



Corporate Governance Charter

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Corporate Governance Charter

Introduction

This Charter outlines Aspen Group's main corporate governance practices which comply with the eight core principles of the ASX Corporate Governance Council recommendations, unless otherwise stated.

The purpose of the Charter is to clarify and promote the highest standards of corporate Governance across the Aspen Group.

Aspen Group has complied with the Corporate Governance Principles and Recommendations, as released by the ASX Corporate Governance Council during August 2007 and amended in June 2010. Further details of the Group's compliance with Corporate Governance Principles and Recommendations can be found in the Corporate Governance Section of Aspen Group Annual Reports.

Where noted in this document:

- 'The Board of Directors' refers to the Boards of Aspen Group Limited and Aspen Funds Management Limited (as Responsible Entity of Aspen Property Trust)
- 'The Group' refers to Aspen Group Limited and its controlled entities and Aspen Property Trust

1 Principle 1: Lay solid foundations for management and oversight

Companies should establish and disclose the respective roles and responsibilities of board and management.

1.1 Responsibilities of the Board

The Board's primary role is to ensure securityholders' interests are protected and the value of their investment is maximised.

To fulfil this role, the Board carries out its responsibilities according to the following mandate:

- the Board should comprise at least three directors with a maximum of eight directors;
- the Chairman of the Board should be an independent non-executive director;
- the directors should possess a broad range of skills, qualifications and experience;
- the Board should have a majority of independent directors;
- the Board should meet on a regular basis at least 6 times per annum, and
- all available information in connection with items to be discussed at a meeting of the Board shall be provided to each director prior to that meeting.

Currently the Board consists of four independent non-executive directors and one executive director. The responsibilities of the Board include:

- To act in the best interests of securityholders at all times;
- Establish and set the strategic direction for the Group;
- Establish a framework for the proper governance of the Group;
- Provide input and approval to the business plan adopted by senior management to achieve the Group's strategy;
- Appointment and removal of the Executive Directors;
- Confirm the appointment and removal of Senior Executives;
- Review and ratify the internal control systems, risk management measures and codes of conduct;
- Review and approval of the annual budget and forecasts;
- Monitor the performance of executive management in implementing the Group's strategy;
- Approving and monitoring financial and other reporting;
- Approve acquisitions and disposal of significant assets and capital expenditure programs and monitor regularly where necessary, and
- Approval of financial reports as required by the Corporations Law or ASX rules.

1.2 Board processes

To assist in the execution of its responsibilities, the Board has established a number of committees including a Nomination Committee, a Remuneration Committee, and an Audit Committee. These committees have written mandates, which are reviewed on a regular basis and can be viewed on the Group's website within the Corporate Governance Charter.

1.3 Role of Chairman

The Chairman will be selected on the basis of relevant experience, skill and leadership abilities that the Board recognises from time to time. The Chairman will:

- be responsible for leadership of the Board, and for the efficient organisation and conduct of the Board;
- chair Board Meetings including setting the agenda, style and format to promote effective decision-making and constructive debate;
- encouraging active engagement by all Board members;
- ensuring effective time management for the Board to consider complex or contentious issues;
- ensuring effective implementation of Board decisions;
- promoting effective relationships and open communication between the non-executive and executive teams;
- chair meetings of Securityholders, including the Annual General Meeting;
- ensuring effective communication with securityholders and promoting Board awareness of the views of major securityholders;
- chair the Remuneration and Nomination Committee and any other committees decided by the Board;
- in conjunction and in consultation with the Executive Directors, approve and/or delegate authority for the approval of all ASX announcements and/or market releases;
- in conjunction with the executive team review all matters material to the interests of the Group;
- establishing a close working relationship with the Executive Directors, providing support and advice while jointly developing with them the Group's strategy and overseeing its implementation subject to the approval and oversight of the Board as a whole;
- ensuring annual performance reviews of the Board, its committees and its individuals;
- ensure that succession planning for key roles within the Group is considered; and
- promoting the highest standards of corporate governance;

1.4 Role of Managing Director

The Managing Director is responsible for running the affairs of the Group under delegated authority from the Board and to implement the policies and strategy set by the Board. In particular the Managing Director's responsibilities include:

- providing leadership to the Group being the primary link between the Board and employees;
- being the conduit through which the Board is provided timely, accurate and relevant information;
- translating the strategic plans and decisions of the Board into action;
- ensuring the entity's organisational functions are effective;
- assessment of new initiatives / business opportunities of potential benefit to the Group;
- undertaking the role of key company spokesperson;
- appointing the senior management team with Board endorsement;
- keeping the Board informed, at an appropriate level, of all the activities of the Group; and
- ensuring the Group's policies are complied with.

1.5 Role of senior managers reporting to the Managing Director

These officers include the Head of Residential Property, Head of Commercial Development, Head of Commercial Property, Head of Funds Management, and the Chief Financial Officer.

These officers shall work under the Managing Director's supervision and instruction to accomplish the outcomes detailed under the Managing Director's role description.

1.6 Role of Company Secretary

The Company Secretary is accountable to the Board, through the Chairman, on all governance matters and reports directly to the Managing Director. The Company Secretary is charged with facilitating the Group's corporate governance processes ensuring that the Board policies and procedures run efficiently and effectively. All Directors have right of access to the Company Secretary. The role of Company Secretary also includes the following responsibilities:

- coordinating the timely completion and dispatch of Board agenda and briefing material;
- recording, maintaining and distributing the minutes of all Board, Committee and general meetings of the Group;
- maintaining a complete set of Board papers at the Group's main office;
- preparing for and attending all annual general meetings of the Group;
- ensuring all company legislative and any other regulatory body obligations are met;
- maintaining the Register of Ongoing Conflicts of Interests and the Register of Related Party Transactions;
- maintaining a Register of Company Policies as approved by the Board; and
- maintaining and updating all corporate governance documentation;

1.7 Performance appraisal system

All employees including senior executives participate in a formal review process which assesses individual performance against predetermined objectives. The process evaluates the individual's contribution to the organisation, gains feedback on enhancing performance and insight into future career aspirations. The outcomes of the review are used as a basis for determining appropriate remuneration packages and the most efficient organisational structure.

Outcomes of the performance reviews are communicated to the Board and Remuneration Committee.

The Nomination Committee is responsible for the assessment of the performance of Board members – refer to section 2.6 for further details.

1.8 Reporting

The Group shall include in the corporate governance statement in each of its Annual Reports the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 1.

2 Principle 2: Structure the Board to add value

Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

2.1 Composition of the Board

The Board will have a minimum of three directors and a maximum of eight directors.

One third of the directors must retire from office at the annual general meeting each year however will be eligible for re-election.

Directors appointed during the year to fill casual vacancies are required to submit to election at the next annual general meeting.

A process has been developed and adopted by the Board for the identification of persons suitable for consideration as a member of the Board. Key components of the process are:

- Consideration as to the skills and competencies of the Board and the necessary skills and competencies required to enhance the Board;
- Relevant experience in the industry or associated services to the industry in which Aspen Group conducts business;
- The extent of the candidate's other commitments in both executive and non-executive roles;
- Conducting suitable reference checking of the candidate to determine their suitability to the role; and
- Recommendation by the Nomination Committee and approval at a Board meeting to the appointment of the new director.

The criteria to be adopted in determining the independence of directors follows the definition as prescribed in the ASX best practice guidelines. That is:

- is not directly or indirectly a substantial securityholder in Aspen Group;
- has not within the last three years been employed in an executive capacity by Aspen Group;
- has not within the last three years been an adviser, consultant or material supplier to Aspen Group;
- has no material contractual relationship with Aspen Group other than the appointment as Director; and
- has no other interest or relationship that could interfere with the director's ability to act in the best interests of Aspen Group and independently of management.

