
ASPERMONT LIMITED**ACN 000 375 048****NOTICE OF ANNUAL GENERAL MEETING**

TIME: 11.00am (WST)
DATE: Tuesday 30 October 2012.
PLACE: 613-619 Wellington Street
PERTH WA 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6263 9100.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates, will be held at 11.00am (WST) on 30 October 2012 at:

613-619 Wellington Street, Perth, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, please attend the Annual General Meeting on the date, time and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) Post to Aspermont Limited, PO Box 78, Leederville, Western Australia, 6000;
or
- (b) Facsimile to the Company on facsimile number (+61 8) 6263 9148,
so that it is received not later than 4.00pm (WST) on 28 October 2012.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 11.00am (WST) on 30 October 2012 at 613-619 Wellington Street, Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined, pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 11.00am (WST) on 28 October 2012.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2012."

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANDREW KENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Mr Andrew Kent, a Director who retires by rotation, and being eligible is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR CHARBEL NADER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Mr Charbel Nader, a Director who retires by rotation, and being eligible is re-elected as a Director."

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR CHRIS MAYBURY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 13.4 of the Constitution and for all other purposes, Mr. Chris Maybury, a Director who retires as he was appointed by the Board, and being eligible is re-elected as a Director."

5. RESOLUTION 5 – APPROVAL to the GRANT of UNLISTED OPTIONS to a DIRECTOR – CHRIS MAYBURY (Non-Executive and Independent Director)

To consider, and if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, subject to Resolution 5 being passed the Company approves and authorises the Directors to grant to Chris Maybury 5,000,000 Unlisted Options on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this Notice of General Meeting".

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 2 by Mr Maybury and any associate of Mr Maybury. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. RESOLUTION 6 – INCREASE in the FEES PAYABLE to NON-EXECUTIVE DIRECTORS

To consider, and if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.17 and for all other purposes the aggregate amount of fees payable to non-executive directors be increased from \$190,000 a year to \$265,000 a year, including in respect of the year ending 30 June 2013".

The Company will in accordance with Listing Rule 10.17 disregard the votes of all of the directors of the Company and their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 17 September 2012

BY ORDER OF THE BOARD



**MR JOHN R DETWILER
COMPANY SECRETARY**

Voting Exclusion Note:

Where a voting exclusion applies,

- a) The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11.00am (WST) on 30 October 2012 at 613-619 Wellington Street, Perth Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Chairman and Chief Executive Officer will present their report on the Company. A reasonable opportunity will be provided for discussion of the Company's performance and strategic direction.

The external auditor will be available at the meeting.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2012.

3. RESOLUTION 5 – APPROVAL TO THE GRANT OF UNLISTED OPTIONS TO MR CHRIS MAYBURY.

Introduction

The Company proposes to grant a total of 5,000,000 unlisted options to Mr Maybury.

The terms of the Options are set out in Annexure A to this Explanatory Memorandum.

Background

In 2010 the Company commissioned GRG (Godfrey Remuneration Group Pty Ltd), a remuneration consultant to review and report on remuneration of

directors and executives of the Company. GRG delivered their report in September 2010. In preparing their report GRG undertook a comparison of other companies which were ASX listed companies which GRG considered were "industrial companies similar to Aspermont in terms of both market capitalisation and turnover", excluding financial services sector companies. In their report GRG recommended for consideration a short term incentive package (**STI**) consisting of an incentive award based on a percentage of remuneration and a long term incentive package (**LTI**) based on a share incentive.

Proposals Regarding Options

The Company's Remuneration Committee (which consists of Messrs Stark, Nader, Cross and O'Brien) considered the GRG September 2010 Report.

The Remuneration Committee did not adopt the short term and long term incentives recommended by GRG in their September 2010 Report and instead proposed the long term incentive instead be by way of options. It was considered that options are a more cost effective and cash conserving means of providing an incentive than equity by way of loan and that the incentives to the Directors represented by the grant of the Options are a cost effective and efficient reward and incentive for the Directors. The Remuneration Committee put forward the current proposals.

