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**ASPERMONT LIMITED**

**ACN 000 375 048**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 4:00 pm (WST) / 6:00 pm (AEDST) / 9:00 am (GMT)

**DATE:** Tuesday 22 September 2020

**PLACE:** Aspermont Limited Boardroom, 613-619 Wellington Street, Perth,  
WESTERN AUSTRALIA

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

***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.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm (WST) on 20 September 2020.***



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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – APPROVAL OF EXECUTION OF LEASE AGREEMENT BETWEEN THE COMPANY AND ILEVETER PTY LIMITED

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

*"That for the purpose of ASX Listing Rule 10.1 and for all other purposes, shareholders approve the execution by the Company of the lease of the Company's premises at 613-619 Wellington Street, Perth, Western Australia between Ileveter Pty Limited (ACN 001 790 816) as Lessor and the Company as Lessee on 19 April 2004 and renewed on 29 May 2008 and on 30 September 2012 and on 24 October 2017 (ending on 30 September 2022) ("the Lease")."*

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#### 2. RESOLUTION 2 – APPROVAL OF ASPERMONT LIMITED EMPLOYEE SALARY SACRIFICE SHARE PLAN

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

*"That for the purposes of Exception 13 to ASX Listing Rule 7.2 and Section 260C of the Corporations Act 2001 shareholders approve the establishment of the Aspermont Limited Salary Sacrifice Employee Share Plan, a copy of which is annexed hereto and the terms and conditions thereof"*

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#### 3. RESOLUTION 3 – ISSUE OF SHARES AS SALARY SACRIFICE SHARES TO MR ALEXANDER KENT

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

*"That, subject to the passing of Resolution 2, for the purposes of sections 208 and 218 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to that number of Shares, that is equal in value to \$35,611.77 divided by the lesser of \$0.007 per share or the volume weighted average price of Company Shares traded on ASX in the period commencing 1 July 2020 and ending 31 October 2020 or such further period as the Board shall determine but no longer than three years from 1 July 2020."*

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### VOTING EXCLUSION STATEMENTS

The Company will disregard any votes cast in favour of the resolution (as set out in table below) by or on behalf of:

- the named person or class of persons excluded from voting; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or



- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

<b>Resolution</b>	<b>The person or named class of persons excluded from voting</b>
RESOLUTION 1 – APPROVAL OF EXECUTION OF LEASE AGREEMENT BETWEEN THE COMPANY AND ILEVETER PTY LIMITED	Illeveter Pty Ltd or its associates and any other person who will obtain a material benefit as a result of the execution of the lease (except a benefit solely by reason of being a holder of ordinary securities in the Company).
RESOLUTION 2 – APPROVAL OF ASPERMONT LIMITED EMPLOYEE SALARY SACRIFICE SHARE PLAN	All persons who are eligible to participate in the plan and their associates and any other person who will obtain a material benefit as a result of the execution of the Share Plan (except a benefit solely by reason of being a holder of ordinary securities in the Company).
RESOLUTION 3 – ISSUE OF SHARES AS SALARY SACRIFICE SHARES TO MR ALEXANDER KENT	Alexander Kent or his associates and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

**Dated: 03 August 2020**

**By order of the Board**



**Tim Edwards  
Company Secretary**



## **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

## **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***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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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. RESOLUTION 1 – APPROVAL OF EXECUTION OF LEASE AGREEMENT BETWEEN THE COMPANY AND ILEVETER PTY LIMITED

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- (a) Listing Rule 10.1 states that an entity must ensure it obtains shareholder approval if it, or any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, a person in a position to influence the entity, including:
- A related party;
  - A child entity;
  - A person who has held voting power of 10% or more in the entity over the past 12 months;
  - An associate of any person referred to above;
  - A person whose relationship to the company is such that ASX considers that approval should be obtained.
- (b) The granting of a lease by a related party as Lessor to the Company as Lessee is an acquisition of a leasehold interest in land by Aspermont Limited from a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.
- (c) To determine the value of that leasehold interest, ASX looks at the total rent payable under the lease over its term (including any option to renew) to determine whether or not it equals or exceeds 5% of the equity interests of the Company, as set out in the latest accounts given to ASX under the Listing Rules. If it does, ASX will regard the lease as a substantial asset and the transaction will require security holder approval under Listing Rule 10.1.
- (d) The Company has had a lease agreement in place with a related party entity, being Ileveter Pty Limited ("Ileveter"), an entity controlled by the Company's director Mr Andrew Kent, for the lease of the Company's office premises since 2004. The lease agreement has been varied and renewed several times since the original agreement with the latest agreement being entered into in 2017 and being valid until 30 October 2022. The payments made by the Company to Ileveter Pty Limited under the lease agreement have exceeded the threshold contemplated by Listing Rule 10.2 and as a result the lease agreement meets the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the agreement is one to which Listing Rule 10.1 applies.
- (e) The Company has not previously sought shareholder approval for the lease agreement. In the circumstances ASX is not satisfied that there is or was no reasonable prospect of Ileveter Pty Limited influencing the terms of the transaction to benefit itself at the expense of the Company and has required the Company to obtain shareholder approval for execution of the lease agreement and renewals thereof.
- (f) Listing Rule 10.5.10 requires a report from an independent expert stating whether the transaction (the lease agreement) is fair and reasonable to holders of the Company's ordinary shares whose votes are not to be disregarded.



The Company has engaged Moore Australia Corporate Finance (WA) Pty Ltd to provide such a report and a copy of that report is annexed to this Notice of Meeting.

- (g) This resolution is placed before shareholders at this meeting for the purpose of obtaining shareholder approval for the execution of lease agreement and past renewals thereof to comply with Listing Rule 10.1, notwithstanding that such report has determined that the value of the leasehold interest is **not fair but reasonable to non-associated Shareholders**. All Directors of the Company other than Mr Andrew Kent (who expresses no opinion thereon because he is the controller of Ileveter Pty Limited ("the lessee")) recommend that the resolution be adopted, particularly having regard to Paragraphs 2.13 – 2.16 of such report.
- (h) Listing Rule 14.1A states that the Company must summarise what will happen if security holders give, or do not give, their approval. If shareholders approve the lease, it will continue as it stands until expiry on 30 October 2022. If shareholders do not approve the lease, Aspermont will be forced to break the existing lease and look for a new office. This would come with many disadvantages to the Company as highlighted in the Independent Expert Report and summarised below:
- Any costs that may be incurred in breaking the lease;
  - The cost to relocate furniture and equipment and any make good costs at the current premises;
  - The cost to search for and find appropriate new office space;
  - The cost of setting up a new office space including any fixtures and fittings that may be required.
  - Updating formal communication letters, business cards, websites etc with the new office details.

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## 2. **RESOLUTION 2 – APPROVAL OF ASPERMONT LIMITED EMPLOYEE SALARY SACRIFICE SHARE PLAN**

The Company is required to seek shareholder approval for the issue of securities and the terms and conditions thereof under any Employee Share Plan pursuant to ASX Listing Rule 7.2 Exception 13(b) and the Corporations Act 2001 before issuing any securities thereunder and, accordingly, this resolution is put to shareholders in order to obtain such approval. The terms and conditions of the Plan are annexed to this notice.

If Resolution 2 is passed, the Company will be able to issue Shares under the Salary Sacrifice Employee Share Plan to eligible participants for up to 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. At this time however it is only proposed that such shares be accrued up to 31 October 2020.

The objective of this Salary Sacrifice Employee Share Plan is to provide employees with an opportunity to subscribe for Shares in lieu of part of their salary or wages for the period 1 July 2020 to 31 October 2020 at a price of \$0.007 per share or VWAP for the period 1 July 2020 to 31 October 2020 (whichever be the lower).

In accordance with Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the plan:

- A summary of the terms of the scheme is included in Schedule 2 below;



- The Plan is a new employee scheme and has not previously been approved by shareholders. No equity securities have been issued under this plan as at the date of this notice;
- The maximum number of equity securities proposed to be issued under the scheme following shareholder approval is 113,818,730 shares.
- A voting exclusion statement is included above.

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### **3. RESOLUTION 13 – ISSUE OF SHARES AS SALARY SACRIFICE SHARES TO MR ALEXANDER KENT**

#### **2.1 General:**

The Company has agreed, subject to obtaining Shareholder approval to issue up to a total of that number of shares that is equal to \$35,611.77 in value (Salary Sacrifice Shares) to Mr Alexander Kent calculated using the lesser of \$0.007 per share or the volume weighted average price of Company Shares traded on ASX during the period 1 July 2020 to 31 October 2020.

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's shareholders in the manner set out in Sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act. No disclosure document is required to be issued to the recipient of the Salary Sacrifice Shares as the offer is exempt under section 708(12) of the Corporations Act.

#### **2.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14**

The issue of the Salary Sacrifice Shares requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit to Mr Alexander Kent and Mr Alexander Kent is a related party of the Company by virtue of being an Executive Director thereof.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.16 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Salary Sacrifice Shares to Alexander Kent.

Listing Rule 14.1A states that the company must summarise what will happen if security holders give, or do not give, their approval. If shareholders approve the transaction, Mr Alexander Kent will be issued the shares according to the terms set out in 2.1 above. If shareholders do not approve the transaction, then Alexander Kent will be unable to receive salary sacrifice shares in lieu of salary and the company will need to settle in cash.



