



NOTICE OF ANNUAL GENERAL MEETING 2016

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 Fraser Room, Chartered Accountants Conference Centre, 33 Erskine Street, Sydney, NSW at 10:30am on Monday, 28 November 2016.

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 2016 for Aspen Group, including the Directors' declaration, Directors' report and audit report.

There is no vote on this item.

2. Remuneration Report

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

Resolution 1

"That the Company's remuneration report for the year ended 30 June 2016 be adopted."

The Remuneration Report appears on pages 15 to 27 of the 2016 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 2016 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

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 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.

4. Issue of Performance Rights under the Performance Rights Plan (PRP) to Mr Joel Cann

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

Resolution 3

"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 304,054 Performance Rights to Mr Joel Cann on the terms described in the Explanatory Statement."

Voting exclusion statement

The Company and Trust will disregard any votes cast by Mr Cann 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.

5. Issue of STI Right to Mr Joel Cann

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

Resolution 4

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 Joel Cann on the terms described in the Explanatory Statement.

Voting exclusion statement

The Company and Trust will disregard any votes cast by Mr Cann 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.

SPECIAL BUSINESS

6. Approval of Performance Rights Plan

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

Resolution 5

That for the purposes of ASX Listing Rule 7.2 (Exception 9(b)), section 200E of the Corporations Act 2001 (Cth) and for all other purposes the "Aspen Group Performance Rights Plan" (PRP) tabled at the meeting (and signed by the Chairman for the purpose of identification), and the issue of securities and giving of termination benefits under the PRP, be approved as an exception to ASX Listing Rule 7.1. on the terms described in the Explanatory Statement "

Voting exclusion statement

The Company and Trust will disregard any votes cast by any Director and any of their 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.

7. Buy-Back

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

Resolution 6

“That for the purposes of sections 257C and 601KH (as inserted by ASIC class order 07/422) of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for an on-market buy-back of up to 10,189,704 Stapled Securities during the 12 month period commencing after the date of the meeting on the terms detailed in the Explanatory Statement.”

GENERAL BUSINESS

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

By order of the Board

A handwritten signature in black ink, appearing to read 'Mark Licciardo', with a long horizontal stroke extending to the right.

Mark Licciardo

Company Secretary

Dated: 21 October 2016

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, 28 November 2016 at 10:30am. The meeting will commence at 10:30am with registrations from 10:00am.

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 1, 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 1, 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 6.

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 10:30am (AEDT) on Saturday, 26 November 2016. 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 10.30am (AEDT) on 26 November 2016.

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 10:30am (AEDT) on 26 November 2016. 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 2016,

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 2016.

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 15 to 27 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.

The Directors unanimously recommend that securityholders vote in favour of Resolution 1.

Resolution 2 – Re-election of Guy Farrands as a Non-Executive 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 Guy Farrands joined the Board of the Company as a non-executive Director in November 2012.

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.

Mr Farrands is Chairman of the Audit Committee (reconstituted as the Audit, Risk and Compliance Committee in February 2016) appointed 22 January 2013. He was a member of the Remuneration Committee (disbanded) between 22 January 2013 and 22 February 2016 and a member of the Nomination Committee (disbanded) between 22 January 2013 and 22 February 2016.

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

Resolution 3 – Grant of Performance Rights to Joel Cann

The Board proposes to invite Mr Joel Cann, Chief Executive Officer of the Company, to participate in the performance rights plan (**PRP**) and to grant Mr Cann 304,054 performance rights (**Performance Rights**) for FY17, 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 Cann 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 Cann 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 Cann and no amount will be payable by Mr Cann 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 Cann's employment contract are:

- (i) continued employment throughout the vesting period;
- (ii) relative total securityholder return (**TSR**) that meets the required performance criteria; and
- (iii) growth in Net Asset Value (**NAV**) inclusive of dividends paid of the group that meets the performance criteria.