(Materiality in this context is defined as a director-related business relationship that is, or is likely in the future, to be more than 10 percent of the director-related business's revenue).

2.2 Independent Directors

The majority of the Board should be independent directors. The Group will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed to the Board and explained to the market in a timely manner.

2.3 Independence of Chairman

The Chairman should be an independent director and the roles of chair and managing director should not be exercised by the same individual.

The Chairman's other positions should not be such that they are likely to hinder the effective performance of their role as Chairman of Aspen Group.

2.4 Independent decision making

All directors, whether independent or not, should bring an independent judgment to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairman.

To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual directors may seek independent professional advice, at the expense of the Group, on any matter connected with the discharge of their responsibilities.

2.5 Nomination Committee

The Nomination Committee's role is to assist the Board in identifying, assessing and selecting Board members for the Group, and to review Board members on a regular basis.

The Nomination Committee is appointed by the Board and comprises at least three members of the Board of which two must be independent non-executive members, with one independent member to be appointed by the Board to act as Chairman.

The responsibilities of the Nomination Committee are as follows:

- Assess the competencies of proposed and current Board members, and make recommendations to update competencies where necessary;
- Develop and maintain a suitable succession plan for the composition of the Board;
- Evaluate the performance of the Board by developing and implementing a regular review process of the quality and quantity of input to the Board;
- Confirm and maintain a process for the appointment and removal of Board members;
- Provide a letter of appointment to a new director outlining their remuneration, term, expectations, conflict of interest policy, induction procedures, indemnity information, and disclosure obligation; and
- Ensure a new Board member is effectively inducted into the role at the earliest possible time and that the necessary information regarding the appointment or removal is disclosed to the market.

The Nomination Committee meets as necessary but at least annually and records the minutes of any such meeting. The members of the Nomination Committee are entitled to seek independent legal advice in relation to their roles as members of the Committee.

The Nomination Committee's charter is available on the Group's website within the Corporate Governance Charter.

2.6 Board and executive performance evaluation

The Nomination Committee is responsible for ensuring that there is an effective ongoing performance evaluation process in place for directors and key executives.

2.6.1 Board performance evaluation

On an annual basis, the Board and its committees adopt a formal review process, overseen by the Chairman. The process involves a peer evaluation assessing each individual director's performance and competence, their contribution to the Board and feedback on enhancing performance. Board members are encouraged during this process to raise any matter, either positive or negative which they believe will contribute to the ongoing effectiveness of the Board.

2.6.2 Executive performance evaluation

Executive Staff participate in a formal review process which assesses individual performance against predetermined objectives. The process evaluates the individual's contribution to the organisation, gains feedback on enhancing performance and insight into future career aspirations. The outcomes of the review are used as a basis for determining appropriate remuneration packages and the most efficient organisational structure. Outcomes of the performance reviews are communicated to the Board and Remuneration Committee.

2.7 Induction and education

The Board conducts an induction program to enable new directors to gain an understanding of:

- the Group's financial, strategic, operational and risk management position;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives; and
- the role of any Board committees in operation.

Directors will have reasonable access to continuing education to update and enhance their skills and knowledge.

2.8 Access to information

The Board has the right to obtain all information from within the Group which it needs to effectively discharge its responsibilities.

Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively.

Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

2.9 Independent professional advice and access to the Group's information

Each director has the right of access to all relevant Group information and to the Group's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Group's expense. A copy of the advice received by the director is to be made available to all other members of the Board.

2.10 Reporting

The Group shall include in the corporate governance statement in each of its Annual Reports the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 2.

3 Principle 3: Promote ethical and responsible decision-making

Companies should actively promote ethical and responsible decision-making.

3.1 Code of Conduct

The Board has adopted the Code of Conduct to promote ethical and responsible decision making by directors, management and employees.

All directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. All directors and employees, who are members of a professional body, are required to comply with their respective bodies' ethical standards.

The Code of Conduct which must be read and agreed at the commencement of employment, and at regular intervals thereafter.

The Code of Conduct is available on the Group's website within the Corporate Governance Charter.

3.2 Diversity Policy

Aspen has established a policy concerning diversity and has disclosed the policy.

The Board has adopted a Diversity Policy which is available on the Group's website within the Corporate Governance Charter. This policy also introduces the appropriate procedures to ensure implementation of its objectives.

3.3 Disclosure of Measurable Objectives

Aspen will disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.

3.4 Annual Report

Aspen will disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

3.5 Reporting

The Group shall include in the corporate governance statement in each of its Annual Reports the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 3.

4 Principle 4: Safeguard integrity in financial reporting

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

4.1 Audit Committee

The Board has established an Audit Committee pursuant to its Audit Committee Charter.

The purpose of the Audit Committee is to assist the Board fulfil its corporate governance role in relation to the integrity of the Group's financial reporting, internal control structure, risk management systems and the internal and external audit functions of Aspen Group and its controlled entities. The Committee will ensure the truthful and factual presentation of the Group's financial performance and position.

The members of the Audit Committee shall consist of Non-Executive directors..

Due consideration will be given by the Board of Directors from time to time, with a view to rotating members without, however, losing the continuity of experience and knowledge gained by the members of the Audit Committee.

The Audit Committee meets as frequently as required and at least semi-annually in line with external reporting requirements. The Chairman will call a meeting of the Audit Committee, if so requested by any committee member, the Chief Financial Officer, or the external auditors. Any director, if they wish, may attend any meeting. The Chief Financial Officer and the external auditors are given notice of all meetings and have the right to attend and speak at each meeting subject to concurrence of the Chairman of the Audit Committee. A quorum for a meeting shall be a minimum of two, which must include the Chairman.

The Managing Director and the Chief Financial Officer declare annually in writing to the Board that the financial records of the Group have been properly maintained; the Group's financial reports comply with accounting standards and present a true and fair view of the Group's financial condition and operational results.

The Audit Committee's Charter is available on the Group's website within the Corporate Governance Charter.

4.2 Responsibilities of Audit Committee

The Audit Committee's responsibilities include the following:

Financial Reporting

Review, assess and monitor the financial reporting of the Group including:

- published financial statements and reports;
- accounting policies and disclosures including notes to the financial statements;
- the response to any issues raised as a result of an external audit; and
- compliance with accounting and financial reporting standards, stock exchange and legal requirements.

External Audit

- Recommend the appointment and removal of external auditors;
- Review the audit engagement letter; and
- Review and assess:
 - external audit scope;
 - external audit reports;
 - external audit performance, including time of audit, fees, partner rotation and value added services;
 - materiality; and
 - auditor independence.

Internal Audit

- Review the requirements for an internal audit function and the scope;
- Review the performance of an internal audit and auditor, if any; and
- Recommend the appointment and removal of the internal auditor, if any.

Risk Management

- Oversee the formulation and implementation of a risk management strategy and policy in conjunction with the Compliance Committee; and
- Monitor and review annually the effectiveness of the risk management policy.

4.3 Composition of Audit Committee

The Audit Committee shall comprise of at least three directors, all of whom shall be non-executive directors.

The Chairman, being a non-executive director but not Chairman of the Board shall be appointed by the Board of Directors for a period of three years.

4.4 Reporting

The Group shall include in the corporate governance statement in each of its Annual Reports the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 4.

5 Principle 5: Make timely and balanced disclosure

Companies should promote timely and balanced disclosure of all material matters concerning the company.

5.1 Disclosure and Communication Policy

The Board has adopted a Disclosure and Communication Policy to ensure that:

- All investors have equal and timely access to material information concerning the Group including its financial position, performance, ownership and governance; and
- Group announcements are factual, presented in a clear and balanced way, are made in a timely manner and do not omit material information.

The Group provides securityholders with information using this Disclosure and Communication Policy which includes identifying matters that may have a material effect on the price of the Group's securities, notifying them to the ASX and or ASIC, posting them on the Group's website and issuing media releases.