## 2.3 Technical Information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing rule 10.15, the following information is provided in relation to the proposed grant of the Salary Sacrifice Shares:

- (a) Listing Rule 10.15.2 requires the company to state which category in rules 10.14.1 – 10.14.3 Alexander Kent falls within and why. As Alexander Kent is a director of the Company he falls into 10.14.1 Alexander Kent is a related party of the Company by virtue of being a director thereof.
- (b) the estimated number of Salary Sacrifice Shares (being the nature of the financial benefit being provided) to be granted to Alexander Kent is as follows. This is based on the shares being issued at \$0.007 per share. If the volume weighted average price of Company Shares traded on ASX during the period 1 July 2020 to 31 October 2020 is lower than \$0.007 the amount of shares issued will be higher. For comparison purposes we have included the number of shares that would be issued if the volume weighted average price were to be \$0.006.

If issued at \$0.007 - 5,087,396 ordinary shares

If issued at \$0.006 - 5,935,295 ordinary shares

- (c) the Salary Sacrifice Shares will be granted to Alexander Kent no later than 12 months after the date of the Meeting;
- (d) the Salary Sacrifice Shares will be granted in lieu of cash consideration as they are being issued in lieu of salary. Accordingly, no loans will be made in relation to, and no funds will be raised from the issue of the Salary Sacrifice Shares;
- (e) the value of the Salary Sacrifice Shares, being the financial benefit being given to Alexander Kent, will be the value of such number of Shares issued multiplied by the lower of \$0.007 or the volume weighted average price of Company Shares trading on ASX in the period 1 July 2020 and 31 October 2020.
- (f) Alexander Kent has a relevant interest at the date of this Notice of Meeting in the following Shares of the Company:

266,892,102 ordinary shares

258,245,641 unlisted options exercisable at \$0.03 by 30 September 2025

69,000,000 performance rights

No shares have previously been issued to Alexander Kent under this Salary Sacrifice Share Plan.

- (g) the remuneration and emoluments from the Company to Alexander Kent for the previous financial year ended 30 September 2019 and the proposed remuneration and emoluments for the current financial year (adjusted for exchange rates as at 1 July 2020) are:



	Cash salary or fees	STI related payments	Non-monetary benefits	Performance rights	Total
Financial Year ended 30 September 2019	359,040	56,100	21,220	96,125	532,485
Current Financial Year	329,409 <sup>(1)</sup>	TBD <sup>(2)</sup>	21,047	189,794 <sup>(3)</sup>	540,250

<sup>(1)</sup> Cash salary is £198,000 per annum adjusted for 30% reduction for the period July to September for the current financial year.

<sup>(2)</sup> To be determined at financial year end subject to meeting performance targets.

<sup>(3)</sup> Estimated annual P&L charge of the Performance Rights granted but not vested. Participants are granted Performance Rights to receive ordinary shares which only vest if certain performance conditions are met (vesting conditions are detailed in the Annual Financial Report).

(h) If the estimated number of shares are issued, this will increase the number of shares on issue from 2,280,392,421 to 2,285,479,817 (assuming no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by 0.22%.

(i) the trading history of the shares on ASX in the 12 months before the date hereof is as follows:

Type	Price	Date
High	\$0.011	21 February 2020
Low	\$0.006	8 April 2020
Last	\$0.008	30 July 2020

(j) the Board considers this issue to be a cost effective remuneration practice and reasonable given that the issue of the Salary Sacrifice Shares to Alexander Kent will align his interests with the interests of Employee Shareholders pursuant to the proposed Salary Sacrifice Employee Share Plan. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Salary Sacrifice Shares upon the terms proposed;

(k) the Directors (other than Alexander Kent) recommend that Shareholders vote in favour of the Resolution for the reasons set out in paragraph (k);

(l) Mr Alexander Kent declines to make a recommendation to Shareholders in relation to the Resolution due to his material personal interest in the outcome of the Resolution;

(m) Please refer to schedule 2 for a summary of the material terms of the scheme.

(n) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to vote in favour of the Resolution.

(o) Per Listing Rule 10.15.11:

- Details of any securities issued under the scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.



- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in this notice of meeting will not participate until approval is obtained under that rule.



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## GLOSSARY

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**\$** means Australian dollars.

**Extraordinary General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means Aspermont Limited (ACN 000 375 048).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Salary Sacrifice Employee Share Plan** means the Share Plan to be voted on in resolution 2.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.



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## **SCHEDULE 1 – INDEPENDENT EXPERT REPORT**

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This report begins on the following page.



# **Aspermont Limited**

## **Independent Expert's Report and Financial Services Guide**

28 July 2020

**The Proposed Transaction is not fair but reasonable to the  
Non-Associated Shareholders of Aspermont Limited.**

**Prepared by Moore Australia Corporate Finance (WA) Pty Ltd  
Australian Financial Services License No. 240773**





**MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD**
**Australian Financial Services License No. 240773**
**FINANCIAL SERVICES GUIDE**

This Financial Services Guide is issued in relation to our Independent Expert's Report for the lease arrangement between Ileveter Pty Ltd ("Ileveter"), a related party of Mr Andrew Kent, and Aspermont Limited ("Aspermont") ("Proposed Transaction").

**Moore Australia Corporate Finance (WA) Pty Ltd**

Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") has been engaged by the directors of Aspermont to prepare an independent expert's report expressing our opinion as to whether or not the Proposed Transaction is "fair and reasonable" to the shareholders of Aspermont.

MACF holds an Australian Financial Services Licence – Licence No 240773.

**Financial Services Guide**

As a result of our report being provided to you, we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

**Financial Services we are licensed to provide**

We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

**General Financial Product Advice**

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

**Benefits that we may receive**

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$10,000 plus GST.

**Remuneration or other benefits received by our employees**

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

**Referrals**

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

**Associations and relationships**

MACF is the licensed corporate advisory arm of Moore Australia, Chartered Accountants. MACF's contact details are set out on our letterhead. The directors of MACF may also be partners in Moore Australia Chartered Accountants.

Moore Australia, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF has previously provided Employee Performance Rights valuation professional services to Aspermont for a total of \$6,310 (excluding GST) over the last two years.

**Complaints resolution**

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia Corporate Finance (WA) Pty Ltd, PO Box 5785, St Georges Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited  
GPO Box 3  
Melbourne VIC 3001  
Toll free: 1800 931 678  
Facsimile: 03 9613 6399  
Email: [info@afca.org.au](mailto:info@afca.org.au)



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**Please note, on 1 July 2020 Moore Stephens changed its name to Moore Australia as part of a global brand update. There was no change to the legal entity or ABN.**



28 July 2020

The Directors  
Aspermont Limited  
613-619 Wellington Street  
Perth WA 6000  
AUSTRALIA

Dear Directors

## Independent Expert's Report

### 1. Introduction

- 1.1 This Independent Expert's Report ("IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for a General Meeting of Aspermont Limited ("Aspermont" or "the Company") at which shareholder approval will be sought for the lease arrangement between Ileveter Pty Ltd ("Ileveter"), a related party of Mr Andrew Kent, and Aspermont Limited ("Aspermont") ("Proposed Transaction"). Mr Kent is the Chairman of Aspermont.
- 1.2 Further details of the Proposed Transaction are set out in Section 3.

### 2. Summary & Opinion

#### Purpose of the Report

- 2.1 According to RG 76, a related party transaction is any transaction through which a public company provides a financial benefit to a related party. As noted in RG 76.1, related party transactions involve conflicts of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them, and the terms of its provision.
- 2.2 RG 76 refers to RG 111 and RG 112 for guidance on how the independent expert should assess related party transactions.
- 2.3 Listing rule 10.1 requires the approval of the Company's shareholders where it is proposed to acquire a "substantial asset" from, or to dispose of a "substantial asset" to a related party, or an associate of a related party of the Company.

A substantial asset includes those with a value greater than 5% of the total equity interests of the entity at the date of the last set of financial statements provided to the ASX. To determine the value of the leasehold interest, ASX looks at the rent payable under the lease over its term (including any option to renew) to determine whether or not it equals or exceeds 5% of the equity interest of the Company.

- 2.4 The Directors of Aspermont have engaged Moore Australia Corporate Finance (WA) Pty Ltd ("MACF" or "Moore Australia") being independent and qualified for the purpose, to prepare an Independent Expert's Report to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the shareholders of Aspermont not associated with the Proposed Transaction (the "Non-Associated Shareholders").
- 2.5 Our assessment of the Proposed Transaction relies on information and instructions provided by the Company and the Directors. We have critically analysed the information provided to us, but we have not completed any audit or due diligence of the information which has been provided. This report does not contain any accounting or taxation advice.



## Approach

- 2.6 Our report has been prepared having regard to Australian Securities & Investments Commission (“ASIC”) Regulatory Guide 111 Content of Expert’s Reports (“RG 111”) and Regulatory Guide 112 Independence of Expert’s (“RG 112”)
- 2.7 RG 111 provides guidance in relation to the content of independent expert reports prepared for a range of transactions. RG 111 notes that a related party transaction is:
- fair, when the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the benefit being received. In valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the proposed transaction
  - reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should vote in favour of the transaction.
- 2.8 RG 112 primarily focuses on the independence of experts and provides little guidance on evaluating transactions.
- 2.9 In evaluating whether or not the Proposed Transaction is fair and reasonable to Non-Associated shareholders, pursuant to Listing Rule 10.1, we have made a separate assessment of whether, or not, the Proposed Transaction is ‘fair’ and ‘reasonable’ as required by RG 111.56.