The Performance Rights subject to TSR performance criteria represent 50% of those issued with the remaining 50% subject to the NAV performance criteria.

The Board believes that the TSR and NAV hurdles represent appropriate measures that align management to produce competitive returns that are to the benefit of securityholders.

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 (being 30 June 2019) 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 subject to the TSR

performance criteria to Mr Cann:

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).

NAV Hurdle

NAV is a measure of the underlying value of securities of the Group. NAV is measured and reported by the Group at each reporting period and shall be the reference base for the testing of this measure. NAV is considered a relevant measure of the underlying value of the securities of the Group.

The NAV hurdle will be tested at the end of the performance period (being 30 June 2019) by calculating NAV growth over the three year period commencing 1 July 2016. As distributions by the Group have the effect of diluting the NAV of the group, the measurement of NAV will take into account distributions over the vesting period. Distributions over the three year period shall be added to NAV to determine the rate of growth achieved. Distributions in FY17 shall be measured on an annualised basis by reference to H2 FY16 distributions. This adjustment is to allow FY17 returns to be assessed on a more representative basis of the Group operating in a full reinvested state. The vesting of Performance Rights will be determined using the matrix in the table below.

NAV growth over three years	Proportion of rights vested
Below 8 percent growth pa	0%
At 8 percent growth pa	50%
Between 8 percent and 10 percent growth pa	Straight-line between 50% and 100%
10 percent growth pa or above	100%

Lapse of Performance Rights

The Performance Rights will lapse if:

- (i) Mr Cann's employment is terminated for cause;
- (ii) Mr Cann 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 Cann leaving the Aspen Group before the vesting of the Performance Rights

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

- (i) if Mr Cann is terminated for cause, the Performance Rights automatically lapse;
- (ii) if Mr Cann ceases employment for ill health or death, the Performance Rights automatically lapse unless the Board determines otherwise; or
- (iii) if Mr Cann 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 Cann will be subject to the terms of the PRP, including those that relate to a change in the employment status of Mr Cann and the potential acceleration of those rights in certain circumstances.

Valuation

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

Performance Rights Issued	Estimated Value of Potential Awards
304,054	\$225,000

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 29 September 2016 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 TSR based performance right. In arriving at a valuation of \$0.74 for each Performance Right the independent consultant utilised the following assumptions:

- the market price of a Stapled Security of \$1.115 (being the closing price of Stapled Securities traded on ASX on 29 September 2016);
- simulated risk free interest rate starting with the cash rate of 1.58%;
- simulated dividend yield of the Stapled Securities over the vesting period of 5.42% per annum; and
- volatility measured by reference to the annualised historical daily volatility measured over the 2 year period to the valuation date.

The fair value of the Performance Rights subject to NAV growth was calculated using a risk-neutral assumption. For awards subject to NAV growth the fair value under the risk-neutral assumption is the difference between the spot price of the underlying asset minus the expected present value of the future dividend over the expected life.

Approval sought

Securityholder approval of Resolution 3 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 304,054 Performance Rights to Mr Cann in accordance with the PRP.

Under ASX Listing Rule 10.14, securityholder approval is required before Aspen Group can grant Performance Rights to the CEO or associates of the CEO 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 Cann.

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

- (i) Mr Cann is the Chief Executive Officer of the Company;

- (ii) the maximum number of Performance Rights that may be acquired by Mr Cann is 304,054 and the maximum number of Stapled Securities that may be issued to Mr Cann on exercise of those Performance Rights is 304,054;
- (iii) no cash consideration is payable by Mr Cann 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) Since last approval Mr Salwin was granted 826,586 Performance Rights for FY2015 and 457,659 Performance Rights for FY2016 under the PRP for nil cash consideration. The performance Rights granted to Mr Salwin have since lapsed. No other persons referred to in ASX Listing Rule 10.14 have received securities under the PRP since the last approval;
- (v) as noted above, only Eligible Employees are entitled to participate in the PRP;
- (vi) please refer to the voting exclusion statement contained in the notice of meeting to which this Explanatory Statement is attached;
- (vii) no loan will be provided to Mr Cann 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
- (viii) the Performance Rights are expected to be granted to Mr Cann 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 Cann in accordance with the PRP or his employment contract, if Mr Cann’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 Cann if Mr Cann’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 29 September 2016 the estimated value of the Performance Rights to be issued to Mr Cann is \$225,000. 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:

