Salwin ceases employment by consent, the Performance Rights automatically lapse unless the Board determines otherwise.

When exercising its discretion the Board may determine that some or all of the Performance Rights vest.

Early vesting of Performance Rights

The Performance Rights issued to Mr Salwin will be subject to the terms of the PRP, including those that relate to a change in the employment status of Mr Salwin and the potential acceleration of those rights in certain circumstances.

In addition, Mr Salwin's employment contract provides for the automatic early vesting of the Performance Rights on the occurrence of any of the following events (each an **Automatic Vesting Event**):

- (i) a change of control;
- (ii) the Company passing a resolution for voluntary winding up; or
- (iii) an order is made for the compulsory winding up of the Company.

Valuation

The following table sets out the estimated value (based on the valuation methodology described below):

Performance Rights Issued	Estimated Value of Potential Awards
457,659	\$367,500

The Board has engaged a qualified independent consultant to advise on the estimated fair value of the Performance Rights under the PRP. This valuation was conducted as at 1 July 2015 and took into account the initial performance conditions set by the Board.

The independent consultant used a Monte Carlo simulation based model to determine the fair value of each performance right. In arriving at a valuation of \$0.803 for each Performance Right the independent consultant utilised the following assumptions:

- the market price of a Stapled Security of \$1.32 (being the closing price of Stapled Securities traded on ASX on 1 July 2015);
- simulated risk free interest rate starting with the cash rate of 1.99%;
- simulated dividend yield of the Stapled Securities over the vesting period of 7.47% per annum;
- volatility over the expected life of the instrument and of the relevant index are a reasonable proxy for prospective volatility measures over the performance rights' vesting period; and
- correlation over the last three years between the Stapled Security price and the relevant index is a reasonable proxy for prospective correlation over the performance rights' vesting period.

During the last twelve months the highest closing price of a Stapled Security was \$1.40 on 18 September 2015 and the lowest closing price was \$1.17 on 27 January 2015.

Approval sought

Securityholder approval of Resolution 4 is sought for the following purposes:

ASX Listing Rule 10.14

Securityholder approval is sought under ASX Listing Rule 10.14 for the grant of 457,659 Performance Rights to Mr Salwin in accordance with the PRP.

Under ASX Listing Rule 10.14, securityholder approval is required before Aspen Group can grant Performance Rights to Directors or associates of Directors under an incentive scheme such as the PRP.

The Company and the Trust seek securityholder approval for the grant of the Performance Rights under the PRP to Mr Salwin.

For the purposes of the approval sought under ASX Listing Rule 10.14, the following information is provided to securityholders:

- (i) Mr Salwin is the Chief Executive Officer and Managing Director of the Company;
- (ii) the maximum number of Performance Rights that may be acquired by Mr Salwin is 457,659 and the maximum number of Stapled Securities that may be issued to Mr Salwin on exercise of those Performance Rights is 457,659;
- (iii) no cash consideration is payable by Mr Salwin at the time of grant of the Performance Rights or upon allocation of Stapled Securities to which he may be entitled upon the exercise of any Performance Rights;
- (iv) Mr Salwin was granted 826,586 Performance Rights under the PRP for nil cash consideration in FY2015;
- (v) no other persons referred to in ASX Listing Rule 10.14 have received securities under the PRP since the last approval;
- (vi) as noted above, only Eligible Employees are entitled to participate in the PRP and, of these, the only current Director who is entitled to participate is Mr Salwin;
- (vii) please refer to the voting exclusion statement contained in the notice of meeting to which this Explanatory Statement is attached;
- (viii) no loan will be provided to Mr Salwin for him to acquire the Performance Rights under the PRP or to acquire any Stapled Securities on vesting and exercise of the Performance Rights; and
- (ix) the Performance Rights are expected to be granted to Mr Salwin within 12 months of the date of the meeting.

Part 2D.2 of the Corporations Act: Termination Benefits

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by securityholders or an exemption applies. Further, under section 200C of the Corporations Act, a company may only give a person a benefit in connection with the transfer of the whole or any part of the undertaking or property of the company if it is approved by securityholders.

The term “benefit” in Part 2D.2 has wide operation and would include the accelerated vesting of Performance Rights.

Accordingly, securityholder approval is sought under section 200E of the Corporations Act for the:

- giving of termination benefits to Mr Salwin in accordance with the PRP or his employment contract, if Mr Salwin's Performance Rights automatically vest, if his employment is terminated as a result of the Board exercising its discretion, or as a result of an Automatic Vesting Event triggered by the winding up of the Company; and

- giving of benefits to Mr Salwin if Mr Salwin's Performance Rights automatically vest, as a result of an Automatic Vesting Event being triggered due to a transfer of an undertaking or property of the company.