We have taken into account the following factors in determining whether, or not, the Proposed Transaction is fair and reasonable to the Non-Associated shareholders:

## Fairness

- whether the fair market rental for the premises is more favourable or less favourable than the actual rental paid by Aspermont; and
- whether the terms of the lease agreement are greater than or less than normal market terms.

## Reasonableness

- advantages and disadvantages of the Proposed Transaction;
  - the current circumstance of Aspermont; and
  - any alternatives to the Proposed Transaction available and the consequences of those alternatives.
- 2.10 Further information on the approach we have employed in assessing whether the Proposed Transaction is “fair and reasonable” is set out at Section 7 of this Report.

## Summary

- 2.11 In our opinion the Proposed Transaction is not fair but reasonable. In arriving at this opinion, we have had regard to the following factors.

## The Proposed Transaction is Not Fair

- 2.12 According to ASIC Regulatory Guide 111, in order to assess whether the Proposed Transaction is fair, the independent expert is required to compare the value of the financial consideration being received by Ileveter to the benefit being provided to Aspermont. The benefit being offered to Aspermont is the use of the premises at 613-619 Wellington Street Perth WA 6000. The consideration being received by Ileveter is the rental fee of \$347.29 per square meter per annum and \$405.17 per car bay per month, for the year 2020.

We have considered below the fairness of each component of the transaction.



## The rent paid for leased premises at 613-619 Wellington Street Perth

### Comparison of Premises Rent with Market Rates

	Unit	Ref	Low (\$)	High (\$)	Avg (\$)
Aspermont Rent per annum	AUD\$/sqm	3	347.29	347.29	
Comparable Market Rent per annum	AUD\$/sqm	8	150.00	575.00	400.53

Source: Moore Australia analysis

The rent per square meter payable by Aspermont under the lease agreement is within the market rate range and below the average market rate. However, we note that the low comparable rental value is for a similar standalone building in a similar location and standard as the premises at 613-619 Wellington Street. Therefore, on balance, we consider the Proposed Transaction to be not fair to the non-associated shareholders of Aspermont.

## The car bay rent paid at 613-619 Wellington Street Premises

### Comparison of Car Bay Rent with Market Rates

	Unit	Ref	Low (\$)	High (\$)	Avg (\$)
Aspermont Car Bay Rent per bay per month	AUD\$/sqm	3	405.17	405.17	
Market Car Bay Rent per bay per month	AUD\$/sqm	8	450.00	700.00	607.00

Source: Moore Australia analysis

The monthly car bay rate payable by Aspermont under the lease agreement is below market rate and below the average market rate and is therefore fair.

Given the amount paid for the office rent far outweighs the amount paid for car bays (76% to 24% respectively), we consider the Proposed Transaction to be not fair to non-associated shareholders of Aspermont.

## The Proposed Transaction is Reasonable

- 2.13 In accordance with ASIC Regulatory Guide 111, an offer is reasonable if it is fair. An offer might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for Non-Associated shareholders to accept the offer in the absence of any higher bid before the close of the offer. We have considered the following factors in assessing the reasonableness of the Proposed Transaction in Section 9 of this report, in terms of both.

- Advantages and disadvantages of the Proposed Transaction;
- Other considerations, including alternative leasing options for Aspermont if the Proposed Transaction did not proceed.

- 2.14 The advantages and disadvantages considered are summarised below.

### Advantages

- No relocation costs incurred
- Below average market rental rates
- Goodwill and familiarity
- No make good expenditure incurred
- No disruption to operations while moving the business from one location to another

### Disadvantages

- Availability of more modern premises
- High rent review rate



### Alternative options and premises for Aspermont

- 2.15 The commercial property market in Perth Western Australian remains stable, with high vacancies expected to continue. As a result, tenants are using the current environment to upgrade or seek higher quality spaces however pricing remains subdued relative to Eastern States. In relation to Aspermont there are a number of alternative office buildings available for lease, however the costs incurred in relocating offices may outweigh the benefit, if any.

The obligations to maintain the building to a certain standard and the potential for significant rental increases is also a risk when considering unrelated landlords. Further, the single comparable building identified with lower rental rates than those under the Proposed Transaction is significantly below other market rates which could mean rental rates may increase significantly as the Perth economy improves in the future.

Aspermont is only partway through a lease period and could incur ongoing rental costs under the existing agreement if it chose to break the lease and relocate. However, Aspermont is responsible for leasing the entire building, with approximately 200sqm sub-leased until recently. Any new location could be smaller than the current location.

### Conclusion on reasonableness

- 2.16 In our opinion, if the Proposed Transaction proceeds the position of shareholders is more advantageous than their position if the Proposed Transaction does not proceed. Accordingly, in the absence of a superior proposal we believe that the Proposed Transaction is reasonable for shareholders of Aspermont.

## 3. Summary of Transaction

- 3.1 On 19 April 2004, Aspermont entered into a Lease Agreement for the property at 613-619 Wellington Street Perth, from Illeveter Pty Ltd, a company associated with the current Aspermont Chairman, Mr Andrew Kent.

The lease was renewed in 2008, 2009 and on 30 September 2012 for a 5-year term.

On 24 October 2017, the lease was updated, and a new agreement was signed for a 5-year term expiring on 30 September 2022.

### Key terms of the Proposed Transaction

- 3.2 The key terms of the Proposed Transaction include the following:
- Rental of Premises at 613-619 Wellington Street, Perth WA 6000;
  - Lease period commencing 24 October 2017 to 30 September 2022, 5 year term;
  - Total leased area of 1,057.7 sqm at AUD\$315.00 per square metre (excluding GST);
  - 24 car bays leased at \$367.50 per calendar month per car bay; and
  - Rent reviews on 1 October, 2018, 2019, and 2021, increasing the rent payable in the immediately preceding year by 5%.

### Expected Lease Payments (Per Lease agreement)

Year:	2018	2019	2020	2021	2022
Premises Rent per SQM per annum (AUD\$)	315.00	330.75	347.29	364.65	382.88
Car Bay Rent per bay per month (AUD\$)	367.50	385.88	405.17	425.43	446.70



## **4. SCOPE OF THE REPORT**

### **Purpose of the Report**

- 4.1 Aspermont has entered into a lease agreement with Ileveter Pty Ltd, a related party of Mr Andrew Kent, the Chairman of Aspermont. The agreement is for the lease of the premises and car bays located at 613-619 Wellington Street Perth WA 6000.

### **Regulatory guidance**

- 4.2 Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist shareholders to make informed decisions about transactions.
- 4.3 According to RG 76, a related party transaction is any transaction through which a public company provides a financial benefit to a related party. As noted in RG 76.1, related party transactions involve conflicts of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them, and the terms of its provision.
- 4.4 Listing rule 10.1 states that an entity must ensure that neither the entity, nor any of its child entities, acquires or agrees to acquire a "substantial asset" from, or disposes of or agrees to dispose of a "substantial asset" to a related party entity without the approval of the holders of the entity's ordinary securities.

A substantial asset includes those with a value greater than 5% of the total equity interests of the entity at the date of the last set of financial statements provided to the ASX. To determine the value of the leasehold interest, ASX looks at the rent payable under the lease over its term (including any option to renew) to determine whether or not it equals or exceeds 5% of the equity interest of the Company.

- 4.5 RG 76 refers to RG 111 and RG 112 for guidance on how the independent expert should assess related party transactions.

### **Adopted basis of evaluation**

- 4.6 RG 111 states that in order to assess whether the Proposed Transaction is fair, the independent expert is required to compare the value of the financial consideration being received, compared to the value of the financial benefit. This comparison should be made assuming knowledgeable and willing, but not anxious, participants.
- 4.7 Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for Non – Associated Shareholders to accept the Proposed Transaction in the absence of any higher bid.
- 4.8 Having regard to the above, MACF has completed this comparison in two parts:
- A comparison between the terms of the Proposed Transaction and Fair market terms based on similar properties available for lease.; and
  - An investigation into other significant factors to which Non-Associated Shareholders might give consideration, prior to accepting the Proposed Transaction, after reference to the result above (reasonableness – see Section 9 -Assessment of Reasonableness).



## 5. PROFILE OF ASPERMONT LIMITED

### Background

- 5.1 Aspermont Limited is a public company which is incorporated in Australia and listed on the Australian Securities Exchange (ASX: ASP). ASP was officially listed on the ASX in 2000.
- 5.2 Aspermont's principal activities are focused on providing market specific content across the resources sectors through a combination of print, digital media channels and face to face networking channels.