- (i) the number of Performance Rights held by Mr Cann prior to cessation of employment or office or at the time of the Automatic Vesting Event;
- (ii) the number of Performance Rights that are exercised; and
- (iii) 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 Cann’s unvested Performance Rights (or to provide that Mr Cann’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

All 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 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 unanimously recommend that securityholders vote in favour of Resolution 3.

Resolution 4 – Grant of STI Right

Under the terms of Mr Cann's employment contract, Mr Cann 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 Cann's performance against financial and non-financial metrics determined by the Board (**KPIs**).

Any entitlement to an STI in respect of FY17 will be provided to Mr Cann on the following basis:

- the value of the STI may be up to 25% of Mr Cann's base salary of \$400,000 pro-rata for the period of employment in FY17 (**STI Value**);
- 50% of the STI will be paid in cash after the end of FY17; 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 Cann. Accordingly, if securityholders approve Resolution 4, Mr Cann will have a right to be issued Stapled Securities on becoming entitled to an STI (**STI Right**).

Subject to the STI Policy, Mr Cann 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 Cann 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 4 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 Cann who, by virtue of his position as Chief Executive Officer 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 Cann;
- (ii) one STI Right will be granted to Mr Cann. It is not possible to determine maximum number of Stapled Securities that would be issued to Mr Cann 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 \$1.11 (representing the closing share price on 6 October 2016), would result in the issue of securities representing 0.03% of issued capital.

Maximum potential STI Value	\$75,000
% provided as equity	50%
Assumed issue price	\$1.11
= No. securities issued	33,783
% issued capital	0.03%

- (iv) the STI Right will be granted immediately upon approval of Resolution 4;
- (v) the STI Right will be granted for nil cash consideration on the following terms:

Conversion right	Subject to satisfaction of the KPIs for FY17 and Mr Cann's continued employment with the Company (subject to the Board's discretion described above), Mr Cann 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 FY17.
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 4, 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 FY17.

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 Cann if the Board exercises its discretion to provide Mr Cann with a STI if his employment is terminated;
- giving of termination benefits to Mr Cann if the deferred equity component of an STI automatically vests on the occurrence of an Automatic Vesting Event; and
- giving of benefits to Mr Cann 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 25% of Mr Cann’s base salary of \$400,000.

If securityholder approval is obtained and the Board exercises its discretion to provide Mr Cann 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 believe that the issue of securities to Mr Cann:

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

The directors 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 unanimously recommend that securityholders vote in favour of Resolution 4.

Resolution 5 – Approval of Performance Rights Plan

Aspen Group seeks renewed securityholder approval for its Performance Rights Plan (PRP).

Securityholders previously approved the PRP at the Aspen Group’s 2013 AGM. However, under the ASX Listing Rules the approval is only valid for a period of three years and will expire on 23 October 2016. Therefore, Aspen Group is seeking approval for a further three years.

The PRP remains unchanged since its approval in 2013.

The Board considered that the PRP remains the appropriate form of long term employee incentive plan, as the PRP:

- permits appropriate levels of reward to be delivered to eligible employees for achievement of outstanding performance; and
- better aligns Aspen Group’s remuneration structure with that of its market competitors.

A summary of the terms of the PRP is set out in Schedule 1 and a copy of the PRP is available on the Aspen Group website.