Aspen Funds Management Ltd, the subsidiary of Aspen Group, is the manager of a number of ASIC registered unlisted Managed Investment Schemes. Some of these schemes are Enhanced Disclosure Funds subject to ASIC continuous disclosure requirements.

In summary the Disclosure and Communication Policy operates as follows:

- The Board is committed to effectively communicating with its securityholders and the investment market about all major business events that influence Aspen Group in a timely and straightforward manner.
- In line with its disclosure obligations under Chapter 3 of the ASX Listing Rules and under Regulatory Guides 198 and 46 issued by ASIC, Aspen's policy is to immediately lodge with the ASX or ASIC any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of its securities. Aspen will also advise the market of any information that is currently known to the market which they believe to be false or misleading and which may be creating a false market. ASIC has approved lodgement for unlisted entities in the manner of placing information directly on the Fund website.
- All ASX announcements (being market related of both a sensitive or non-sensitive nature) are approved by the Board.. The Company Secretary is responsible for electronic lodgement of communications with ASX and must ensure that announcements are factual and do not omit material information. The Company Secretary will also be responsible for the security of the announcement prior to its release to the market. Following any announcement copies are circulated to the Board and are made available via the website. ASX announcements that are administrative in nature and are not price sensitive (eg update of distribution reinvestment price) are reviewed by the Compliance Manager / Finance Manager and approved by the Company Secretary. A copy of the announcement is provided to the Board.
- The website incorporates a direct link to the announcements page on the ASX website, background details of the Group including details of assets and fund management activities, investor information such as annual reports, security price information, newsletters, press releases, distribution history and other supporting links.
- ASIC disclosures for unlisted Funds are approved by the Compliance Manager and disclosed on the Fund website. Copies are provided to the Directors and a summary is provided at the next Board meeting.
- In instances where briefings are provided to market analysts, media representatives and major securityholders, it may be impractical to present this to all securityholders. In this instance a copy of the presentation material including the response to any significant questions will be made available on the Group's website where it contains new material which is not known to the market.

- Where the Group is to hold a securityholder meeting, the full text of the notice of meeting will be provided in the announcement to the ASX.
- All directors and employees are educated on the importance of sensitive information and confidentially as part of an induction session. Employees must sign a copy of the Code of Conduct at the commencement of their employment, and by doing so agree to abide by its terms. A breach of the Code may lead to disciplinary action ranging from counselling to dismissal.

Securityholders are encouraged to attend and participate in Aspen Group's Annual General Meeting which is usually held in October or November each year. An explanatory memorandum on the resolutions proposed is provided with the Notice of Meeting. Securityholders unable to attend the AGM are able to lodge a proxy in accordance with the Corporations Act 2001. Securityholders can submit enquiries regarding Aspen Directors or complaints, via the website or email homemail@aspengroup.com.au. Aspen Group uses Link Market Services Ltd to administer the securityholder register. Securityholders can contact Link on 1300 554 474 or via their website www.linkmarketservices.com.au.

More details of the Disclosure and Communication policy are available on the Group's website within the Corporate Governance Charter.

5.2 Reporting

The Group shall include in the corporate governance statement in each of its Annual Reports the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 5.

6 Principle 6: Respect the rights of shareholders

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

The Board is committed to open and accessible communication with holders of the Group's securities. The Board has adopted a Disclosure and Communication Policy to ensure that:

- all investors have equal and timely access to material information concerning the Group including its financial position, performance, ownership and governance; and
- Group announcements are factual, presented in a clear and balanced way, are made in a timely manner and do not omit material information.

The Group provides securityholders with information using this Disclosure and Communication Policy which includes identifying matters that may have a material effect on the price of the Group's securities, notifying them to the ASX, posting them on the Group's website and issuing media releases.

6.1 Communication through Aspen's website

Aspen's website will also be used to provide additional relevant information to securityholders. The Board considers the following to be appropriate features for the Group's website:

- placing the full text of notices of meeting and explanatory material on the website;
- providing information about the last three years' press releases or announcements plus at least three years of financial data on the website; and
- providing information updates to securityholders on request by email.

6.2 Reporting

The Group shall include in the corporate governance statement in each of its Annual Reports the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 6.

7 Principle 7: Recognise and manage risk

Companies should establish a sound system of risk oversight and management and internal control

7.1 Risk management

The Board as a whole is ultimately responsible for establishing and reviewing the Group's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board has adopted a Risk Management Policy designed to:

- identify, assess, monitor and manage risk; and
- identify material changes to the Group's risk profile.

Management has instituted a structure that identifies and addresses risks that could have a material impact on its business. This structure includes a senior Aspen executive working with the Compliance Manager, to liaise with working parties from each Aspen division. Risks are identified and analysed for each area, and suitable reporting created to address the risks.

It is also a Board function to identify risks in its consideration of strategic matters, and feed such information into the Risk Management structure.

The Group's Risk Management Policy is available on the Group's website within the Corporate Governance Charter.

7.2 Management and Board responsibility

The Board constantly monitors the operational and financial aspects of the Group's activities and, through the Audit Committee, the Board considers the recommendations and advice of external auditors and other external advisers on the operational and financial risks that face the Group.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Group has an appropriate internal control environment in place to manage the key risks identified.

In addition, senior management investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

The Compliance Committee shall report to the Board quarterly that the Group has a sound system of risk management in place and that those systems are operating efficiently and effectively in all material respects. The Compliance Committee shall report all High and Extreme risks, and their treatment, to the Board twice annually, or immediately if a new High or Extreme risk is identified at other times.

7.3 Compliance Committee

Aspen Funds Management Limited (AFM), as part of its role as responsible entity of Aspen Property Trust, has in place a Compliance Committee. This committee is responsible for monitoring and reviewing the function and effectiveness of the Compliance Plan and in ensuring adherence to applicable laws and regulations, including AFM's compliance with the terms and conditions of its Australian Financial Services Licence.

The role of the Compliance Committee includes responsibility for the evaluation of the effectiveness of the Responsible Entity's compliance systems which are designed to protect the interest of security holders. The majority of Compliance Reports presented to the Committee by the Responsible Managers are designed to monitor risks and risk treatment.

The Compliance Plan has been approved by ASIC and the Compliance Committee meets regularly and must report breaches of the law and Constitution to the Board which must report to ASIC any material breach of the Compliance Plan.

Risks and their treatment are included in the Compliance Committee's report to the Board twice yearly.

7.4 Verification of financial reports

The Managing Director (or equivalent) and the Chief Financial Officer are required by the Group to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(A) of the Corporations Act:

- that the Group's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Group and comply with relevant accounting standards; and
- that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

7.5 Internal audit

The Audit Committee determines the need for an internal audit function. At present the Board believes the Group is not of a size to justify having an Internal Audit Department and that the roles of existing management and Committees are presently sufficient to provide control over business functions.

7.6 Reporting

The Group shall include in the corporate governance statement in each of its Annual Reports the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 7.

8 Principle 8: Remunerate fairly and responsibly

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

8.1 Director and senior executive remuneration policies

The Group's remuneration policy is structured for the purpose of:

- motivating senior executives to pursue the long-term growth and success of the Group; and
- demonstrating a clear relationship between senior executives' performance and remuneration.

The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Group's competing interests of:

- attracting and retaining senior executives and directors; and
- not paying excessive remuneration.

Executive Director and key management personnel remuneration should be structured to reflect short and long-term performance objectives appropriate to the Group's circumstances and goals.

Executive director and key management personnel remuneration packages should involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Group's circumstances and goals.

Non-executive directors' remuneration should be formulated with regard to the following guidelines:

- non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives; and
- non-executive directors should not be provided with retirement benefits other than superannuation.

No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.

8.2 Remuneration Committee

The primary role of the Remuneration Committee is to support and advise the Board in establishing the remuneration policy for the Group.