### Board of Directors

- 5.3 The current Board of Directors are:

Name	Title	Experience
Andrew L. Kent	Chairman and Non-Executive Director.	Mr Kent is an experienced business manager and corporate advisor with over 30 years of experience in international equities and media. Mr Kent was the CEO of Aspermont Limited from 2000 to 2005 and holds considerable knowledge of its products and the market landscape. Mr Kent joined the Board in 1998. Mr Kent is a member of the Australian Institute of Company Directors.
John Stark	Alternative Director	Mr Stark is an experienced business manager with experience and interest across various listed and unlisted companies. Mr Stark has been a member of the Board since 2000. Mr Stark was appointed Alternative Director to Mr Andrew Kent on the 26 <sup>th</sup> May 2018.
Alex Kent	Managing Director	Since joining the company in 2007, Mr Alex Kent has worked across all divisions of Aspermont Group. During this time, he has built up an extensive knowledge of its product portfolio and has been a key influencer in the overall business vision. He is currently the Group's Managing Director but has held previous executive roles in both marketing and digital strategy.
Geoffrey Donohue	Lead Independent Director	Mr Geoffrey Donohue has over 30 years' experience at both board and senior management level within public companies and the security industry. Mr Donohue holds a Bachelor of Commerce from James Cook University of North Queensland, Graduate Diploma in Financial Analysis from the Securities Institute of Australia and is a Certified Practising Accountant.
Christian West	Non-Executive Director	Mr Christian West has over 16 years' experience in advising public companies on portfolio structure and in deal origination, development, and financing for private companies. Mr West has a successful track record investing in global equities, through public market, venture capital and private equity investment channels across media, technology, and natural resource sectors.
Clayton Witter	Non-Executive Director	Clayton Witter has over 20 years' experience in advising large and medium size organisations on implementation of new technologies of new technologies to transform business processes across a number of sectors including FMCG (consumer goods), Manufacturing, Banking, Information Technology and Electrical household appliance. He was previously Managing Director at Beko Plc, the UK home appliance manufacturer where under his management, Beko became market leader across multiple product categories.



## 6. INDUSTRY ANALYSIS

### Australia

- 6.1 The Office Property Operators industry in Australia has grown strongly over the past five years. Demand for office space, and therefore commercial property values, have increased over the period. This increased demand has driven greater development of new office spaces, as both local and international investors have sought to access increased rental yields.<sup>1</sup>
- 6.2 In 2020, office leasing demand slowed substantially in the Asia Pacific region amid severe economic disruption caused by the spread of COVID-19. A flash survey of occupiers conducted by CBRE from late March to early April found that two-thirds of occupiers had experienced delays to leasing decisions since the onset of the pandemic. Despite a large number of office occupiers seeking rent abatement and other concessions, rental relief measures offered by major private office landlords have been limited thus far.<sup>2</sup>
- 6.3 In turn, the leasing activity weakened across all Australian capital cities during Q1 of 2020, due to the spread of COVID-19 and the annual summer holidays. Over the next six months incentives are expected to increase and the face rents are expected to remain stable as landlords seek to take advantage of the government's stimulus packages for commercial leases.

### Western Australia

- 6.4 The Perth commercial office market has remained flat due to a slowdown in the local economy over the past 5 years. The COVID-19 pandemic has further impacted the industry with employers opting for more flexible working arrangements and reconsidering office expansions and lease renewals. However, as the demand for commercial property has declined, the rentals have remained stable over the period.
- 6.5 With high vacancies in Perth, new developments are expected to remain muted in 2020. A deflation in the Resource and Mining sectors may bring back business confidence and result in improved vacancy rates in the long term.

Perth CBD Key Indicators

	Premium		A Grade		B Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	840	915	720	820	475	675
Rental - Net Face (\$/sq m)	650	725	550	650	300	500
Incentive Level - Net (%)	42	48	45	53	48	58
Rental - Net Effective (\$/sq m)	360	400	280	335	140	235
Outgoings - Operating (\$/sq m)	125	135	95	120	105	120
Outgoings - Statutory (\$/sq m)	55	65	55	65	55	65
Outgoings - Total (\$/sq m)	180	200	150	185	160	185
Typical Lease Term (yrs)	7	10	5	7	3	5
Yield - Market (% Net Face Rental)	5.25	6.00	5.75	7.25	6.75	7.75
IRR (%)	6.50	7.00	6.75	7.50	7.00	8.00
Cars Permanent Reserved (\$/pcm)	700	775	650	700	450	650
Office Capital Values (\$/sq m)	10,000	14,000	8,000	10,000	4,000	7,000

Source: Savills Research Australia: Quarter Time National Office Q4/2019

<sup>1</sup> IBISWorld Industry Report – Office Property Operators in Australia

<sup>2</sup> CBRE – Q1 2020 Asia Pacific Office Trends



## 7. ASSESSMENT OF MARKET BASED RENT

- 7.1 In assessing the Proposed Transaction between Aspermont and Ileveter, we have utilised the Market Approach method (Comparable market transactions) as our primary approach.

As the leased premises is a commercial office building within the CBD, there is a significant amount of market data available to compare the transaction details.

### Comparable office buildings

- 7.2 Based on our analysis of comparable rental fees for similar office buildings in Perth, we consider an appropriate Office rental cost per square meter to be in the range of AUD\$150 to AUD\$575, with an average fee of AUD\$401.

### Comparison of Premises Rent with Market Rates

	Unit	Ref	Low (\$)	High (\$)	Avg (\$)
Market Rent per annum	AUD\$/sqm	7.4	150.00	575.00	400.53
Market Car Bay Rent per bay per month	AUD\$/sqm	7.4	450.00	700.00	607.00

- 7.3 In selecting the appropriate rental range, we have considered comparable office buildings based on the following criteria:

- Location within the Perth CBD
- Office features and facilities, including Office Grade.
- Office layout and lettable office space
- Number of car bays available

- 7.4 The table below sets out the rental costs and car bay costs for Office buildings comparable to those leased in the Proposed Transaction. A brief description of each building is set out at Appendix C.

### Comparable office buildings

Property Grade	Office Building Address	Lettable Area (Sqm)	Rental/ Sqm (AUD)	Car Bay Rental/ Sqm/ Month (AUD)
B	845 Hay Street, Perth, WA 6000	980	\$150.00	\$550.00
B	228 Adelaide Terrace, East Perth, WA 6004	1000 – 5647	\$200.00	-
B	239 Adelaide Terrace, Perth, WA 6000	988 – 1206	\$220.00	-
B	"The Times" 34 Stirling Street PERTH WA 6000	2571	\$325.00	-
B	Butterworth Buildings 886-890 Hay Street PERTH WA 6000	118 - 471	\$325.00	-
A	56 Ord Street WEST PERTH WA 6005	1040	\$350.00	-
B	507 Murray Street, Perth, WA 6000	424	\$375.00	\$450.00
B	105 St Georges Terrace, Perth, WA 6000	69 - 460	\$375.00	\$675.00
A	Golden Square, 32 St Georges Terrace, Perth, WA 6000	1045	\$395.00	\$600.00
B	Milligan Island 68 Milligan Street PERTH WA 6000	1002	\$395.00	\$500.00
B	89 St Georges Terrace PERTH WA 6000	134 - 680	\$395.00	-
A	441 Murray Street, Perth, WA 6000	927	\$420.00	\$525.00
B	Citibank House, 37 St Georges Terrace, Perth, WA 6000	451	\$495.00	\$695.00
A	12 The Esplanade Perth, WA 6000	1062	\$500.00	-
A	Allendale Square 77 St Georges Terrace PERTH WA 6000	287	\$500.00	-
A	The ONE79 179 St Georges Terrace PERTH WA 6000	1150	\$525.00	\$700.00



### Comparable office buildings (continued)

Property Grade	Office Building Address	Lettable Area (Sqm)	Rental/ Sqm (AUD)	Car Bay Rental/ Sqm/ Month (AUD)
B	167 St Georges Terrace, Perth, WA 6000	260	\$525.00	\$700.00
A	15-17 William Street, Perth, WA 6000	1228	\$565.00	\$675.00
A	One Eleven 111 St Georges Terrace PERTH WA 6000	969	\$575.00	-
<b>Average</b>			<b>\$400.53</b>	<b>\$607.00</b>
<b>Median</b>			<b>\$395.00</b>	<b>\$600.00</b>
<b>Maximum</b>			<b>\$575.00</b>	<b>\$700.00</b>
<b>Minimum</b>			<b>\$150.00</b>	<b>\$450.00</b>

Source: Moore Analysis

## 8. IS THE PROPOSED TRANSACTION FAIR TO ASPERMONT SHAREHOLDERS?

- 8.1 Our assessed values of Aspermont rental costs following the Proposed Transaction are summarised in the tables below.

### Assessed values of Aspermont Office Rental costs following the Proposed Transaction

	Section	Low Value A\$	High Value A\$
Aspermont Rent per lease agreement. (per Sqm)	3	347.29	347.29
Comparable Market Rental (per Sqm)	8	150.00	575.00

Source: Moore Australia analysis

### Assessed values of Aspermont Car Bay Rental costs following the Proposed Transaction

	Section	Low Value A\$	High Value A\$
Aspermont Car Bay Rent per lease agreement. (per month)	3	405.17	405.17
Comparable Market Car Bay Rental (per month)	8	450.00	700.00

Source: Moore Australia analysis

- 8.2 Based on the above assessment, the office rental per square meter payable by Aspermont under the lease agreement is within the market rental range, and the car bay rental payable per month is below the market range.

The lowest comparable lease value per square meter relates to a standalone, two story building within the Perth CBD. The quality of the building and its internal fitout is similar to that of the current premises leased by Aspermont.