This approval will only apply to benefits:

- given on the exercise of a discretion in accordance with the PRP; or
- that automatically vest as a result of an Automatic Vesting Event.

As at 1 July 2015 the estimated value of the Performance Rights to be issued to Mr Salwin is \$367,500. However, the value of the benefits at the time they may be given cannot presently be ascertained. The eventual value will be determined by reference to the number of Stapled Securities issued on vesting of the Performance Rights and the market price of the Stapled Securities at that time. The matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights held by Mr Salwin prior to cessation of employment or office or at the time of the Automatic Vesting Event;
- the number of Performance Rights that are exercised; and
- the value of the Stapled Securities when the Performance Rights are exercised.

If securityholder approval is obtained and the Performance Rights automatically vest as a result of an Automatic Vesting Event or the Board exercises its discretion to vest some or all of Mr Salwin's unvested Performance Rights (or to provide that Mr Salwin's Performance Rights do not lapse but will continue to be vested in the ordinary course), the value of the benefit will be disregarded when calculating his termination benefit 'cap' as permitted by the Corporations Act.

Recommendation

Mr Salwin has abstained from providing a recommendation on this resolution as he is able to participate as an Eligible Employee in the PRP. All other Directors believe that the issue of the Performance Rights on the above terms is reasonable in all the circumstances because it is an appropriately designed equity based incentive for the Chief Executive Officer and Managing Director having regard to his role and responsibility, and further that if the performance hurdles described above are met this will result in benefits for Aspen Group as a whole.

The Directors (other than Mr Salwin) unanimously recommend that securityholders vote in favour of Resolution 4.

Resolution 5 – Grant of STI Right

Under the terms of Mr Salwin's employment contract, Mr Salwin may be entitled to a discretionary short term incentive (**STI**), under Aspen Group's Short Term Incentive Policy (**STI Policy**), depending on the Company's and Mr Salwin's performance against financial and non-financial metrics determined by the Board (**KPIs**).

Any entitlement to an STI in respect of FY16 will be provided to Mr Salwin on the following basis:

- the value of the STI may be up to 50% of Mr Salwin's base salary of \$490,000 (**STI Value**);
- 50% of the STI will be paid in cash after the end of FY16; and
- subject to securityholder approval, 50% of the STI will be provided as equity in the form of Stapled Securities and will be deferred for 18 months, after which time the Stapled Securities will be issued to Mr Salwin. Accordingly, if securityholders approve Resolution 5, Mr Salwin will have a right to be issued Stapled Securities on becoming entitled to an STI (**STI Right**).

Subject to the STI Policy, Mr Salwin will not be entitled to any STI unless he is employed by the Company at the time the entitlement is to be paid or provided. However, the Board may exercise its discretion and provide Mr Salwin or his estate with an amount of an STI in the form determined by the Board.

If there is an Automatic Vesting Event, any deferred equity component of the STI will automatically vest.

Approval sought

Securityholder approval of Resolution 5 is sought for the following purpose:

ASX Listing Rule 10.11

Under ASX Listing Rule 10.11, securityholder approval is required before the Company can grant equity securities (which would include the STI Right) to a related party of the Company.

Aspen Group seeks the approval of securityholders for the grant of the STI Right to Mr Salwin who, by virtue of his position as Chief Executive Officer and Managing Director of Aspen Group, is a related party of Aspen Group.

For the purposes of the approval sought under ASX Listing Rule 10.11, the following information is provided to securityholders:

- (i) the STI Right will be granted to Mr Salwin;
- (ii) one STI Right will be granted to Mr Salwin. It is not possible to determine maximum number of Stapled Securities that would be issued to Mr Salwin on exercise of the STI Right. However, the formula for calculating the number to be issued is as follows:

Number of Stapled Securities = 50% of STI Value / volume weighted average price of Stapled Securities on ASX for the 5 days prior to the grant date of the Stapled Securities on issue of the STI

- (iii) The table below illustrates, by way of example, that the grant of securities based on the maximum potential STI Value, at an assumed security price of \$1.30 (derived per paragraph (ii) above), would result in the issue of securities representing 0.07% of issued capital.