The key responsibilities of the Remuneration Committee are as follows:

- Ensure the remuneration policies and practices are consistent with Aspen Group's strategic direction;
- Ensure the policy is designed to secure and retain senior executives and Directors wholly competent in required fields of expertise;
- Review and approve executive remuneration policy;
- Review recruitment, retention and termination policies and procedures as required;
- Determine the remuneration of directors; and
- Review and approve all equity based remuneration plans.

The Committee meets as required but not less than annually.

The Remuneration Committee Charter is available on the Group's website within the Corporate Governance Charter.

8.3 Aspen clearly distinguishes between the structure of non-executive directors' remuneration and that of executive directors and senior staff

Executive directors and senior staff are remunerated via salary and by both a Short and Long Term Incentive Plan. This plan awards cash and shares as an incentive for high performance.

Non-Executive directors do not receive equity or bonus payments.

8.4 Reporting

The Group shall include in the corporate governance statement in each of its Annual Reports the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 8.



Appendix 1

The Board of Directors

Introduction

The Board of Directors is responsible for the governance and management of Aspen Group Limited (AGL) and Aspen Funds Management Limited (AFM), the responsible entity of the Aspen Property Trust. The Boards exist to ensure securityholders interests are protected and the value of their investment is maximised.

This Charter is adopted by the Boards of Aspen Group Limited and Aspen Funds Management Limited and may only be changed by resolution of each Board.

1. Responsibilities of the Board

The Board's primary role is to ensure securityholders' interests are protected and the value of their investment is maximised.

To fulfil this role, the Board carries out its responsibilities according to the following mandate:

- the Board should comprise at least five directors with a maximum of eight directors;
- the Chairman of the Board should be an independent non-executive director;
- the directors should possess a broad range of skills, qualifications and experience;
- the Board should have a majority of independent directors;
- the Board should meet on a monthly basis; and
- all available information in connection with items to be discussed at a meeting of the Board shall be provided to each director prior to that meeting.

Currently the Board consisted of four independent non-executive directors and one executive director. The responsibilities of the Board include:

- To act in the best interests of securityholders at all times;
- Establish and set the strategic direction for the Group;
- Establish a framework for the proper governance of the Group;
- Provide input and approval to the business plan adopted by senior management to achieve the Group's strategy;
- Appointment and removal of the Managing Director;
- Confirm the appointment and removal of Senior Executives;
- Review and ratify the internal control systems, risk management measures and codes of conduct;
- Review and approval of the annual budget and forecasts;
- Monitor the performance of executive management in implementing the Group's strategy;
- Approving and monitoring financial and other reporting;
- Approve acquisitions and disposal of significant assets and capital expenditure programs and monitor regularly where necessary; and
- Approval of financial reports as required by the Corporations Law or ASX rules.

2. Board processes

To assist in the execution of its responsibilities, the Board has established a number of committees including a Nomination Committee, a Remuneration Committee, and an Audit Committee. These committees have written mandates, which are reviewed on a regular basis and can be viewed on the Group's website.

3. Composition of the Board

The Board will have a minimum of five directors and a maximum of eight directors.

One third of the directors must retire from office at the annual general meeting each year however will be eligible for re-election.

Directors appointed during the year to fill casual vacancies are required to submit to election at the next annual general meeting.

A process has been developed and adopted by the Board for the identification of persons suitable for consideration as a member of the Board. Key components of the process are:

- Consideration as to the skills and competencies of the Board and the necessary skills and competencies required to enhance the Board;
- Relevant experience in the industry or associated services to the industry in which Aspen Group conducts business;
- The extent of the candidate's other commitments in both executive and non-executive roles;
- Conducting face to face interviews with members of the Nomination Committee to determine the candidate's suitability to become a member of the Board;
- Conducting suitable reference checking of the candidate to determine their suitability to the role; and
- Recommendation by the Nomination Committee and approval at a Board meeting to the appointment of the new director.

The criteria to be adopted in determining the independence of directors follows the definition as prescribed in the ASX best practice guidelines. That is:

- is not directly or indirectly a substantial securityholder in Aspen Group;
- has not within the last three years been employed in an executive capacity by Aspen Group;
- has not within the last three years been an adviser, consultant or material supplier to Aspen Group;
- has no material contractual relationship with Aspen Group other than the appointment as Director;
- has no other interest or relationship that could interfere with the director's ability to act in the best interests of Aspen Group and independently of management.

Materiality in this context is defined as a director-related business relationship that is, or is likely in the future, to be more than 10 percent of the director-related business's revenue to be material.

Where a candidate is nominated to be a member of the Board the following information should be provided for the benefit of securityholders:

- Name and formal qualifications;
- Working experience;
- Other directorships or positions involving significant time commitments;
- Details of any conflicts of interest with the Group; and
- Term of office

4. Independent Directors

The majority of the Board should be independent directors. The Group will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed to the Board and explained to the market in a timely manner.

4.1 Independence of Chairman

The Chairman should be an independent director and the roles of chair and managing director should not be exercised by the same individual.

The Chairman's other positions should not be such that they are likely to hinder the effective performance of their role as Chairman of Aspen Group.

4.2 Independent decision - making

All directors – whether independent or not - should bring an independent judgment to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairman.

To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual directors may seek independent professional advice, at the expense of the Group, on any matter connected with the discharge of their responsibilities.

5. Board and executive performance evaluation

The Nomination Committee is responsible for ensuring that there is an effective ongoing performance evaluation process in place for directors.

On an annual basis, the Board and its committees adopt a formal review process, overseen by the Chairman. The process involves a peer evaluation assessing each individual director's performance and competence, their contribution to the Board and feedback on enhancing performance. Board members are encouraged during this process to raise any matter, either positive or negative which they believe will contribute to the ongoing effectiveness of the Board.

Where a Board member is due for re-election other Board members will be invited to review the performance of the Board member prior to making a recommendation for re-election.

6. Induction and education

The Board conducts an induction program to enable new directors to gain an understanding of:

- the Group's financial, strategic, operational and risk management position;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives; and
- the role of any Board committees in operation.

Directors will have reasonable access to continuing education to update and enhance their skills and knowledge.

6.1 Access to information

The Board has the right to obtain all information from within the Group which it needs to effectively discharge its responsibilities.

Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively.

Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

6.2 Independent professional advice and access to the Group's information

Each director has the right of access to all relevant Group information and to the Group's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Group's expense. A copy of the advice received by the director is made available to all other members of the Board.



Appendix 2

Audit Committee Charter

Introduction

The Audit Committee is a committee approved by the Boards of Aspen Group Limited and Aspen Funds Management Limited as responsible entity of Aspen Property Trust.

1. Role of Audit Committee

The purpose of the Committee is to assist the Board fulfil their corporate governance role in relation to the integrity of the Group's financial reporting, internal control structure, risk management systems and the internal (if any) and external audit functions of Aspen Group and its controlled entities. The Committee attempts to ensure the truthful and factual presentation of the Group's financial performance and position.

2. Composition

The Audit Committee shall be comprised of at least three directors, all of whom shall be non-executive directors.

A committee chairman, being a non-executive director but not chairman of the Board, shall be appointed by the Board of Directors for a period of three years.

Due consideration will be given by the Board of Directors from time to time, with a view to rotating members without, however, losing the continuity of experience and knowledge gained by the members of the Audit Committee.

All members of the Audit Committee shall be financially literate in accounting practices, and at least one member of the Audit Committee shall have financial and accounting related expertise.

The Company Secretary shall be appointed Secretary of the Audit Committee. The Secretary, in conjunction with the Chairman, shall draw up an agenda which shall be circulated at least one week prior to each meeting to the members of the Audit Committee and the internal and external auditors.