- 8.3 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with Listing Rules, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of Aspermont. Our opinion has been materially influenced by the single comparable building at the low end of the comparable market range.



## **9. IS THE PROPOSED TRANSACTION REASONABLE?**

9.1 RG111 establishes that a Proposed Transaction is reasonable if it is fair. If a Proposed Transaction is not fair it may still be reasonable after considering the specific circumstances applicable to it. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- Other alternatives for Aspermont if the Proposed Transaction does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

### **Other alternatives for Aspermont if the Proposed Transaction does not proceed**

9.2 If the Proposed Transaction does not proceed then the Company will endeavour to seek an alternative leasing arrangement. In doing so, the company would have to consider and account for the following factors and costs associated with relocating.

- The cost incurred in relocating furniture and equipment, and any make good costs at current premises;
- The cost of setting up a new office space, including any fixtures and fittings that may be required;
- Updating formal communication letters, business cards, websites etc with new office details;
- Loss of any intangible benefit gained with client's familiarity to current premises, as the company has been operating from the current building since 2004;
- Possibility of downtime due to the migration and set-up of IT equipment;
- Any costs that may be incurred with breaking the current lease.

### **Advantages and disadvantages**

9.3 In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

#### **Advantages of approving the Proposed Transaction**

##### *Advantage 1 – No relocation costs incurred*

The Aspermont business can continue operating uninterrupted, and no additional costs incurred.

##### *Advantage 2 – Below average market rental rates*

For the financial year 2019-2020, the company has paid an annual office rent of AUD\$347.29 per square meter, compared to the average market rate of AUD\$400.53 per square meter. And a car bay rental of \$405.17 per month, compared to the average market rate of \$607 per bay. We note that the lease agreement was established in 2017 in a more competitive market than the current situation which is impacted by COVID-19.

##### *Advantage 3 – Goodwill and familiarity*

The company has been operating from these premises for 16 years since 2004. There may be an intangible benefit associated with being located in a familiar location for customers and suppliers.

##### *Advantage 4 – No make good expenditure incurred*

If the Proposed Transactions is accepted, the costs in relation to any make good clauses within the lease agreement will be deferred to the lease expiry date. This would be particularly beneficial in the short term, in light of any negative impact the COVID-19 pandemic has had on the company.



## **Advantages and disadvantages (continued)**

### **Disadvantages of approving the Proposed Transaction**

#### *Disadvantage 1 – Availability of more modern premises*

Acceptance of The Proposed Transaction would mean the company forgoes the opportunity to upgrade premises to a more modern office building with better facilities.

#### *Disadvantage 2 – High rent review rate*

Per the lease agreement, the annual rent payable is increased by 5% on each anniversary of the Date of Commencement. Due to the uncertainty of future economic trends caused by the COVID-19 pandemic, an annual increase in rent of 5% may be high in the short term, and would result in an office rental of \$382.88 and car bay rental of \$446.70 by the year 2022.

### **Alternative Proposal**

- 9.4 We are not aware of any alternative proposal at the current time which might deliver to the Non-Associated Shareholders of Aspermont a greater benefit than the Proposed Transaction.

### **Conclusion on Reasonableness**

- 9.5 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved, is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior Proposed Transaction, we consider that the Proposed Transaction is reasonable for the Non- Associated Shareholders of Aspermont. In particular, we note that the short term impacts on cash flow of breaking the current lease and relocating to a new premise could be significant.
- 9.6 An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.



## 10. INDEPENDENCE

Moore Australia Corporate Finance (WA) Pty Ltd is entitled to receive a fee of approximately \$10,000, excluding GST and reimbursement of out of pocket expenses. Except for this fee Moore Australia Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

Neither Moore Australia Corporate Finance (WA) Pty Ltd nor other related practice entities of Moore Australia Corporate Finance (WA) Pty Ltd, currently provide any services to Aspermont. The expert responsible for the preparation of this report, Mr Peter Gray, is independent of both Aspermont and Ileveter Pty Ltd.

Prior to accepting this engagement Moore Australia Corporate Finance (WA) Pty Ltd has considered its independence with respect to Aspermont and Ileveter, and any of their respective associates with reference to RG 112, Independence of Expert's Reports. It is the opinion of Moore Australia Corporate Finance (WA) Pty Ltd that it is independent of Aspermont and Ileveter and their respective associates.

Moore Australia Corporate Finance (WA) Pty Ltd has previously provided professional services to Aspermont in relation to the valuation of Employee Performance Rights, for a fee of approximately \$6,310 excluding GST, in the last 2 years.

Moore Australia Corporate Finance (WA) Pty Ltd and Moore Australia Chartered Accountants have not had at the date of this report any relationship which may impair their independence.

We have held discussions with management of Aspermont and Ileveter regarding the information contained in this report. We did not change the methodology used in our assessment as a result of discussions and our independence has not been impaired in any way.

## 11. QUALIFICATIONS

Moore Australia Corporate Finance (WA) Pty Ltd is a professional practice company, wholly owned by the Western Australia practice of Moore Australia, Chartered Accountants. The firm is part of the National and International network of Moore Global Network independent firms and provides a wide range of professional accounting and business advisory services.

Moore Australia Corporate Finance (WA) Pty Ltd holds an Australian Financial Services License to provide financial product advice on securities to retail clients (by way of experts reports pursuant to the listing rules of the ASX and the Corporations Act) and its principals and owners are suitably professionally qualified, with substantial experience in professional practice.

The director responsible for the preparation and signing of this report is Mr Peter Gray who is a director of Moore Australia Corporate Finance (WA) Pty Ltd. Mr Gray is a Chartered Accountant and is RG146 compliant. Mr Gray has approximately 15 years' experience in capital markets and corporate finance, and has significant experience in the preparation of independent expert's reports, valuations, valuation methodology and related advice.

At the date of this report neither Mr Gray, nor any member or Director of Moore Australia Corporate Finance (WA) Pty Ltd, has any interest in the outcome of the Proposed Transaction.



## 12. DISCLAIMERS AND CONSENTS

Moore Australia Corporate Finance (WA) Pty Ltd has been requested to prepare this report, to be included in the Notice of General Meeting which will be sent to Aspermont shareholders.

Moore Australia Corporate Finance (WA) Pty Ltd consents to this report being included in the Notice of General Meeting to be sent to shareholders of Aspermont. This report or any reference thereto is not to be included in, or attached to any other document, statement or letter without prior consent from Moore Australia Corporate Finance (WA) Pty Ltd.

Moore Australia Corporate Finance (WA) Pty Ltd has not conducted any form of audit, or any verification of information provided to us, and which we have relied upon in regard to Aspermont or Ileveter, however we have no reason to believe that any of the information provided, is false or materially incorrect.

The statements and opinions provided in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

Neither Moore Australia Corporate Finance (WA) Pty Ltd nor Mr Gray take any responsibility for, nor have they authorised or caused the issue of, any part of this report for any third-party other than the shareholders of Aspermont in the context of the scope and purpose defined in section 4 of this report.

With respect to taxation implications it is recommended that individual shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own specific circumstances. The advice provided in this report does not constitute legal or taxation advice to shareholders of Aspermont or any other party.

The statements and opinions expressed in this report are given in good faith and with reliance upon information generated both independently and internally and with regard to all of the circumstances pertaining to the Proposed Transaction.

In regard to any projected financial information noted in this report, no member or director of Moore Australia Corporate Finance (WA) Pty Ltd has had any involvement in the preparation of the projected financial information.

Furthermore, we do not provide any opinion whatsoever as to any projected financial or other results prepared for Aspermont or Ileveter, and in particular do not provide any opinion as to whether or not any projected financial results referred to in the report will or will not be achieved.

Yours faithfully



Peter Gray  
Director  
Moore Australia Corporate Finance (WA) Pty Ltd



## **APPENDIX A – SOURCES OF INFORMATION**

In preparing this report we have had access to the following principal sources of information:

- Lease Agreement for premises at 613-619 Wellington Street Perth WA 6000
- Draft Notice of Meeting
- Publicly available information in relation to Aspermont, including ASX announcements
- Information in the public domain
- Savills Research Australia: Quarter Time National Office Q4/2019
- CBRE: Q1 2020 Asia Pacific Office Trends
- S&P Capital IQ database
- Discussions with directors and management of Aspermont.



## APPENDIX B – VALUATION METHODOLOGIES

We have considered which valuation methodology is the most appropriate in light of all the circumstances and information available. We have considered the following valuation methodologies and approaches:

- Discounted cash flow methodology ('DCF')
- Capitalisation of future maintainable earnings methodology ('FME')
- Net assets value method ('NAV')
- Quoted market price methodology ('QMP')
- Market approach method (Comparable market transactions).

### Valuation Methodologies and Approaches

#### Discounted Cash Flow Method

Discounted cash flow methods estimate fair market value by discounting a company's future cash flows to their net present value. These methods are appropriate where a forecast of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

#### Capitalisation of Maintainable Earnings Method

The capitalisation of maintainable earnings method estimates "fair market value" or "enterprise value", by estimating a company's future maintainable earnings and dividing this by a market capitalisation rate. The capitalisation rate represents the return an investor would expect to earn from investing in the company which is commensurate with the individual risks associated with the business.

It is appropriate to apply the capitalisation of maintainable earnings method where there is an established and relatively stable level of earnings which is likely to be sustained into the foreseeable future.