The PRP facilitates the grant of performance rights (**Performance Rights**) to certain employees of Aspen Group (Eligible Employees) whom the Board determines to be eligible to participate in accordance with the PRP. Aspen Group's current and future executive Directors are entitled to participate in the PRP, although prior securityholder approval will be sought prior to each participation. Non-Executive Directors are not eligible to participate in the PRP.

The Performance Rights form a key component of Aspen Group's long term incentive remuneration strategy. The PRP aligns the interests of securityholders and Eligible Employees, and the PRP is designed to reward performance and out-performance of Aspen Group's earnings per share growth (against targets) as well as total securityholder return compared to the S&P ASX 300 Property Sector index.

A Performance Right granted under the PRP is a conditional right to acquire a Stapled Security for nil consideration (although the terms of the PRP enable the Board to impose an exercise price if considered appropriate).

Aspen Group proposes that Performance Rights will be granted annually under the PRP, however the Board has discretion to grant Performance Rights at other times.

Vesting conditions

Details of the vesting conditions are contained in Schedule 1

Number of Performance Rights to be issued

Aspen Group also proposes to limit the number of Performance Rights issued to the amount which is consistent to comply with ASIC class order relief (which in effect is 5% of the issued Stapled Securities in any rolling five year period).

The Performance Rights that do not vest will immediately lapse.

Approval sought

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

ASX Listing Rule 7.2 Exception 9(b)

Securityholder approval is sought under ASX Listing Rule 7.2 (Exception 9(b)), which will exempt the Performance Rights and Stapled Securities issued on exercise of the Performance Rights counting towards the 15% annual limit on the issue of new securities without prior securityholder approval under ASX Listing Rule 7.1.

As noted above, securityholders previously approved the PRP at the 2013 AGM. However, this approval was only valid for a period of three years. Accordingly, Aspen Group seeks securityholder approval for a further period of 3 years from the passing of this Resolution 5. In the absence of this approval Aspen Group can still issue Performance Rights. However, the issue would count towards the 15% limit which would otherwise apply during a 12 month period.

In accordance with Listing Rule 7.2, Exception 9(b), the following information is provided to securityholders:

- a summary of the terms of the PRP (set out in Schedule 1) – securityholders should note that the terms of the PRP have not changed since the last approval in 2013; and
- 2,242,481 Performance Rights have been issued under the PRP since the date of the last approval.

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.

The term "benefit" in Part 2D.2 has a wide operation, and would include the accelerated vesting of the Performance Rights in accordance with the PRP. The termination benefit given under the PRP would be (were it to occur) the early exercise of Performance Rights upon cessation of employment or office with Aspen Group.

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

termination benefits in accordance with the PRP to Eligible Employees who hold (or have held in the three years prior to their retirement) a managerial or executive position with the Company.

This approval will only apply to benefits given on the exercise of a discretion in accordance with the PRP.

The value of such benefits cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights held by the Eligible Employee prior to cessation of employment or office;
- the number of Performance Rights that are exercised; and
- the value of the Stapled Securities when the Performance Rights are exercised.

Financial implications

Australian Equivalents International Financial Reporting Standards require the Performance Rights to be expensed which is guided by AASB 2 – Share Based Payments. As the Performance Rights granted under the PRP will not vest immediately, they are expected to be expensed over their vesting period.

Expensing the Performance Rights will have the effect of increasing both the expenses and other equity of the Company. Whilst there will be a reduction in profit, there will be no impact on the net assets or the cash position or financial resources of the Company as a result of expensing the Performance Rights.

There are no adverse tax implications for the Company in issuing these Performance Rights noting however that share based payments are not deductible for income tax purposes.

Recommendation

All Directors believe that the PRP is reasonable in all the circumstances because it is an appropriately designed equity based incentive, and further that, if the performance hurdles described above are met, this will result in benefits for Aspen Group as a whole.

The Directors unanimously recommend that securityholders vote in favour of Resolution 5.