3. Responsibilities

The Audit Committee's responsibilities include the following:

Financial Reporting

Review, assess and monitor the financial reporting of the Group including:

- published financial statements and reports;
- accounting policies and disclosures including notes to the financial statements;
- the response to any issues raised as a result of an external audit; and
- compliance with accounting and financial reporting standards, stock exchange and legal requirements.

External Audit

- Recommend the appointment and removal of external auditors;
- Review the audit engagement letter; and
- Review and assess:
 - external audit scope;
 - external audit reports;
 - external audit performance, including time of audit, fees, partner rotation and value added services;
 - materiality; and
 - auditor independence.

Internal Audit

- Review the requirements for an internal audit function and the scope;
- Review the performance of an internal audit and auditor, if any; and
- Recommend the appointment and removal of the internal auditor, if any.

Risk Management

- Oversee the formulation and implementation of a risk management strategy and policy in conjunction with the Compliance Committee, which includes Occupational Health and Safety issues, and
Monitor and review annually the effectiveness of the risk management policy.

Taxation

Oversee the compliance of the Group with taxation requirements of the ATO and state taxation bodies,

4. Meetings

The Audit Committee shall meet as frequently as required and at least quarterly in line with external reporting requirements.

The Chairman will call a meeting of the Audit Committee, if so requested by any committee member, the Chief Finance Officer, or the internal or external auditors. Any director, if they wish, may attend any meeting. The Chief Finance Officer and the internal and external auditors should be given notice of all meetings and have the right to attend and speak at each meeting subject to concurrence of the Chairman of the Audit Committee.

A quorum for a meeting shall be a minimum of two, which must include the Chairman.

5. Selection and Appointment of External Auditors

The Audit Committee is responsible for the appointment of external auditors, monitoring the effectiveness, objectivity and independence of the external auditors, and reviewing the quality and scope of the services provided.

The following process has been adopted for the selection and appointment of external auditors:

Selection

- The ability of the firm to conduct the audit given their size, knowledge of the industry, competencies and independence.
- The proposed cost of the audit.
- The proposed timing.

Appointment

The auditor is recommended to the Board for appointment and this is to be ratified by the Board and confirmed in writing to the auditor.

Review

Each year following completion of the annual audit the Audit Committee will review the performance of the External auditor, in relation to timeliness, quality of service, value added input, and cost.



Appendix 3

Nomination Committee Charter

Introduction

The Nomination Committee is a committee appointed by the Board's of Aspen Group Limited and Aspen Funds Management Limited, as Responsible entity of Aspen Property Trust.

1. Role of the Nomination Committee

The Nomination Committee's role is to assist the Board in identifying, assessing and selecting Board members for the Group, and to review Board members and their performance on a regular basis.

2. Composition

The Nomination Committee comprises at least three members of the Board of which two must be independent non-executive members, with one independent member to be appointed by the Board to act as Chairman.

3. Responsibilities

The responsibilities of the Nomination Committee are as follows:

- Assess the competencies of proposed and current Board members, and make recommendations to update competencies where necessary;
- Develop and maintain a suitable succession plan for the composition of the Board;
- Evaluate the performance of the Board by developing and implementing a regular review process of the quality and quantity of input to the Board;
- Confirm and maintain a process for the appointment and removal of Board members;
- Provide a letter of appointment to a new director outlining their remuneration, term, expectations, conflict of interest policy, induction procedures, indemnity information, and disclosure obligation; and
- Ensure a new Board member is effectively inducted into the role at the earliest possible time and that the necessary information regarding the appointment or removal is disclosed to the market.

4. Meetings

The Nomination Committee meets as necessary but at least annually and records the minutes of any such meeting. The members of the Nomination Committee are entitled to seek independent legal advice in relation to their roles as members of the Committee.



Appendix 4

Remuneration Committee Charter

Introduction

The Remuneration Committee is a committee approved by the Board of Aspen Group Limited.

1. Role of the Remuneration Committee

The primary role of the Committee is to support and advise the Board in establishing the remuneration policy for the Group.

2. Composition

- The Board appoints the members and the Chairman of the Committee;
- The Committee has at least three members with the majority being non-executive Directors; and
- The Chairman of the Committee must be an independent Director and may be the Chairman of the Board.

3. Responsibilities

The Committee's key responsibilities are:

- Ensure the remuneration policies and practices are consistent with Aspen's strategic direction;
- Ensure the policy is designed to secure and retain senior executives and Directors wholly competent in required fields of expertise;
- Review and approve executive remuneration policy;
- Review recruitment, retention and termination policies and procedures as required;
- Determining the remuneration of directors; and
- Reviewing and approving all equity based remuneration plans.

4. Meetings

The Remuneration Committee will meet as required but not less than annually.



Appendix 5

Code of Conduct

Aspen Group Ltd aims to be a respected member of the securities industry. In achieving this goal, it is essential to gain and maintain a reputation for honesty and integrity.

It is important for all employees of Aspen Group to maintain high moral and ethical standards. These standards are set out in the Aspen Group Code of Conduct (The Code).

The Code reflects Aspen Group's commitment to working together to promote an ethical, just and responsible work environment for all Aspen employees. The Code empowers all employees to carry out their respective roles and responsibilities in a way that promotes a better working environment for them and for everyone with whom they come in contact.

The Code of Conduct is an important reference document that outlines the behavioural expectations that we have agreed as a group. The document is intended to be used as a tool to assist in developing and enhancing effective working relationships. This Code is not intended to be exhaustive and cannot anticipate every situation which may morally or ethically compromise the employee or Aspen Group. In this regard Aspen Group expects its employees to use their common sense and sound judgement. However, compliance with this Code is an obligation owed by all employees to each other and to Aspen Group. Breach of this Code will result in disciplinary action or dismissal.

The Code of Conduct should be read in conjunction with Aspen Group policies, guidelines and procedures on the Aspen Group Intranet.

Aspen Group's Code of Conduct is grounded in the values of the group.

Integrity

We act with complete honesty and fairness in everything we do, not compromising the truth.

Aspiring

We are ambitious, innovative and prepared to challenge ourselves personally.

Respect

We treat our people, customers, partners and suppliers with mutual respect and sensitivity, through listening and empathy.

People Development

We are committed to helping our people identify and achieve their own personal potential through facilitating meaningful personal development.

Teamwork

We promote and support a diverse, yet unified team. We work together to meet our common goals.

Balance

We are committed to providing a culture which is healthy and supportive of work/life balance.

The Code is broken into the following sections

- General principles
- Personal Conduct
- Compliance with Laws and Regulations
- Equal Employment Opportunity
- Obligation to Report Breaches
- Professional conduct
- Use of Company Property
- Information and Resources

If an employee is in doubt as to how she or he should act in any situation, they should always contact their manager, Human Resources or the Company Secretary and seek advice prior to taking any action. All requests for advice will be dealt with confidentially.

General Principles

As a rule of thumb, all employees must conduct themselves in accordance with the following common sense principles:

- Employees must act honestly and fairly in all business transactions and dealings with others.
- Employees must treat other employees, contractors, customers, competitors, and all other persons with whom they deal with at work with the utmost courtesy and respect.
- Employees must act within the best interests of Aspen Group.
- Employees must comply with all laws and regulations applicable to the business of Aspen Group.

Personal Conduct

Upholding Aspen Group Values

Aspen Group is committed to the attainment of its values of Integrity, Aspiring, Respect, People Development, Balance and Teamwork. All employees are expected to conduct themselves in a way that upholds these values both as individuals and as representatives of Aspen Group.

Smoking

Smoking is not allowed on the premises of Aspen Group, except in areas that have been clearly designated as smoking areas. At all Aspen Group functions outside of the workplace, employees must adhere to the venue requirements. Aspen Group promotes a healthy lifestyle and discourages smoking.

Drugs and Alcohol

Aspen will not tolerate substance abuse by any of its employees at work or at external functions that occur in the course of employment.