At a General Meeting of the Company held on 31 October 2011, the Shareholders approved the issue of 16,000,000 unlisted options to Mr Andrew Kent (the Company's Executive Chairman); 1,000,000 unlisted options to Mr Charbel Nader (the Company's Non-Executive Chairman) and 4,000,000 unlisted options to Mr Colm O'Brien, the Company's CEO. The Options proposed to be issued to Mr Mayberry are in the same terms as those issued to Messrs Kent, Nader and O'Brien. The terms of the options issued to Messrs, Kent, Nader and O'Brien were amended (as approved by Shareholders at a General Meeting of the Company held on 12 June 2012, to permit the Options to be transferred to a Related Holding Vehicle of the person to whom they are issued and the Options proposed to be issued to Mr Mayberry will also allow this.

The exercise price of the options is 150% of the average between the highest and lowest trading prices for the shares of the Company on the day the conditions precedent to the issue are met, (resolution 5 being passed) which provides an incentive for Mr Maybury.

Shareholders should note that it is proposed to grant Options to Mr Maybury, who is a non-executive director. Guideline 9.3 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations which guideline provides that non-executive Directors should not receive options. The Directors believe that securing the services of a notable international executive from the event and conferencing industry required the proposed compensation package, including the options. In addition, the Directors believe that cash conservation remains a critical attribute of share options in the long term incentive program for the Company.

The terms of the Options and the conditions on which they are issued are set out in Annexure A to this Explanatory Memorandum. Although shareholders should refer to Annexure A in its entirety, shareholders should note the following:

- (a) The Options will be issued without payment of consideration;
- (b) The Options will not be listed on the ASX;

- (c) Each single Option entitles the holder to acquire 1 ordinary share in the Company. An application will be made for listing of the shares on the ASX when the Options are exercised;
- (d) The price at which each Option may be exercised is 150% of the average between the highest and lowest trading prices for the shares of the Company on the day the conditions precedent to the issue are met, (resolution 5 being passed);
- (e) The Options must be exercised within 4 years of when they are issued otherwise they will lapse;
- (f) The Options must be exercised within 30 days of a "Termination Event" (please refer to the definition), which in summary occurs where the option holder ceases to be an employee (if he is an executive director) or ceases to be a director, (if he is a non-executive director). The Options will lapse where an "Adverse Termination Event" occurs (please refer to the definition in the Glossary).

A deed is to be entered into with Mr Maybury. The deed will provide for the issue of the Options subject to approval being obtained pursuant to Resolution 5. The deed will contain the following additional provisions:

- (i) The Options will be issued no later than one month after the Conditions Precedent have been met. The Options will not be issued to Mr Maybury ("the Executive") if an Adverse Termination Event or a Termination Event occurs in relation to him before the Options have been issued.
- (ii) The Company shall no later than 5 Business Days after the Conditions Precedent are met give the Executive notice of the Exercise Price. If the Executive objects to the Company's calculation of the Exercise Price he must notify the Company within 5 Business Days with its calculation as to what he considers the Exercise Price to be and if he fails to give notice pursuant to this clause he shall be deemed to have accepted the Exercise Price notified to him by the Company.
- (iii) If the Company receives a notice from the Executive pursuant to clause (ii) it may refer the determination of the Exercise Price to a Chartered Accountant or Certified Practising Accountant for determination and who shall act as an expert and not an arbitrator and whose decision shall be final and binding on both parties.
- (iv) If the Company is able to comply with the provisions of section 708A(6) of the Corporations Act it will issue a notice pursuant to that section ("Cleansing Notice") on each occasion the Options are exercised and the Shares are issued pursuant to the Options.
- (v) If for any reason the Company is unable to issue a Cleansing Notice the Executive agrees (if required by the Company) that he will enter into a Restriction Agreement in the form set out in Appendix 9A of Chapter 9 of the Listing Rules in respect of the Shares to be issued which must be executed and delivered to the Company before those Shares are issued.