Resolution 6 – Securities Buy-Back

Overview

The Board seeks the approval of securityholders to commence an on-market buy-back (**Buy-Back**) of up to 10,189,704 Stapled Securities (**Maximum Amount**), during the 12 month period commencing after the date of the meeting. If the Maximum Amount is bought back, it would represent 10% of Aspen Group's Stapled Securities on issue (based on 101,897,037 Stapled Securities on issue as at 6 October 2016).

If the Buy-Back is approved, Aspen Group would be able to buy-back Stapled Securities up to the Maximum Amount on-market over the 12 months after the Meeting, without further securityholder approval. No decision has been made by the Board whether or when to implement the Buy-Back. The Board will only decide to buy-back Stapled Securities on-market if it considers it is in the best interests of Aspen Group.

How does an on-market buy-back work?

An on-market buy-back allows Aspen Group to buy-back Stapled Securities over time, depending on market conditions and prices. Any purchases would occur on-market in the ordinary course of trading in Stapled Securities, and the Stapled Securities would be cancelled immediately after they are bought back.

Although Aspen Group can determine the price at which to buy-back Stapled Securities, the ASX Listing Rules govern the maximum price Aspen Group can pay, being no more than 5% above the volume weighted average market price over the last five days on which sales in the Stapled Securities were recorded before the day on which the purchase under the buy-back was made.

The terms of the Buy-Back

The Buy-Back will be conducted on the following terms:

- If securityholders approve Resolution 6 and the Board decides to implement the on-market buy-back of Stapled Securities, the Stapled Securities will be purchased in the ordinary course of trading at the prevailing market price on the ASX, in the same way as other market participants trade on-market;

- **number of Stapled Securities to be bought back:** Aspen Group is seeking approval to buy-back up to 10,189,704 Stapled Securities (i.e. the Maximum Amount). The number of Stapled Securities actually bought back will depend on a range of factors. In particular, an assessment of the value to Aspen Group of buying back Stapled Securities at particular market prices, alternative uses for cash, the market price and the Board's perception of the fair value of the Stapled Securities. In any case, Aspen Group will reserve the right not to buy-back any Stapled Securities; and
- **maximum price:** on any given day, the maximum price that Aspen Group will pay for Stapled Securities under the Buy-Back is the maximum imposed by ASX Listing Rule 7.33, being no more than 5% more than the volume weighted average of the market price for Stapled Securities over the preceding five days on which sales in the Stapled Securities were recorded before the day on which the purchase under the buy-back was made.

Stapled Security price information

On 6 October 2016 the closing share price of the Stapled Securities was \$1.11. Aspen Group's highest and lowest market sales prices on ASX during the preceding 6 months were \$1.25 and \$1.10 respectively.

Reasons for the Buy-Back resolution

Aspen Group may decide to progress the disposal of its interests in commercial property as part of an overall strategy to simplify the business and focus on the affordable accommodation sector. Aspen Group may have cash available from the proceeds of any such disposal. The Board may seek to return part of this cash via the Buy-Back. The Buy-Back forms part of Aspen Group's ongoing capital management.

Furthermore, Aspen has recently conducted a Buy-Back that was within the "10/12 limit". The "10/12 limit" is 10% of the smallest number, at any time during the last 12 months, of Stapled Securities on issue (**10/12 limit**). Even though this proposed Buy-Back is also within the 10/12 limit, as Aspen has bought back the 10% of securities on issue within the previous 12 month period, a further resolution is required.

Finally, due to the existence of a substantial securityholder who holds over 20% of the current securities on issue, the Board seeks to outline for all securityholders the potential impact of a buyback on the holding of the substantial securityholder and the remainder of securities that would still be on issue after the Buy-Back was completed.

The Board considers that the Buy-Back is an effective means of returning capital to securityholders and will enable Aspen Group to maintain an efficient capital structure, thus optimising returns and creating value for securityholders over time.