Substance abuse that affects an employee's work performance is considered to be serious misconduct and may result in disciplinary action up to and including termination.

Substance abuse includes:

- Being under the influence of alcohol or other substances while on Aspen business
- The taking or supplying of prohibited substances while on Aspen business

Employees must not:

- Use, possess, transfer, distribute, manufacture or sell alcohol or any illegal drug while on Aspen property (other than as an Aspen employee serving alcohol in the course of employment).
- Report to work or remain on Aspen premises while under the influence of, or impaired by an illegal drug or alcohol

Employees should exercise their judgment when consuming alcohol at an Aspen related work function to ensure that they behave appropriately. Offensive behavior arising out of substance abuse may be regarded as serious misconduct.

Please refer to the *Aspen Group Drug & Alcohol Policy* for further details.

Tidiness

Desk and work areas must be left as tidy as possible, all materials, papers and file put away. All confidential material must be locked away. Personal belongings on desks should be limited and not allowed to accumulate.

Dress Standards

Aspen Group recognises the need for its employees to present a favorable and professional image of the Group at all times. Therefore all employees are required to dress in 'business attire' during normal business hours.

Employees are permitted to dress in appropriate 'casual attire' on the last Friday of each month or on occasion when communicated by Human Resources.

Please refer to the *Aspen Group Dress Standards Policy* for further details.

Compliance with Laws and Regulations

All employees must comply with all laws which apply to Aspen Group's business. It is the responsibility of each employee to meet this obligation. All employees have a responsibility to know what the law requires and that they understand the importance of complying with the law.

Equal Employment Opportunities

Employees must treat all clients, suppliers, contractors or other persons with whom they deal in the course of their employment in a non-discriminatory manner.

Please refer to the *Aspen Group Equal Employment Opportunity Policy* and the Equal Opportunities Act for your state for further details.

Obligation to Report Breaches

Employees who become aware of a suspected violation of the Code of Conduct, whether before or after it has occurred, must promptly report it to their manager, Human Resources or the Compliance Manager. If employees are still concerned after speaking with such person or feel uncomfortable speaking with such person (for whatever reason), they may contact the Company Secretary or the Chairman.

Professional Conduct

Conflicts of interest

All employees have an obligation to avoid financial, business or other relationships, which might conflict with the legitimate business interests of Aspen Group or the proper performance of an employee's duties in the best interest of Aspen Group. You should avoid even the appearance of such a conflict.

Such a conflict will exist where an employee compromises his or her ability to act with total objectivity with regard to Aspen Group's business interests.

Examples of conflict of interest include, but are not limited to, the following:

- If the employee is employed by a customer, supplier or competitor of Aspen Group whilst employed by Aspen Group
- If the employee provides work or business on behalf of Aspen Group to a business in which the employee, the employee's family or employee's close associates has a financial interest
- If the employee, the employee's family or employee's close friend has a financial interest in a business which is a competitor, contractor or supplier to Aspen Group
- Using Aspen Group owned assets for non Aspen Group related business

All potential or actual conflicts of interests must be disclosed in writing to the Compliance Manager of Aspen Group prior to engaging in such activities. Aspen Group reserves the right to approve the conflict conditions, or to exclude the employee from the conflict situation.

Involvement in Other Employment or Business

Employees of Aspen Group are expected to devote the whole of their time and attention during working hours to the business of Aspen Group and at other times as reasonably necessary to properly perform their duties.

Aspen Group discourages employees from seeking additional employment or business outside Aspen Group which may interfere with their commitments with Aspen Group. Specifically, this means any employment outside Aspen Group which:

- Could lead to a conflict of interest, such as working for an Aspen Group customer, supplier or competitor of Aspen Group

- Results in absenteeism, inability to meet job requirements, or poor job performance at Aspen Group

Anyone who is currently employed by Aspen Group and may be considering other employment or business opportunities, that would give rise to a conflict, must advise their immediate manager in writing so that any potential conflicts may be addressed. Employees are required to obtain written approval to be engaged or interested in any other trade, business or occupation.

Receiving Gifts, Gratuities or Bribes

Employees are expected at all times to act in the best interests of Aspen Group and this means obtaining the best deal for Aspen Group in any business transaction. Aspen Group's selection of contractors or suppliers must be based solely on the quality, price and service offered.

Employees must not accept free or discounted goods or services (beyond a reasonable commercial discount or promotional items, such as movie or sporting and entertainment event tickets) from persons doing or seeking business with Aspen Group, which may influence, or appear to influence a business decision unless they receive the prior written approval of the Compliance Manager.

If any such goods are received without solicitation, employees must obtain approval as set out above. If approval is not given, such gifts must be returned immediately to the person who provided them.

Employees may accept meals or refreshments provided in the ordinary and proper course of business (for example, at a business lunch), and on an infrequent basis in connection with business discussions. Every employee is personally responsible for ensuring that acceptance of such meals and refreshments is proper and could not reasonably be construed as an attempt by the offering party to secure favourable treatment.

Offering Gifts, Gratuities or Bribes

Aspen Group expects its employees to compete fairly and ethically for all business opportunities. Employees may provide meals, small tokens/gifts, refreshments or entertainment to customers, contractors or suppliers, provided that this is done in the ordinary and proper course of business and could not reasonably be seen as bribes or improper encouragement. All such expenditures must be properly recorded within the records of Aspen Group.

Any employee who offers, pays, solicits or receives any form of bribe, payoff, unlawful gratuity or kickback, directly or indirectly through third parties, will be subject to appropriate disciplinary action consistent with relevant laws and regulations and, if warranted, will be reported to the appropriate authorities. A kickback or bribe includes any item intended to improperly obtain favourable treatment. In addition to being a violation of the Employee Code of Conduct, such conduct may subject Aspen Group and the involved individuals to criminal penalties.

Media Comment

Employees may not make statements or comments to the media or other external bodies regarding Aspen Group, its business dealings, financial status, clients, suppliers, competitors or shareholders. Only those employees authorised as stated in the Aspen Group Social Media policy can do so. Employees must direct all media enquiries to the Company Secretary.

Use of Company Property, Information & Resources

General Misuse

Generally, the use of the property, information, and resources of Aspen Group for any purposes other than the business of Aspen Group is prohibited. Some examples of the application of this general obligation are set out below:

- Approving or making of a payment on behalf of Aspen Group for something other than the stated purpose.
- Intentional alteration of customer or Aspen Group data for other than legitimate business purposes.
- Using personal client information for any purpose other than the purpose of managing a clients' account and any reasons allowed under the clients' contract (eg. Credit check, marketing).

- Claiming expenses from Aspen Group for travel unrelated to Aspen Group business or for something other than the stated purpose.

Removal of Property from Premises

No property of Aspen Group's is to be taken from the premises without written permission of the relevant senior manager.

Electronic Communication

Employees should generally only use the e-mail and computer systems of Aspen Group for legitimate business of Aspen Group. While incidental personal use is permissible, this usage should be minimal and should not interfere with Aspen Group business. The principal use of the Internet, electronic mail and other communication services must be for Aspen Group business purposes only. Under no circumstances should employees use Aspen Group's email or computer systems to transmit, retrieve or store any communications which are discriminatory, are derogatory to any individual or group or for any purpose which is illegal or against Aspen Group policy. Examples of objectionable material would include sexually explicit images and related material, material that advocates illegal activity and material that advocates intolerance for others or prejudice towards others.

Aspen Group's email system is meant for business use not personal use. You must have no expectancy of privacy in anything you create, store, send or receive on the company's computer system. Your emails can be monitored without prior notification if Aspen Group deems it necessary. If there is evidence that you are not adhering to this policy Aspen Group reserves the right to take disciplinary action including termination and or legal action.

For more information please refer to the *Aspen Group IT Policy*.