GRG Report

GRG have prepared a report on the proposed remuneration package for Mr Maybury, including the issue of Options dated 15 August 2012, a copy of which is at Appendix B to this Explanatory Statement. The GRG Report concludes that having regard to the matters referred to in it that the proposed remuneration package constitutes reasonable remuneration from the Company's point of view. An extract of the GRG 2010 Report is also attached at Appendix B.

Further Information in respect of Resolution 5

The following additional information is provided in respect of Resolution 5 inclusive.

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

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Mr Maybury is a related party of the Company.

Resolution 5 provides for the grant of Unlisted Options to Mr Maybury which is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders:

- (a) The related parties to whom the proposed resolutions would permit the financial benefit to be given are set out below.

In respect of the options referred to in Resolution 5 the following persons:

Name	Unlisted Options
Mr Maybury	5,000,000

- (b) The nature of the financial benefits proposed to be given:

the grant of the Unlisted Options to Mr Maybury for no consideration on the terms and conditions set out in Resolution 5 and Annexure B to this Explanatory Memorandum.

- (a) Directors' recommendations:

All the Directors were available to consider Resolution 5.

Messrs Andrew Kent, Colm O'Brien, David Nizol, Lewis Cross, Charbel Nader and John Stark (who do not have an interest in Resolution 5) recommend that the shareholders approve the grant of Unlisted Options under Resolution 5 to Mr Maybury for the reasons set out under the sub-heading "Proposals Regarding Options" under the Section of this

Explanatory Statement headed "Resolutions 5 - Approval to the Grant of Unlisted Options to Mr Maybury".

Mr Maybury declined to make a recommendation to shareholders in respect of Resolution 5 as he has a material personal interest in the outcome of the resolution by virtue of the proposed grant of Options to him.

- (e) Other information that is reasonably required by shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 5 that is known to the Company or any of its Directors:

- (i) The proposed resolutions would have the effect of giving power to the Directors to grant up to 5,000,000 unlisted Options on the terms and conditions as set out in Resolution 5 and Annexure B to this Explanatory Memorandum.

The Company presently has 238,710,493 Shares on issue and listed on the ASX.

The Company currently has 21,900,000 unlisted Options on issue.

- (ii) GRG have valued the Unlisted Options to be granted to Mr Maybury using the Black-Scholes Option Pricing Model ("BS Model"), which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory.

The value of an option calculated by the BS Model is a function of a number of variables. In GRG's Report (at Annexure B), they state that their assessment of the value of the Unlisted Options has been prepared using the following assumptions:

Share price	10 cents
Exercise price	15 cents
Term	4 years
Risk Free Interest Rate	3.5%
Volatility	40%
Dividends	Nil

The valuation date was at August 2012.

In the GRG Report, GRG have stated "GRG has estimated a volatility that is lower than has been experienced by many companies over recent years due to the global financial crisis. As Aspermont is not a highly speculative stock, GRG considers that it is reasonable to use 40% as an estimate of future volatility in Aspermont's share price. In this regard, it should be noted that if the volatility were to be doubled to 80% the value of the options would approximately double, or if halved to 20% would fall to around a third. It should also be noted that the value of the options for taxation purposes would be nil."

The following table is an extract from the GRG Report:

Non-Executive Director	Mr Maybury
Number of Options	5,000,000
Options Value	\$112,250
4 Year Average Value (rounded)	\$28,000

The market traded price of a share of the Company was \$0.10 on 14 September 2012.

The valuations referred to above do not necessarily represent the market values of the Options or the tax values for taxation purposes to the option holder. The future value of the Options may be up or down on the values noted below as it will primarily depend on the future price of a Share (for the next 4 years), and the time to expiry of the Options.