The measure of earnings will need to be assessed and can include, net profit after taxes (NPAT), earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation and amortisation (EBITDA).

The capitalisation of maintainable earnings method can also be considered a market based methodology as the appropriate capitalisation rate or 'earnings multiple' is based on evidence of market transactions involving comparable companies.

An extension of the capitalisation of maintainable earnings method involves the calculation of share value of an entity. This process involves the calculation of the enterprise value, which is then adjusted for the net tangible assets of the entity.

#### Net Assets Value Method (Orderly Realisation of Assets)

The net assets value method (assuming an orderly realisation of assets) estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

**Liquidation of assets** - The Liquidation method is similar to the orderly realisation of asset method except the liquidation method assumes the assets are sold in a shorter time frame.

**Net assets** – The net assets method is based on the value of the assets of a business less certain liabilities at book values, adjusted to a market value.

The asset based approach, as a general rule, ignores the possibility that a company's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements, and goodwill.

The asset based approach is most appropriate when companies are not profitable, a significant proportion of assets are liquid, or for asset holding companies.

**Cost Based Approach** - The cost based approach involves determining the fair market value of an asset by deducting the accumulated depreciation from the asset's replacement cost at current prices.

Like the asset based approach, the cost based approach has a number of disadvantages, primarily that the cost of an asset does not necessarily reflect the assets ability to generate income. Accordingly, this approach is only useful in limited circumstances, usually associated with intangible asset valuation.

#### Quoted Market Price Methodology

The method relies on the pricing benchmarks set by sale and purchase transactions in a fully informed market the ASX which is subject to continuous disclosure rules aimed at providing that market with the necessary information to make informed decisions to buy or to sell.

Consequently, this approach provides a "fair price", independently determined by a real market. However, the question of a fair price for a particular transaction requires an assessment in the context of that transaction taken as a whole.

In taking a quoted market price based assessment of the consideration to both parties to the proposed transaction, the overall reasonableness and benefits to the non-participating shareholders must be carefully evaluated.

#### Market Approach Method

The market based approach estimates a company's fair market value by considering the market prices of transactions in its shares or the market value of comparable assets.

This includes, consideration of any recent genuine offers received by the target for an entire entity's business, or any business units or asset as a basis for the valuation of those business units or assets, or prices for recent sales of similar assets



## APPENDIX C – COMPARABLE OFFICE PREMISES

### Comparable Office Premises Rental, Car Bay Rental and Office Description

Property Grade	Office Building Address	Lettable Area (Sqm)	Rental/ Sqm (AUD)	Car Bay Rental/ Sqm/ Month (AUD)	Office Description
B	845 Hay Street, Perth, WA 6000	980	\$150.00	\$550.00	845 Hay Street is an architecturally designed two storey building presenting an outstanding whole building opportunity. Located in Perth's prestigious west end between His Majesty's Theatre and Cloisters Arcade, the location provides a high level of amenity, with renowned high end fashion, cafes, major office buildings and an abundance of public parking nearby. Key features: Whole building of approx. 980sqm, Large open areas with high ceilings, Mezzanine area, Signage opportunities, Car parking, Balcony/terrace area.
B	228 Adelaide Terrace, East Perth, WA 6004	1000 – 5647	\$200.00	-	Fully fitted office space, with open plan workstations. Low work space ratios providing for highly efficient use of the space. Office and/or education use, Large floor plates, Ground floor and signage exposure.
B	239 Adelaide Terrace, Perth, WA 6000	988 – 1206	\$220.00	-	The Skygarden Commercial Building boasts spectacular river views and plenty of secure parking bays are available. Some floors can be split in half. 239 Adelaide Terrace, Perth is at the busy end of Adelaide Terrace which has access to the bus service going into and around the City CBD. The overall complex comprises of an 8 Level commercial building and a 29 Level residential building called Elevation Tower. This commercial premises has recently been modernised and boasts a great reception area. The overall building has recently completed a full refurbishment with new Chillers, Lifts and all male and female bathrooms. The outside facade has also been upgraded. "End of Trip Facilities" have been upgraded and are continually being improved. Plenty of secure parking within the complex with entry off Adelaide Terrace and exit to Terrace Road, Perth.
B	"The Times" 34 Stirling Street PERTH WA 6000	2571	\$325.00	-	The building consists of fully fitted and furnished office space over one floor. The asset boasts excellent accessibility with major arterial roads such as Wellington Street, Graham Farmer Freeway and Mitchell Freeway within easy reach. Prominent building signage is available, as are end of trip facilities, basement storage, loading dock and a commercial kitchen.
B	Butterworth Buildings 886-890 Hay Street PERTH WA 6000	118 – 471	\$325.00	-	Level 1 at 888 Hay Street offers up to 470sqm of exceptional open plan character office in the heart of the CBD. The property is surrounded by a number of food and beverage options and in close proximity to a number of public transport links and car parks, ensuring ease of access for both staff and clients. The tenancies both have high character ceilings, polished wooden floorboards and are subject to a plethora of natural light.



Property Grade	Office Building Address	Lettable Area (Sqm)	Rental/ Sqm (AUD)	Car Bay Rental/ Sqm/ Month (AUD)	Office Description
A	56 Ord Street WEST PERTH WA 6005	1040	\$350.00	-	<p>56 Ord Street is a superior A Grade West Perth building boasting large 1,040sqm floor plates over three levels with an additional 330sqm situated on the ground floor.</p> <p>The building provides tenants with a modern and professional lease option offering excellent natural light to all parts of the floor plates, brilliant end of trip facilities, a Café on the ground floor, zoned air-conditioning, two lifts, a central core and T5 lighting.</p> <p>Situated 130m from Thomas Street between Hay Street and Kings Park road allowing for quick and easy access to main arterial roads and transport links with regular bus services along Thomas road and the free Red CAT shuttle bus route less than 250m away.</p>
B	507 Murray Street, Perth, WA 6000	424	\$375.00	\$450.00	<p>507 Murray Street is a modern boutique office building located in the popular “West End” of the CBD providing easy access to West Perth, the freeway and Perth’s major road network. Proximity to public transport facilities is also extremely easy with the nearest CAT bus stop only a short walk from the building providing connections to other bus routes and the rail network.</p> <p>The building has typical floor plates of approx. 424sqm, with high quality finishes. Other features include: Each floor is individually air conditioned, Full security to the main entry door, Additional car parking at the Elder Street car park, Prominent roof top signage available.</p>
B	105 St Georges Terrace, Perth, WA 6000	69 – 460	\$375.00	\$675.00	<p>105 St Georges Terrace is located on the south side of St Georges Terrace, next to the Westpac Bank and approximately 40 metres east of William Street, in the heart of the CBD. A ground floor coffee shop provides an excellent opportunity to conduct informal meetings and for those undertaking a fitness regime, there is also an F45 gym.</p> <p>Positioned close to the city’s major intersection of St Georges Tce and William Street, 105 St Georges Tce is within easy walking distance of the city’s two underground train stations, the bus stations and the Perth Convention Centre.</p> <p>All the amenity of a central CBD address is on the doorstep of 105 St Georges Tce including the eateries at Brookfield Place, the Woolworths Supermarket and the Hay and Murray Street Malls.</p>
A	Golden Square, 32 St Georges Terrace, Perth, WA 6000	1045	\$395.00	\$600.00	<p>“Golden Square” 32 St Georges Terrace is ideally located with exceptional views of the Swan River, Government House and Supreme Court Gardens. A short walk away is all three main train stations being the Elizabeth Quay, Underground and Perth Central Train Stations. Also within immediate vicinity is the bustling Treasury precinct restaurant and bar offerings, law courts and Hay and Murray Street Malls.</p> <p>32 St Georges Terrace is a fully refurbished A grade office with an outstanding building entry lobby and end of trip facilities.</p>



Property Grade	Office Building Address	Lettable Area (Sqm)	Rental/ Sqm (AUD)	Car Bay Rental/ Sqm/ Month (AUD)	Office Description
B	Milligan Island 68 Milligan Street PERTH WA 6000	1002	\$395.00	\$500.00	<p>68 Milligan Street is like no other building in the Perth CBD. With three street frontages, its location affords it unmatched access to the on and off ramps of the Freeway.</p> <p>The design and location of this Art Deco style building culminates in a strong street presence and represents a branding opportunity without equal. On the doorstep is the Perth Arena and the Kings Square/ Perth Link projects and also enjoying close proximity Perth's CBD. Fantastic public transport facilities all within close proximity, including the free CAT bus service stopping on the doorstep and the Perth train station and bus port just down the road. Fit out includes Reception area, boardrooms, meeting rooms, offices, open plan workstations x 82.</p>
B	89 St Georges Terrace PERTH WA 6000	134 – 680	\$395.00	-	<p>Centrally located in Perth's business sector, on the corner of St Georges Terrace and Howard Street, directly opposite Enex100 and Woolworths, as well as close to public transport.</p>
A	441 Murray Street, Perth, WA 6000	927	\$420.00	\$525.00	<p>441 Murray Street is located in the West End of the Perth CBD and provides an excellent opportunity for tenants seeking CBD office space in a refurbished building at highly affordable rates. A major repositioning of the asset was recently completed, including brand new lifts, chillers, end of trip facilities, refurbished floors and a modern ground floor lobby.</p> <p>The asset has excellent natural light to the north and south, can provide significant signage rights and has immediate proximity to major international Oil and Gas operators and associated groups including Chevron, Woodside, Wood Group and Schlumberger.</p>
B	Citibank House, 37 St Georges Terrace, Perth, WA 6000	451	\$495.00	\$695.00	<p>Citibank House offers 19 levels of office accommodation with a typical floor size of approximately 451sqm. The side core provides excellent lift exposure for full floor and split floor tenancies with the majority of space enjoying terrific river and parkland outlook. The building has been refurbished and provides an extremely modern and functional standard of accommodation.</p> <p>All floors have panoramic views over Supreme Court Gardens with upper floors having views of the Swan River.</p>
A	12 The Esplanade Perth, WA 6000	1062	\$500.00	-	<p>12 The Esplanade is a modern A Grade office building situated in the heart of the Perth CBD opposite Elizabeth Quay. The building enjoys easy access to the Esplanade train station, Perth Bus Port and numerous public parking facilities.</p> <p>The building provides direct access into the vibrant Allendale Underground retail plaza has under cover access through to the Hay and Murray Street Malls through Trinity Arcade.</p>