Authority to Sign Documents

Employees cannot sign any documents on behalf of Aspen Group or in any way commit Aspen Group to any agreement unless they have been properly authorised in writing by Aspen Group to do so. If you have any queries on your ability to enter into agreements, contact the Company Secretary.

Confidentiality

Over the course of employment with Aspen Group, employees may be exposed to confidential information regarding Aspen Group, its business customers, suppliers, contractors or employees. You are expected to keep any such information confidential.

All current and former employees of Aspen Group may not make improper use of confidential information which they may have acquired as a result of their employment with Aspen Group to gain directly or indirectly an advantage for themselves, or any other person, or to cause detriment to Aspen Group or its customers, suppliers, contractors or employees.

Confidential information includes, but is not limited to, all trade secrets, intellectual property, personal client information, marketing, sales and business plans, client and supplier lists.

Confidential information excludes any information which:

- is required by law to disclose and employees have consulted with and have Aspen Group's consent in writing prior to disclosure
- is already lawfully in the public domain other than as a result of any disclosure by the employee

Each employee must safeguard confidential information of Aspen Group by not transferring, publishing, using or disclosing it to third parties other than as necessary in the proper course of the employees duties or as directed or authorised.

All files of a confidential nature must at all times not be left unattended and under no circumstances whatsoever left either on or in unlocked desks (unless the offices are locked). The disposal of all confidential papers must be done by means of Aspen Group's security disposal arrangements.

Unless express permission by management is granted, employees must not remove from the offices of Aspen Group any documents or software connected with the business of Aspen Group or take any copies of them for private use. All documents and software which have been removed from Aspen

Group's offices must be returned as soon as the authorised purpose for their removal has been fulfilled and upon termination of employment.

It is important for employees to note that the obligations relating to confidentiality will remain in force for the duration of their employment and after the termination of their employment.

Intellectual Property

If at any time during the scope of their employment, an employee makes, discovers or participates in the making or discovery of any intellectual property capable of being used in the business of Aspen Group or any related company, such intellectual property is and will remain the property of Aspen Group. Employees must immediately disclose full details of any such intellectual property to Aspen Group and do all things, which may be necessary for vesting all rights in the intellectual property in Aspen Group or its nominee.

All rights and obligations in respect of intellectual property made or discovered by an employee during employment with Aspen Group will continue in full force and effect after the termination of employment and will be binding upon the employee's personal representatives.

Intellectual property includes patents, trademarks, designs, copyright, inventions, drawings, computer programs, confidential information, know-how and all rights of a similar nature whether registered or not and including applications for such rights, existing anywhere in the world.

Insider Trading - Aspen Group Securities

The improper use of price sensitive information for one's own advantage constitutes insider trading which is prohibited by the Corporations Law.

Aspen Group employees are not allowed to trade in, get somebody else to trade in or communicate information to anyone else who is likely to trade in the securities of Aspen Group, while employees possess or have access to price sensitive and relevant inside information.

Price sensitive information is information not readily available to the market which if it was publicly available, may affect the price of the securities one way or the other.

In order to minimise the potential for insider trading, Aspen Group has nominated certain periods during which employees cannot trade securities. These periods are known as 'black out' periods and are regularly prior to the release of Aspen Group's financial results twice a year. There may be other periods also proclaimed by the Board due to other circumstances.

If employees have any concerns as to whether they may have such information or are concerned about share trading issues, they should contact the Compliance Manager or Company Secretary.

For more information, please refer to the *Aspen Group (AGL) Securities Trading Policy for Employees and the Continuous Disclosure and Securities Trading Policy*.

Code of Conduct Agreement

I, _____ (Print Name) have been provided with a copy of Aspen Group's code of conduct. I have read and understand its content and agree to abide and uphold the code of conduct during my employment with Aspen Group.

I acknowledge that failure to comply with the code and subsequent policies may lead to disciplinary action, including the possibility of termination of employment and that unlawful conduct will result in criminal proceedings.

Name of employee: _____

Signature: _____

Date: _____



Appendix 6

Risk Management Policy

The Board has adopted a Risk Management Policy designed to:

- identify, assess, monitor and manage risk
- identify material changes to the Group's risk profile

To this end a risk management structure has been established (in accordance with AS/NZS 4360 Risk Management). This structure includes a senior Aspen executive working with the Compliance Manager, to liaise with working parties from each Aspen division. Risks are identified and analysed for each area, and suitable reporting created to address the risks. The reports are then endorsed by executive management and presented to the Board on a quarterly basis (refer to risk management process below for further details). A standardised approach to risk assessment is used across the Group to ensure that risks are consistently assessed and rated across all divisions.

Risks and their treatment are included in the Compliance Committee's report to the Board twice annually unless a significant risk (High or Extreme categories) emerges or changes, in which case a report is made immediately.

1. Management and Board Responsibility

The Board as a whole is ultimately responsible for establishing and reviewing the Group's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board is responsible for satisfying itself annually that management has developed and implemented a sound system of risk management and internal control and has reported to it on whether those risks are being managed effectively. The board should disclose that management has reported to it annually as to the effectiveness of the company's management of its material business risks.

The Board constantly monitors the operational and financial aspects of the Group's activities and, through the Audit Committee, the Board considers the recommendations and advice of external auditors and other external advisers on the operational and financial risks that face the Group.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Group has an appropriate internal control environment in place to manage the key risks identified.

In addition, senior management investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

Management shall report to the Board at least twice annually that the Group has a sound system of risk management in place and that those systems are operating efficiently and effectively in all material respects. The Board is required to record that management has reported to it as to the effectiveness of the Group's management of its material business risks.

2. Resources

Management has identified resource requirements and provided adequate resources, including the assignment of trained personnel for management, performance of work, and verification activities including internal review.

3. The Risk Management Process

Main features:

- i) **Establish the context**
Establish the strategic, organisational and risk management context in which the rest of the process will take place. Criteria against which risk will be evaluated should be established and the structure of the analysis defined.

ii) **Identify risks**

Meetings are held with key parties to identify what, why and how things can arise (both at a Group level and at a syndicate level) as the basis for further analysis. It is also a function to identify risks in its consideration of strategic matters, and feed such information into the risk management structure.

iii) **Analyse risks**

Determine the existing controls in place and analyse risks in terms of likelihood and impact in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Likelihood and impact are combined to produce an estimated level of risk.

iv) **Evaluate risks**

Compare estimated levels of risk against the pre-established criteria to enable risks to be ranked so as to identify management priorities. If the levels of risk established are low, then risks may fall into an acceptable category and treatment may not be required.

v) **Treat risks**

Accept and monitor low-priority risks. For other risks, develop and implement a specific management plan.

vi) **Monitor and review**

Monitor and review the performance of the risk management system and changes that might affect it. Risks are reviewed quarterly by each division to ensure that they are still relevant and adequate controls are still in place.

vii) **Reporting**

Material risks are reported to the Board of Directors on a quarterly basis together with the controls management have in place to mitigate such risks.

The Board is responsible for satisfying itself annually that management has developed and implemented a sound system of risk management and internal control and has reported to it on whether those risks are being managed effectively.

4. Verification of financial reports

The Managing Director (or equivalent) and Financial Director are required by the Group to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(A) of the Corporations Act:

- that the Group's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Group and comply with relevant accounting standards; and
- that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

5. Compliance Committee

Aspen Fund Management Limited (AFM), as part of its role as responsible entity of Aspen Property Trust, has in place a Compliance Committee. This committee is responsible for monitoring and reviewing the function and effectiveness of the Compliance Plan and in ensuring adherence to applicable laws and regulations, including AFM's compliance with the terms and conditions of its Australian Financial Services Licence.

The role of the Compliance Committee includes responsibility for the evaluation of the effectiveness of the Responsible Entity's compliance systems which are designed to protect the interest of security holders. The majority of Compliance Reports presented to the Committee by the Responsible Managers are designed to monitor risks and risk treatment.