The Board considers the benefits of returning capital to securityholders through the Buy-Back are as follows:

- it provides an efficient means of returning excess capital to securityholders;
- purchases under the Buy-Back can be tailored to react to changing market conditions;
- implementation of an on-market buy-back is relatively simple and involves relatively fewer costs than other alternatives; and
- NAV will increase if securities are purchased below NAV.

Possible disadvantages of the Buy-Back

The Board considers that the Buy-Back is in the best interests of securityholders. However, in making their decision, securityholders should evaluate the following factors:

- there will be a reduction in available cash levels and therefore Aspen Group's ability to use that cash for other purposes (including for asset acquisitions);
- the Buy-Back entails a reduction in the capital base of Aspen Group;
- the Buy-Back is likely to result in a reduction in the liquidity of the Stapled Securities; and
- the voting power of those securityholders who do not participate in the Buy-Back (or otherwise reduce their holding) will increase (see the "Control" section below for further details).

Effect of the Buy-Back on Aspen Group

Control

As at 6 October 2016, Aspen Group had 101,897,037 Stapled Securities on issue. As noted above, if the Buy-Back is approved, Aspen Group will be able to buy-back a total of 10,189,704 Stapled Securities, which represents approximately 10% of the issued capital of Aspen Group.

As at 6 October 2016, Aspen Group's major securityholder, fund manager Mill Hill Capital (**MHC**), holds approximately 22.0% of Aspen Group's Stapled Securities. If Aspen Group buys-back the Maximum Amount of Stapled Securities under the Buy-Back and MHC does not participate in the Buy-Back or otherwise reduce its holding, MHC's holding will increase to approximately 24.4%. As a result of an exemption under the general takeover provisions, such an increase does not mean that MHC is making, or is obliged to make, a takeover for the Aspen Group. In addition, were MHC's holding to increase by non-participation in the buyback, MHC could have a greater degree of influence when voting on resolutions to be considered at securityholder meetings. This is especially so for special resolutions, which requires at least 75% of the votes to be cast in favour of the resolution.

Financial position

The financial impact of the Buy-Back on Aspen Group is set out below. Solely for the purposes of illustration, the statements in this section **assume** that the Maximum Amount is bought back by Aspen Group at an average price of \$1.11 per Stapled Security. The Board can give no assurance that this will in fact occur.

NAV per Stapled Security	The NAV per Stapled Security is expected to increase by 1%.
Capital base	Aspen Group's capital base will be reduced by the market value of the Stapled Securities acquired by Aspen Group under the Buy-Back.
Business operations	The Buy-Back will not have any impact on Aspen Group's business operations or assets (other than a reduction in cash reserves as mentioned above).
Franking credits	The Buy-Back is not expected to result in any reduction in the Company's franking account.
Source of funds	The source of the funds for the Buy-Back may be the proceeds of a sale of a property in Aspen Group's commercial property portfolio. Aspen Group does not believe that the Buy-Back will materially prejudice Aspen Group's ability to pay its creditors nor result in Aspen Group being unable to pay its debts as and when due.
Cash reserves	The Buy-Back will result in a reduction of Aspen Group's total cash holdings by approximately \$11.3 million. Completion of the Buy-Back will be subject to Aspen Group having sufficient remaining cash reserves to meet its financial needs and obligations for the future.

Employee incentive plans and Options

The Buy-Back will not:

- trigger vesting of any unvested Performance Rights issued under the PRP; nor
- result in an adjustment to the exercise price or the number of Stapled Securities to be issued on the exercise of any Options.

Taxation

The disposal of securities as a result of an on-market buy-back will result in the same taxation implications as any other dealing in Aspen Group Stapled Securities on the ASX. However, securityholders and optionholders are advised to seek individual tax advice on the effect of the Buy-Back on their personal taxation affairs.