Any change in the variables applied in the Black and Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

- (iii) If any Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing shareholders. Assuming all Options the subject of Resolution 5 are exercised, the total dilution would be approximately 2.1 %. The market price of the Shares during the period of the Options will normally determine whether or not the holders of the Options exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Shares may be trading on ASX at a price which is higher than the exercise price of the Options.
- (iv) As at the date of this Notice, the Directors and their associates have relevant interests in securities in the Company as follows:

Name	Number of Shares	Number of Options
Mr Maybury	None	None

- (v) The Directors' base salaries or fees per annum (including superannuation) and the total financial benefit to be received by them in this current period as a result of the grant of Options the subject of Resolution 5 are as follows:

Name	Base fees p.a. (\$)	Unlisted Options (\$)	Total Financial Benefit (\$)
Mr Maybury	\$75,000	\$112,250	\$187,250

- (vi) The following table gives details of the highest, lowest and latest price of the Shares trading on the ASX over the past 12 months ending on 8 September 2012:

Security	Highest Price	Date of highest price	Lowest Price	Date of lowest price	Latest Price on 14 September 2012
Shares	\$0.16	26 March 2012	\$0.08	27 October 2011	\$0.10

- (vii) Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Unlisted Options in its income statement for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Unlisted Options pursuant to the resolutions.
- (viii) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolutions.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party.

Listing Rule 10.11 therefore requires shareholders to approve the grant of Options to the Directors. For the purposes of Listing Rule 10.13, the following information is provided to shareholders in respect of the Options:

- (a) the Options will be granted to Mr Maybury;
- (b) the maximum number of Options to be granted is 5,000,000;
- (c) the Options will be allotted no later than one month after the Conditions Precedent have been met;
- (d) the Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Options; and

the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

If approval is given for the grant of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Role of ASX and ASIC

Pursuant to Section 218(1) of the Corporations Act, the Company must lodge with ASIC the notice of meeting and explanatory memorandum at least 14 days before the Notice of Meeting is given. The fact that the accompanying notice of meeting and this explanatory statement have been received by ASIC and the ASX is not to be taken as an indication of the merits of the proposals. ASX and their respective officers take no responsibility for any decision a shareholder may make in reliance of that documentation

4. RESOLUTION 6 - Increase in the Fees Payable to Non-Executive Directors

Listing Rule 10.17 requires shareholder approval by ordinary resolution for an increase in the fixed directors fees paid to non-executive directors.

The Company is seeking approval to increase the maximum total amount of fees payable to non-executive directors of the Company from \$190,000 to \$265,000, to allow for the addition of Mr Maybury to the board as an independent, non-executive director.

The background to the increase of fees is as follows:

- (b) Subject to Resolution 6 being passed, the annual fees payable to Mr Maybury will be \$75,000.
- (c) There are no additional fees for attending committee meetings.

If the increase is approved it is proposed that they will take effect in the year ending 30 June 2013.

5. SNAPSHOT DATE

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Directors have set a snapshot date to determine the identity of those persons eligible to vote at the Annual General Meeting. The snapshot date is 11 am (WST) 28 October 2012

ANNEXURE A

TERMS AND CONDITIONS OF 2012 OPTIONS

1. Each Option entitles the Executive (referred to in this Schedule as the **(Option Holder)**) to subscribe for one Share at the Exercise Price.
2. The Options are exercisable at any time up to the Expiration Date by the Option Holder giving notice signed by him which states the number of Options being exercised and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company. Any Options not exercised by the Expiration Date will lapse.
3. The Option Holder may exercise some only of that his Options, which does not affect the Option Holder's right to exercise the remainder of their Options by the Expiration Date. Options must be exercised in multiples of 100 at a time, unless the Option Holder exercises all Options able to be exercised at that time.
4. The Options can only be transferred to a Related Holding Vehicle. Application will not be made to ASX for official quotation of the Options.
5. All Shares issued upon exercise of the Options will, from the date they are issued, rank *pari passu* in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.
6. The Option Holder cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the Options without exercising the Options. However, the Company will ensure that the purpose of determining entitlements to any such issue, the books closing date will be at least 9 business days after the issue is announced. This will give the Option Holder the opportunity to exercise his Options prior to the date for determining entitlements to participate in any such issue.
7. Subject to paragraph 8, if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Option or any other terms of those Options.
8. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company the rights of Option Holder including the number of Options or the Exercise Price or both will be changed to the extent necessary to comply with the Listing Rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
9. Options must be exercised within 30 days of a Termination Event (other than an Adverse Termination Event) otherwise they will lapse without any compensation being payable to the Option Holder.
10. In the event that an Adverse Termination Event occurs before the Expiration Date the Options shall lapse without any compensation being payable to the Option Holder.
11. The Options may be transferred to a Related Holding Vehicle, provided that prior to the transfer the Related Holding Vehicle must enter into a deed with