Property Grade	Office Building Address	Lettable Area (Sqm)	Rental/ Sqm (AUD)	Car Bay Rental/ Sqm/ Month (AUD)	Office Description
A	Allendale Square 77 St Georges Terrace PERTH WA 6000	287	\$500.00	-	Allendale Square is a prestigious A grade office tower located in the very heart of the Perth CBD. Tenants enjoy the sweeping views across the Swan River and the close proximity to the Elizabeth Quay, retail malls and train stations. There has been a major refurbishment completed including a new modern lobby, new end-of-trip facilities, new 'underground' food arcade plus the ever popular Lalla Rookh, the new Mary Street Bakery at the doorstep.
A	The ONE79 179 St Georges Terrace PERTH WA 6000	1150	\$525.00	\$700.00	ONE79 St Georges Terrace is a modern 7 level 'A grade' office building located in the western end of the Perth CBD. ONE79 St Georges Tce is owned and managed by Blackoak Capital who have built a reputation for offering tenants a progressive and professional experience. Key benefits offered by ONE79 St Georges Terrace are: Premium central St Georges Terrace address with lane-way access, Close proximity to all public transport connections, High profile signage available, Abundant natural light from 3 sides, St Georges Tce streetscape views at lower levels, Swan River glimpses at upper levels, Hands-on and customer focused owner / manager.
B	167 St Georges Terrace, Perth, WA 6000	260	\$525.00	\$700.00	Westralia Plaza provides multiple tenancy options available in this modern 11 level office level building completed in 2010. Located directly opposite Brookfield Place with a variety of restaurants and coffee shops surrounding the building. Easy direct covered access to Perth bus station and The Esplanade train station. The lobby has recently been refurbished with a new modern design and furnishings. Fully refurbished full floor with planned spec fitout comprising: Reception/waiting area, Boardroom 12 pax, Meeting room 6 pax, 5 enclosed offices, 3 Quiet rooms, 3 Collaboration areas, Casual meeting areas, Comms room/store.
A	15-17 William Street, Perth, WA 6000	1228	\$565.00	\$675.00	Located in the core of the Perth CBD on William Street between St George's Terrace and Mounts Bay Road – an extremely convenient, well sought after address. This modern, 14 level office tower offers a well-designed floor plate with excellent natural light and river views. Excellent ground floor facilities include new end-of-trip facility complete with male and female showers, change rooms equipped with 130 lockers, bike storage for 131 bikes and a drying room.



Property Grade	Office Building Address	Lettable Area (Sqm)	Rental/ Sqm (AUD)	Car Bay Rental/ Sqm/ Month (AUD)	Office Description
A	One Eleven 111 St Georges Terrace PERTH WA 6000	969	\$575.00	-	<p>111 St Georges Terrace is an A-grade office building strategically located on the prime corner of the Terrace and William Street. This building is adjacent to Brookfield Place, the CBD's premium café, bar and dining precinct, and is surrounded by landmarks such as Central Park and Brookfield Tower. Bright, modern lobby with full time concierge and secure, undercover parking with easy access to freeways.</p> <p>Brand new end of trip facilities recently completed, including secure bike storage, showers and lockers. High quality, partitioned and open plan areas with commanding views over St Georges Tce, Brookfield Place, the CBD and views of the Swan River from the higher floors.</p>
<b>Average</b>			<b>\$400.53</b>	<b>\$607.00</b>	
<b>Median</b>			<b>\$395.00</b>	<b>\$600.00</b>	
<b>Maximum</b>			<b>\$575.00</b>	<b>\$700.00</b>	
<b>Minimum</b>			<b>\$150.00</b>	<b>\$450.00</b>	

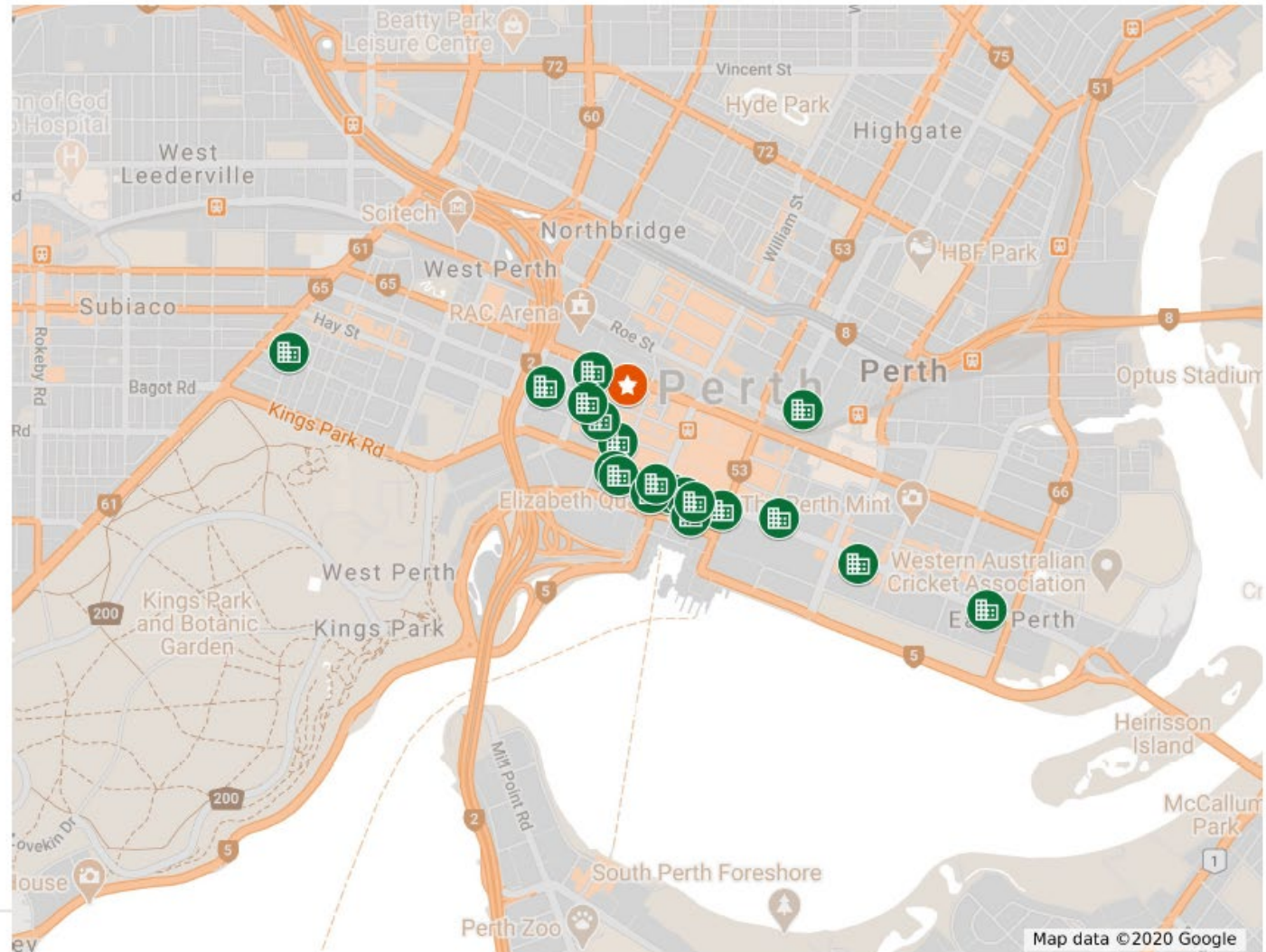
Source: Information in the public domain



## Comparable Office Buildings

### Office Address

- ★ 613 Wellington St
- 🏢 845 Hay St
- 🏢 Adelaide Terrace
- 🏢 239 Adelaide Terrace
- 🏢 34 Stirling St
- 🏢 886-890 Hay St
- 🏢 56 Ord St
- 🏢 507 Murray St
- 🏢 105 St Georges Terrace
- 🏢 68 Milligan St
- 🏢 89 St Georges Terrace
- 🏢 441 Murray St
- 🏢 37 St Georges Terrace
- 🏢 12 The Esplanade
- 🏢 77 St Georges Terrace
- 🏢 179 St Georges Terrace
- 🏢 167 St Georges Terrace
- 🏢 15-17 William St
- 🏢 111 St Georges Terrace
- 🏢 32 St Georges Terrace