Interests of Directors and Responsible Entity

As at 6 October 2016, the Directors and their associates have a direct or indirect interest in Stapled Securities:

Director	Registered holder if not directly held	Number of Stapled Securities	Number of Performance Rights	Number of Options
Clive Appleton	CR & J Appleton Super Fund	31,000	Nil	Nil
Guy Farrands	Kanook Pty Ltd ATF Kanook Super Fund	150,475	Nil	Nil
John Carter	Mill Hill Capital	22,382,539	Nil	Nil

Proposed timing

Aspen Group may commence buying Stapled Securities under the Buy-Back after this Resolution 6 is passed. Aspen Group may buy-back Stapled Securities under the Buy-Back at its discretion in accordance with the above terms (including only being able to buy-back Stapled Securities up to the Maximum Amount) for the 12 months after the date on which Resolution 6 is passed.

Requirements for approval

Under the Corporations Act (as modified by ASIC relief), securityholder approval is required for Aspen Group to conduct a buy-back of its Stapled Securities if the number of Stapled Securities to be bought-back would exceed the 10/12 limit. As at 6 October 2016, Aspen Group's 10/12 limit was 10,189,704 Stapled Securities. Because Aspen has completed an on-market Buy-Back for 10% of its securities on issue within the past 12 months, securityholder approval for the Buy-Back is required.

Recommendation

The Board is not aware of any other information (not set out in this Explanatory Statement or made publicly available) 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 unanimously recommend that securityholders vote in favour of Resolution 6.

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.
NAV	net asset value
Notice of Meeting	the notice convening a meeting of securityholders to be held on 28 November 2016.
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 2016.
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.

Schedule 1 – Summary of the Performance Rights Plan

Grant of Performance Rights	<p>The Board may invite employees of a member of the Aspen Group to participate in the Performance Rights Plan (PRP). Eligible employees (Eligible Employees) return an acceptance form to respond to the invitation made to them by the Board. The Eligible Employee agrees to be bound by the PRP rules when accepting the invitation.</p> <p>When inviting Eligible Employees to participate in the PRP, the Board may set the exercise price, the performance period, the expiry date, and impose vesting conditions on the Performance Rights.</p> <p>If no exercise price is set it will be deemed to be zero.</p>
Vesting Conditions	<p>The Board has discretion to set vesting conditions that must be satisfied before an Eligible Employee can exercise their performance rights (Performance Rights).</p> <p>As set out in the Remuneration Report, the vesting conditions currently imposed on the Performance Rights under the PRP are:</p> <ul style="list-style-type: none"> (i) continued employment throughout the vesting period; (ii) meeting TSR and NAV hurdles. <p>The Board will consider introducing additional or different conditions for future grants of Performance Rights should prevailing market conditions support such a decision.</p> <p>TSR Hurdle</p> <p>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 Aspen Group's listed property peers who compete for capital and talent.</p> <p>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 entity 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. The vesting of Performance Rights will be determined using the matrix in the table below.</p> <p>NAV Hurdle</p> <p>NAV is a measure of the underlying value of securities of the Group. NAV is measured and reported by the Group at each reporting period and shall be the reference base for the testing of this measure. NAV is considered a relevant measure of the underlying value of the securities of the Group.</p> <p>The NAV hurdle will be tested at the end of the performance period by calculating NAV growth over the three year period commencing 1 July 2016. As distributions by the Group have the effect of diluting the NAV of the group, the measurement of NAV will take into account distributions over the vesting period. Distributions over the three year period shall be added to NAV to determine the rate of growth achieved. Distributions in FY17 shall be measured on an annualised basis by reference to H2 FY16 distributions. This adjustment is to allow FY17 returns to be assessed on a more representative basis of the Group operating in a full reinvested state. The vesting of Performance Rights will be determined using the matrix in the table below.</p>

The following vesting schedule applies to the award of any Performance Rights to eligible participants:

TSR

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%

NAV

NAV growth over three years	Proportion of rights vested
Below 8 percent growth pa	0%
At 8 percent growth pa	50%
Between 8 percent and 10 percent growth	Straight-line between 50% and 100%
10 percent growth or above	100%

The respective TSR and NAV hurdles must be satisfied to gain the proportion of Performance Rights referred to in the last column (assuming the other vesting conditions have been satisfied).