The Compliance Plan has been approved by ASIC and the Compliance Committee meets regularly and must report breaches of the law and Constitution to the Board which must report to ASIC any material breach of the Compliance Plan.



Appendix 7

Disclosure and Communication Policy

Disclosure and Communication Policy

Aspen Group is currently quoted and traded on the Australian Stock Exchange as a stapled security, code APZ. A stapled security is the joining of an ordinary share (Aspen Group Ltd) and a trust unit (Aspen Property Trust) to form a single security traded on the Australian Stock Exchange.

The Board is committed to effectively communicating with its securityholders and the investment market generally about all major business events that influence Aspen Group in a timely and straightforward manner.

In line with its disclosure obligations under Chapter 3 of the Australian Stock Exchange Listing Rules, Aspen's policy is to immediately lodge with ASX, any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of its securities. Aspen will also advise the market of any information that is currently known to the market which they believe to be false or misleading and which may be creating a false market.

All ASX announcements (being market related of both a sensitive or non-sensitive nature) are approved by the Board. The Company Secretary is responsible for electronic lodgement of communications with ASX and must ensure that announcements are factual and do not omit material information. The Company Secretary will also be responsible for the security of the announcement prior to its release to the market. Following any announcement copies are circulated to the Board and are made available via the website. ASX announcements that are administrative in nature and are not price sensitive (eg update of distribution reinvestment price) are reviewed by the Compliance Manager / Finance Manager and approved by the Company Secretary. A copy of the announcement is provided to the Board.

The website, www.aspengroup.com.au incorporates a direct link to the announcements page on the ASX website, background details of the Group including details of assets and fund management activities, investor information such as annual reports and interim results (for at least the three previous years), security price information, newsletters, press releases, distribution history and other supporting links. Significant recent items are highlighted on the front page under latest news. The website provides shareholders with instant access to information about the Group and relevant contact details.

In instances where briefings are provided to market analysts and major shareholders, it may be impractical to present this to all securityholders. In this instance a copy of the presentation material including the response to any significant questions will be made available on the Groups website where it contains new material which is not know to the market.

Where the Group is to hold a shareholder meeting, the full text of the notice of meeting will provided in the Company announcement to the ASX.

Unlisted entities

Aspen Funds Management Ltd (AFM), the subsidiary of Aspen Group, is the manager of a number of ASIC registered unlisted Managed Investment Schemes. Some of these schemes are Enhanced Disclosure Funds subject to ASIC continuous disclosure requirements.

The Board of AFM is committed to effectively communicating with Fund securityholders and the investment market about all major business events that influence those Funds in a timely and straightforward manner.

In line with its disclosure obligations under Regulatory Guides 198 and 46 issued by ASIC, AFM's policy is to immediately place on the Fund websites any information concerning the Fund that a reasonable person would expect to have a material effect on the price or value of its securities. ASIC has approved lodgement for unlisted entities in the manner of placing information directly on the Fund website.

The Fund websites incorporate a chronological listing of all such announcements.

ASIC disclosures for unlisted Funds are approved by the Compliance Manager for timely disclosure on the Fund website. Copies are provided to the Directors, and summaries tabled at the next Board meeting.



Appendix 8

Aspen Diversity Policy

1 General Purpose and Principle

(a) The Group respects and values the competitive advantage of “diversity”, and the benefit of its integration throughout the Group, in order to enrich the Group’s perspective, improve corporate performance, increase shareholder value, and enhance the probability of achievement of the Group’s objectives (“Principle”).

Diversity includes but is not limited to, gender, age, ethnicity and cultural backgrounds.

The Group values diversity and aims to create a vibrant and inclusive workforce which reflects the broader community. Development of an inclusive workforce will promote greater diversity of thought and informed decision making, which ultimately will result in better business decisions.

The Group recognises that diversity is to be endorsed and practiced by all levels of the business including the board and senior management.

The Group will develop strategies, initiatives and programs to promote the Principle, including the achievement of gender diversity.

In particular, the Group will set measurable objectives, and targets or key performance indicators (KPIs), for the strategies, initiatives and programs to achieve gender diversity.

The Group will implement the strategies, initiatives, programs and measurable objectives.

Management will monitor, review and report to the Board (including via the Nomination and Remuneration Committee on the achievement of gender diversity), the Group’s progress under this Policy.

2 Responsibility for Policy

(a) Although the Board retains ultimate accountability for this Policy, the Board has delegated responsibility for Policy implementation to the Managing Director.

(b) In turn the Managing Director has delegated to the Company Secretary responsibility for the administration of this Policy (including its reporting to the Board, or its relevant subcommittee as appropriate).

3 Measurable Objectives, Targets and Key Performance Indicators (KPIs) – Gender Diversity

With respect to gender diversity the Group recognises that the promotion of greater diversity through the Policy will:

- Encourage innovative thinking by drawing on new perspectives
- Broaden the pool for recruitment for high quality directors and employees
- Be likely to support staff retention
- Be a socially responsible governance practice

Management will undertake with respect to gender diversity, to:

(a) develop, for approval by the Board or its relevant subcommittee, as appropriate:

(i) measurable objectives of the strategies, initiatives and Diversity programs ;

(ii) targets or key performance indicators (KPIs) to verify progress towards attainment of those measurable objectives.

(b) measure performance against those targets and KPIs;

(c) report from time to time on the progress of the matters referred to in (a) and (b).

4 Compliance Requirements

The Company will meet its obligations with respect to the issue of “Diversity”, as may be required under the ASX Corporate Governance Principles and Recommendations (“ASX Principles”) and other regulatory requirements (if any). including establishing this Policy as a compliant policy and

establishing measurable objectives for achieving gender diversity which the Board assesses annually.

In addition, it shall disclose this Policy or a summary of it in its annual report, the processes the Board adopts and the criteria the Board takes into consideration in its selection of prospective new Board members.

It shall also disclose in the annual report the measurable objectives for achieving gender diversity set by the Board in the terms of this Policy and the progress from time to time towards achieving them, and the proportions in the Group (relative to their male counterparts) of:

- female employees;
- females in executive positions;
- females on the Board

The Company shall incorporate in the corporate governance statement in the annual report a statement as to the mix of skills and diversity that the Board is looking to achieve in membership of the Board. The disclosure will include information on the process adopted in searching for and selecting new directors to the Board.

The Company Secretary will assume line responsibility to assure that the Company meets its compliance and reporting obligations referred to, including by collecting and collating all relevant data and ensuring that management processes and systems are adequate and effective for such reporting obligations to be met.

5 Communication

The Company commits to the communication of this Policy within the Group and to its shareholders and the market, including via its website:

- (i) by way of transparency and accountability; and
- (ii) to better promote the prospects of attainment of the Principle.

The objective of paragraph 5 is to ensure that shareholders and the market are fully informed of the Company's diversity policy and the measurable objectives for achieving gender diversity set by the Board in accordance with the Policy.

6 Accountability

In order to meet disclosure requirements in the Annual and Half Year Reports:

- (a) reporting and accountability in the terms of this Policy will be an standing item on the Board Agenda at each meeting.
- (b) the Nomination and Remuneration Committee will report to the Board on progress towards attainment of the Principle at least twice per year.

7 Overriding Caveat

Nothing in this Policy shall be taken, interpreted or construed so as to endorse:

- (a) the principal criteria for selection and promotion of people to work within the Group being other than their overall relative prospect of adding value to the Group and enhancing the probability of achievement of the Group's objectives;
- (b) any discriminatory behaviour by or within the Group contrary to the law, or any applicable codes of conduct or behaviour for the Group and its personnel;
- (c) any existing person within the Group in any way feeling threatened or prejudiced by this Policy in their career development or otherwise, merely because their Diversity attributes at any time may be more, rather than less, common with others.