the Company agreeing to be bound by the terms on which the Options have been issued. The Options will continue to be subject to a prohibition on transfers by the Related Holding Vehicle and the deed to be entered into with the Company by the Related Holding Vehicle will provide that if the Related Holding Vehicle ceases to be a Related Holding Vehicle the Executive Options must be transferred back to the Executive.

GLOSSARY

\$ means Australian dollars.

Adverse Termination Event means:

- (a) the Executive's employment by the Company or a Related Body Corporate is terminated or he ceases to be a director if he is not an employee (whether he is removed by a resolution of shareholders or otherwise) following the Executive having been convicted of or made subject to an order in respect of a Serious Corporate Offence; or
- (b) the Executive's employment is terminated because of a breach by him of his employment or service contract with the Company or any of its Related Bodies Corporate or any misconduct;

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current Board of Directors of the Company.

Business Days means any day other than a Saturday, Sunday or public holiday in the state of Western Australia.

Company means Aspermont Limited (ACN 000 375 048).

Conditions Precedent means in respect of the proposed grant of Options to Mr Maybury, Resolution 5 being passed;

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Executive means Mr Maybury;

Exercise Price means in respect of each option an amount equal to 150% of the average between the highest and lowest trading prices for the shares in the Company as recorded on the ASX on the day the Conditions Precedent are met and, if the shares of the Company are not traded on that date, on the last day before the Conditions Precedent are met on which the shares of the Company are traded;

Expiration Date means 4 years after the Options are issued;

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

GRG means Godfrey Remuneration Group Pty Ltd (ABN 38 096 171 247);

GRG Report means the report prepared by GRG dated (15 August) 2012 a copy of which is at Annexure B to this Explanatory Memorandum;

Mr Maybury

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire one Share;

Related Holding Vehicle means:

- (a) a trustee of a trust (in his, her or its capacity as trustee of that trust) in respect of which the Executive has the right to appoint and remove trustees;
- (b) a trustee self-managed superannuation fund (in his, her or its capacity as trustee of that trust) of which the Executive is a beneficiary; or
- (c) a company in which the Executive is a director and controls, directly or indirectly, the appointment and removal of the directors of that company.

Serious Corporate Offence means (a) conviction of an offence relating to fraud in connection with any office or position held by the Executive in the Company or any of its Related Bodies Corporate (b) conviction of an offence relating to insider trading in respect of securities of the Company or any Related Body Corporate (c) conviction of an offence pursuant section 184 of the Corporations Act in connection with any office or position held by the Company in the Company or any of its Related Bodies Corporate (d) conviction any offence under the Corporations Act which carries a penalty of imprisonment (whether or not that is imposed) in relation to any matter concerning the Company or its Related Bodies Corporate (e) an order made against the Executive in respect of breaches of section 180, 181 or 182 of the Corporations Act connection with any office or position held by the Executive in the Company or any of its Related Bodies Corporate or (f) an order under section 1034L or 1043O of the Corporations Act in relation to any activities of the Executive in relation to the securities of the Company or any Related Body Corporate.

Shares means ordinary fully paid shares in the capital of the Company;

Shareholder means a holder of Share.