Rights attaching to Performance Rights

Performance Rights granted under the PRP are not transferrable other than with the prior written consent of the Board nor may they be used to secure the payment of monies.

Performance Rights immediately lapse if the participant encumbers or transfers their Performance Rights without consent.

A Performance Right does not give the Eligible Employee any rights as a securityholder. The Eligible Employee has no interest in any stapled securities of Aspen Group until those stapled securities are transferred to the Eligible Employee following exercise of the Performance Rights.

Lapse of Performance Rights

An Eligible Employee's Performance Rights will lapse in certain circumstances including if the:

- (a) Eligible Employee is terminated for cause;
- (b) Eligible Employee transfers their Performance Right without the prior written consent of the Board;

	<p>(c) vesting condition attaching to the Performance Rights (if any) is not satisfied;</p> <p>(d) Performance Rights are not exercised within the specified period.</p>
Impact of leaving Aspen Group before vesting	<p>Where an Eligible Employee leaves Aspen Group, the Eligible Employee's Performance Rights that have not yet vested are to be treated as follows:</p> <p>(a) termination for cause - automatically lapse;</p> <p>(b) ceasing employment for ill health or death – automatically lapse unless the Board determines otherwise;</p> <p>(c) ceasing employment by consent - automatically lapse unless the Board determines otherwise;</p> <p>(d) other reasons - automatically lapse unless the Board determines otherwise.</p> <p>When exercising its discretion the Board may determine some or all of the Performance Rights vest.</p>
Exercise of Performance Rights and issue of Stapled Securities	<p>Performance Rights cannot be exercised unless the Vesting Conditions attaching to those Performance Rights (if any) have been satisfied.</p> <p>If the vesting conditions are met, the Eligible Employee may exercise their Performance Rights in accordance with the process set by the Board – which may be automatic exercise.</p> <p>Aspen Group must allocate stapled securities to the Eligible Employee shortly after exercise and arrange for the listing of any stapled securities issued by Aspen Group on exercise of the Performance Rights.</p> <p>Provisions are included to address the ability of an Eligible Employee to exercise Performance Rights during a trading blackout period in accordance with the requirements of Aspen Group's trading policy and any post issue restrictions on trading of stapled securities.</p>
Takeovers, Schemes of Arrangement, Winding up and corporate events	<p>The Board may (in its discretion) determine that Performance Rights will vest (irrespective of the vesting condition being satisfied) upon the occurrence of a change of control event, or the winding up of the Company. In considering this issue, the Board will take into account the extent to which the vesting conditions have or have not been satisfied up and until the event in question.</p> <p>Eligible Employees will receive an adjustment to the stapled securities received if the Company conducts a bonus issue or adjustment for re-organisation. No adjustment will be made for a Rights Issue unless the Board determines otherwise.</p>
Amendments to the PRP	<p>The Board may amend the terms of the PRP and vesting conditions save that it must obtain the consent of a Performance Rights holder if the amendment reduces the rights of the Performance Rights holder (other than amendments required to comply with law, correct a manifest error or mistake or address adverse tax outcomes).</p>

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 **10:30am on Monday, 28 November 2016 at Fraser Room, Chartered Accountants Conference Centre, 33 Erskine Street, Sydney NSW** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: 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 Resolution 1, even though the Resolution is 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"/>	5 Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Guy Farrands as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Buy-Back of up to 10,189,704 Stapled Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Performance Rights under the Performance Rights Plan (PRP) to Mr Joel Cann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Issue of STI Right to Mr Joel Cann	<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 PRX1601C

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 Resolution is 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 **10:30am on Saturday, 26 November 2016**, 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.**