Maximum potential STI Value	\$245,000
% provided as equity	50%
Assumed issue price	\$1.30
= No. securities issued	94,231
% issued capital	0.08%

- (iv) the STI Right will be granted immediately upon approval of Resolution 5;
- (v) the STI Right will be granted for nil cash consideration on the following terms:

Conversion right	Subject to satisfaction of the KPIs for FY16 and Mr Salwin's continued employment with the Company (subject to the Board's discretion described above), Mr Salwin will be entitled to receive, for nil monetary consideration, the number of Stapled Securities calculated in accordance with the above formula 18 months after the end of FY16.
Acceleration of deferral period	If an Automatic Vesting Event occurs, the 18 month deferral period automatically ends and the STI Rights shall automatically vest.

- (vi) please refer to the voting exclusion statement contained in the notice of meeting to which this Explanatory Statement is attached; and
- (vii) no proceeds will be received from the grant or exercise of the STI Right.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the STI Right, as approval is being obtained under ASX Listing Rule 10.11. Accordingly, if securityholders approve Resolution 5, the grant of the STI Right (and any Stapled Securities issued under the STI Right) will not count towards Aspen Group's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

The approval only applies to STIs provided in respect of FY16.

Part 2D.2 of the Corporations Act: Termination Benefits

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by securityholders or an exemption applies. Further, under section 200C of the Corporations Act, a company may only give a person a benefit in connection with the transfer of the whole or any part of the undertaking or property of the company if it is approved by securityholders.

The term “benefit” in Part 2D.2 has wide operation and would include the accelerated vesting of the STI Right, as a result of the Board exercising its discretion or an Automatic Vesting Event relating to the winding up of the Company or the transfer of an undertaking or property of the Company.

Accordingly, securityholder approval is sought under section 200E of the Corporations Act for the:

- giving of termination benefits to Mr Salwin if the Board exercises its discretion to provide Mr Salwin with a STI if his employment is terminated;
- giving of termination benefits to Mr Salwin if the deferred equity component of an STI automatically vests on the occurrence of an Automatic Vesting Event; and
- giving of benefits to Mr Salwin if the equity component of an STI automatically vest, as a result of an Automatic Vesting Event being triggered due to a transfer of an undertaking or property of the company.

This approval will only apply to benefits:

- given on the exercise of a Board discretion; or
- that automatically vest as a result of an Automatic Vesting Event.

The potential value of the benefits will be up to 50% of Mr Salwin’s base salary of \$490,000.

If securityholder approval is obtained and the Board exercises its discretion to provide Mr Salwin with some or all of his STIs, or an Automatic Vesting Event occurs and the deferred equity component of an STI automatically vests, the value of the benefit will be disregarded when calculating his termination benefit ‘cap’ as permitted by the Corporations Act.

Recommendation

The directors (other than Mr Salwin) believe that the issue of securities to Mr Salwin:

- provides a strong alignment of the interests of Mr Salwin with the interests of securityholders; and
- represents an appropriate mechanism to retain the services of Mr Salwin.

The directors (other than Mr Salwin) are not aware of any other information which securityholders of Aspen Group would reasonably require in order to decide whether or not it is in the best interests of Aspen Group to pass the resolution.

The Directors (other than Mr Salwin) unanimously recommend that securityholders vote in favour of Resolution 5.

GLOSSARY

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

Term	Meaning
\$	Australian dollars.
Aspen Group	the Company and the Trust.
ASX	ASX Limited.
Board	the board of directors of Aspen Group.
Company	Aspen Group Limited (ACN 004 160 927).
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Eligible Employees	means any employee who is declared by the Board to be an eligible participant for the purposes of the PRP.
Explanatory Statement	the explanatory statement forming part of this Notice of Meeting.
FY	financial year.
KMP	the key management personnel of Aspen Group.
LTI	long term incentive.
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 16 November 2015.
Performance Right	a performance right granted under the PRP.
PRP	the Aspen Group Performance Rights Plan.
Remuneration Report	the Company's remuneration report for the year ended 30 June 2015.
Stapled 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.
STI	short term incentive.
Trust	Aspen Property Trust (ARSN 104 807 767).
TSR	total securityholder return.

End


LODGE YOUR VOTE

 **ONLINE**
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



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 **9:30am on Monday, 16 November 2015 in the Wills Room, Chartered Accountants Conference Centre, 33 Erskine Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Chairman authorised to exercise undirected proxies on Resolutions 3, 4 and 5: 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 3, 4 and 5 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 Re-election of Clive Appleton as a Director by securityholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Issue of STI Right to Mr Clement Salwin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of John Carter as a Director by securityholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Issue of Performance Rights under the Performance Rights Plan (PRP) to Mr Clement Salwin	<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)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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 PRX501C

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security 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 securities 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 securities 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 securities 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 security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities 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
- (b) 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" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:30am on Saturday, 14 November 2015**, 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

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) as shown on the front of the Proxy Form).



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 into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



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



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

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**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.**