Termination Event means:

- (a) where the Executive is an employee of the Company or Related Body Corporate of the Company in addition to being a director of the Company, he ceases to be employed by the Company for any reason (whether because he has resigned or his employment has been terminated for any reason) unless upon ceasing to be an employee of the Company or that Related Body Corporate, he becomes an employee of a Related Body Corporate; and
- (b) where the Executive is not an employee of the Company but is a director, he ceases to be a director for any reason whether by way of resignation or removal pursuant to a resolution of shareholders; and

"WST" means Australian Western Standard Time.

**PROXY FORM
APPOINTMENT OF PROXY
ASPERMONT LIMITED
ACN 000 375 048**

ANNUAL GENERAL MEETING

I/We

being a shareholder of Aspermont Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

☐

Mark this box if you wish to appoint the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting or the Chair's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 11.00am (WST), on 30 October 2012 at 613-619 Wellington St, Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1- Adoption of Remuneration Report	☐	☐	☐
Resolution 2- Re-election of Director - Mr Andrew Kent	☐	☐	☐
Resolution 3- Re-election of Director - Mr Charbel Nader	☐	☐	☐
Resolution 4- Re-election of Director - Mr Chris Maybury	☐	☐	☐
Resolution 5- Grant 5,000,000 unlisted options to Mr Chris Maybury	☐	☐	☐
Resolution 6- Increase Fees payable to non-executive directors	☐	☐	☐

OR

☐

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolutions 1 to 6 please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 6 and that votes cast by the Chair of the Annual General Meeting for Resolutions 1 to 6 other than as proxy holder will be disregarded because of the interest. If you do not mark this box and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 6.

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signed this _____ day of _____ 2012

By:

Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

ASPERMONT LIMITED
ABN 66 000 375 048

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a Director and a company secretary of the company; or
 - for a proprietary company that has a sole Director who is also the sole company secretary – that Director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. Completion of a proxy form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting is suspended while the member is present at the Annual General Meeting.
6. To vote by proxy, please complete and sign the enclosed proxy form and return by:
 - (a) Post to Aspermont Limited, PO Box 78, Leederville WA 6000; or
 - (b) facsimile to the Company on facsimile number +618 6263 9148,

so that it is received not later than 4.00 pm WST on 28 October 2012.

Proxy forms received later than this time will be invalid.

ANNEXURE B
GRG REPORT

Level 9
56 Berry Street, North Sydney 2060
Telephone 61-2-8923 5700
Facsimile 61-2-8923 5706
ABN: 38 096 171 247

15 August 2012

Mr C. Nader
Non-executive Director
Aspermont Limited
613-619 Wellington Street
Perth WA 6000

Dear Mr Nader,

As requested we have reviewed the proposed remuneration package for the incoming non-executive director (NED) with a view to providing our professional opinion on the reasonableness of the offer, particularly with regard to the proposed grant of options.

Proposed Main Board Package

The following table presents Godfrey Remuneration Group Pty Limited's (GRG's) understanding of the proposed Main Board Package for the 2012-13 financial year:

Remuneration Components	Chairman
Main Board Fees	\$75,000
Committee Fees	\$0
Equity (1/4 of \$112,250)	\$28,063
Main Board Package	\$103,063

The equity provided to NED roles is in the form of grants of options. It is understood that the grant being made during 2012 (2013 financial year) is intended to cover the equity component of remuneration for the next 4 years. The options will have a term of 4 years and an exercise price set at 150% of the share price at the time of the grant. There will be no vesting conditions but, of course, the premium exercise price will set a significant company performance condition that will need to be satisfied before any value starts to accrue in the options.

The option value was calculated using a Black-Scholes Option Valuation Model and the following assumptions:

Assumptions	
Share Price	\$0.10
Exercise Price	\$0.15
Term	4 years
Risk Free Interest Rate	3.5%
Volatility*	40%
Dividends	Nil

*NB: GRG has estimated a volatility that is lower than has been experienced by many companies over recent years due to the global financial crisis. As Aspermont is not a highly speculative stock, GRG considers that it is reasonable to use 40% as an estimate of future volatility in Aspermont's share price. In this regard it should be noted that if the volatility were to be doubled to 80% then the value of the options would approximately double, or if halved to 20% the value would fall to around a third. It should also be noted that value of the options for taxation purposes would be nil.

The outcome of the Black-Scholes valuation was \$0.0224 (rounded) per option, resulting in the grant of 5,000,000 options being value at \$112,250.

Market Practice

In 2010 GRG benchmarked Aspermont's remuneration practices in relation to key management personnel. A summary of that market benchmarking exercise is provided in the attachment to this letter. GRG has also reference broad market data as an indicator of market practice. In doing this we have drawn upon the market of all companies with stable market capitalisations (similar market capitalisations as at June in both 2011 and 2012) of between \$25 million and \$50 million (Aspermont's current market capitalisation being just over \$25 million as at the end of July 2012). This analysis indicates that an annual MBP of \$103,063 would fall at approximately P95 of the market sample (i.e. 95% of the NEDs in the sample were offered an MBP of less than \$103,063). This indicates that the package being offered is at the top end of market practice. However, being within the range of market practice and 27% composed of options (with a 50% premium exercise price) the proposed remuneration is considered by GRG reasonable for an incumbent that is considered of high caliber and who is expected to contribute significantly to the value or growth of the company.

Yours sincerely,



Denis Godfrey
Managing Director

Attachment: Summary of 2010 Market Benchmarking Report

During September 2010 GRG submitted a report following work undertaken to market benchmark the market competitiveness of Aspermont's remuneration practices in relation to non-executive directors and top executives. As a guide to market practice a comparator group of companies was selected. It comprised 20 industrial companies, excluding financial services sector companies as they are high payers, with 10 larger and 10 smaller than Aspermont's then market capitalisation of \$34 million.

Remuneration data as disclosed in the most recently available annual reports for these companies was extracted and analysed. GRG took that data into account as well as its knowledge of wider market remuneration practices to formulate recommendations.

In formulating recommendations GRG assumed that Aspermont's policy would be for base remuneration being Base Packages (salary, superannuation contributions, other benefits and fringe benefit tax) for executives and fees including superannuation contributions for non-executive directors, should be pitched at the 50th percentile or median of projected market practice for the year during which the remuneration would be paid. For non-executive directors, GRG also recommended that options be provided in addition to the base remuneration so as to improve the competitiveness of the total remuneration package, reduce the amount paid in cash and to ensure that their interests were closely aligned with those of shareholders.

For executives both short and long term incentives were recommended as these are normal components of executive remuneration and ensure that executive earnings are related to performance. It was also recommended that the long term incentive component should be larger than the short term incentive as it is more closely aligned with sustainable growth in shareholder value and provides executives with the opportunity to increase their shareholdings in the company.

Specific recommendation for the roles of Chairman and Group CEO were as follows:

Remuneration Components	Chairman	Group CEO
Base including super & benefits	\$215,000	\$344,000 to \$430,000
Short term incentive	\$0	20% of Base at target \$68,800 to \$86,000
Long Term Incentive	\$107,500	30% of Base at target \$103,200 to \$129,000
Total Remuneration Package	\$322,500	\$516,000 to \$645,000

Recommendations were not made in relation to the Deputy Chairman role as that role has been created since our report was prepared.

Two long term incentive approaches were recommended. For the Chairman and the non-executive directors an option plan was recommended. Under that plan the exercise price of the options was to be set at a significant (50%) premium to the share price at the time the options are granted. This ensures that shareholders receive significant gains before any benefit starts to accrue in the options. Further, if the share price did not grow the above the exercise price then the options would not be exercised and there would be no dilution of the equity of shareholders. For the Group CEO and other executives a share purchase loan plan with performance based loan waivers was recommended allow so as to allow for the use of more focused performance targets and ensure that executives become long term shareholders in the company.