## APPENDIX D - GLOSSARY

In this report, unless the context requires otherwise:

Term	Meaning
<b>AUD\$</b>	Australian Dollar
<b>Aspermont</b>	Aspermont Limited
<b>Ileveter</b>	Ileveter Pty Ltd
<b>Act</b>	Corporations Act 2001
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Associated Shareholders</b>	Shareholders and directors of Aspermont
<b>ASX</b>	Australian Securities Exchange or ASX Limited ACN 008 624 691
<b>Board</b>	The Board of Directors of Aspermont Limited
<b>Business Day</b>	has the meaning given in the Listing Rules
<b>Company</b>	Aspermont Limited
<b>ASP</b>	Aspermont Limited
<b>Directors</b>	The Directors of Aspermont Limited
<b>Explanatory Statement</b>	The explanatory statement accompanying the Notice
<b>FME</b>	Future Maintainable Earnings
<b>IER</b>	This Independent Experts Report
<b>Income Tax Assessment Act</b>	the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997
<b>Listing Rules</b>	the official listing rules of ASX and includes the business rules of ASX
<b>Moore Australia or MACF</b>	Moore Australia Corporate Finance (WA) Pty Ltd
<b>Non-Associated Shareholders</b>	Shareholders who are not a party to, or associated with a party to, the Proposed Transaction
<b>Notice</b>	The notice of meeting
<b>Proposed Transaction</b>	The lease agreement for premises at 613-619 Wellington Street Perth WA, between Aspermont Limited and Ileveter Pty Ltd (a related party to Aspermont Chairman Mr Andrew Kent).
<b>Register</b>	the register of members of Aspermont shareholders or option holders, as the case requires
<b>RG111</b>	ASIC Regulatory Guide 111 <i>Content of Experts Reports</i>
<b>S&amp;P Capital IQ</b>	Third party provider of company and other financial information



## CONTACT US

Level 15, 2 The Esplanade,  
Perth WA 6000

T +61 8 9225 5355

F +61 8 9225 6181

E [perth@moore-australia.com.au](mailto:perth@moore-australia.com.au)

[www.moore-australia.com.au](http://www.moore-australia.com.au)



HELPING YOU THRIVE IN A CHANGING WORLD



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## SCHEDULE 2 – EMPLOYEE SALARY SACRIFICE SHARE SCHEME

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### ASPERMONT LIMITED

#### Salary Sacrifice Employee Share Plan

##### 1. DEFINITIONS AND INTERPRETATION

###### 1.1 Definitions

**"Associate"** has the same meaning as in section 139GE of the Income Tax Assessment Act, except that "taxpayer" shall be construed as a reference to "Participant".

**"Associated Body Corporate"** means any:

- (a) related body corporate of the Company; and
- (b) entity designated by the Board, in its discretion, to be an associated company for the purposes of the Plan.

**"ASX"** means ASX Limited.

**"Board"** means all or some of the Directors of the Company acting as a board.

**"Business Day"** means any day that is not Saturday, Sunday or public holiday in Western Australia.

**"Change of Control Event"** means:

- (a) the Company entering into a scheme of arrangement with its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) the commencement of a Takeover Period; or
- (c) a person or a group of associated persons having a relevant interest in, subsequent to the adoption of these Rules, sufficient Shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

**"Company"** means Aspermont Limited ACN 000 375 048

**"Issue Date"** means 31 October 2020 or such later date as shall be determined by the Board as the date on which a share is allotted.

**"Listing Rules"** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any waiver by ASX.

**"Official List"** means the Official List of entities that ASX has admitted and not removed.

**"Participant"** means a full-time or part-time employee of the Company or an Associated Body Corporate, who is invited by the Board to participate in the Plan and subscribes for shares under the Plan.



**“Plan”** means this Salary Sacrifice Employee Share Plan as in force and amended from time to time.

**“Rules”** means these Rules of the Plan as altered or added to from time to time and a reference to a provision of these Rules is a reference to that provision as altered or added to from time to time.

**“Secretary”** means the Secretary or a Secretary of the Company from time to time.

**“Share”** means an ordinary share in the capital of the Company.

**“Takeover Period”** in relation to a takeover bid in respect of Shares means the period referred to in section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder’s statement on the Company in relation to that takeover bid, the takeover period shall be deemed to have commenced at the time of that announcement.

**“VWAP”** means Volume Weighted average market price.

## **1.2 Interpretation**

For the purposes of these Rules, unless the contrary intention appears:

- (a) the singular includes the plural and vice-versa;
- (b) words denoting a gender include all genders;
- (c) if a word or phrase is defined cognate words and phrases have corresponding definitions;
- (d) a reference to a related body corporate of the Company is a reference to a body corporate which is so related within the meaning of the Corporations Act;
- (e) a reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements or any of them; and
- (f) any power, authority or discretion vested in the Company or the Board may be exercised at any time and from time to time and unless expressed otherwise, in their absolute discretion.

## **2. OFFER OF SHARES**

### **2.1 Price of Shares**

The shares are to be issued at the lower of 0.07 cents per share and the VWAP over the four (4) month period beginning 1 July 2020 and ending 31 October 2020 or such further period but no longer than three (3) years from 1 July 2020 as the Board shall determine.

### **2.2 Issue of Shares**

Each Share shall be issued on the terms of these Rules and each Participant will be taken to have agreed to be bound by these Rules on acceptance by that Participant of such shares. The shares will be issued on the issue date.



## **2.3 Lapsing of Offer**

An offer of shares shall lapse upon the Participant ceasing to be employed by the Company or an Associated Body Corporate for any reason before the issue date (except where the Participant ceases to be employed as a direct result of the disposal or sale of the Company or Associated Body Corporate) and such Participant will forfeit their right to receive any such shares accrued under this Plan.

## **2.4 Taxation of Share Value**

The Board shall be entitled to withhold any tax liability incurred by a Participant as a result of a share offer being made under the Plan until the shares are actually allotted to such Participant.

## **3. MAXIMUM NUMBER OF SHARES**

A Share may not be issued if, immediately following its issue, the number of Shares which have been issued under the Plan disregarding any issues that can be disregarded under the Corporations Act or applicable Class Orders, would exceed 5% of the total number of Shares then on issue, provided that the Board may, in its absolute discretion, increase this percentage, subject to any applicable Corporations Act or Listing Rule requirements.

## **4. OVERRIDING RESTRICTIONS ON ISSUE**

Notwithstanding anything else in these Rules, a Share may not be offered or issued, if to do so:

- (a) would contravene the Corporations Act or the Listing Rules; or
- (b) would contravene the local laws of, or the rules or requirements of any regulatory or statutory body in, a Participant's country of residence or in the opinion of the Board compliance with those local laws, rules or requirements would be impractical or result in any unnecessary or unreasonable expense in the circumstances; or
- (c) would result in the number of shares to be issued to a participant exceeding the salary or wages of that participant as determined by the issue price of such shares.

## **5. ADMINISTRATION OF THE PLAN**

### **5.1 Delegation**

The Plan shall be in all respects administered under the directions of the Board or a committee of the Board. The Board or committee may appoint, for the proper administration and management of the Plan, such secretarial or executives or staff or other persons as it considers desirable and may delegate to those persons such powers and authorities as may be necessary or desirable for the administration and management of the Plan.

### **5.2 Procedures**

Subject to these Rules, the Board may make such regulations and establish such procedures for the administration and management of the Plan as it considers appropriate. If any disagreement or dispute with respect to the interpretation of these arises, such disagreement or dispute shall be referred to the Board and the decision of the Board shall, in the absence of manifest error, be final and binding upon all parties.



### **5.3 Exercise of discretion**

The Company or an Associated Body Corporate or the Board may, subject to any express provision in these Rules, the Listing Rules or the Corporations Act to the contrary:

- (a) do any act, matter or thing or make any decision, determination or resolution; or
- (b) conditionally or unconditionally give or withhold any consent or approval,

as contemplated by these Rules in its absolute uncontrolled and unexaminable discretion and is not obliged to give reasons for so doing.

## **6. KEY TERMS**

- 6.1 Subject to these Rules, the Company shall issue Shares in accordance with the Listing Rules and shall cause a holding statement to be issued, for Shares so issued within 10 Business Days after the date of issue thereof.
- 6.2 Shares allotted under the Plan will rank *pari passu* with all existing Shares in the capital of the Company from the date of allotment of those Shares.
- 6.3 This plan is a tax deferred scheme and, where applicable, deferred tax arrangements will apply in respect of shares allotted under the Plan. The Plan will also constitute a salary sacrifice arrangement to acquire securities in the Company.

## **7. QUOTATION OF SHARES**

The Company will make application for official quotation of Shares allotted under the plan to ASX.

## **8. NOTICES**

Notices may be given by the Company to the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modification to notices to Participants.

## **9. COMPANY'S RIGHTS NOT WAIVED**

The Company's right to terminate or vary the terms of employment of any Participant shall not be prejudiced in any way by the Company or any Participant participating in the Plan or anything contained in these Rules or both. Further, participation in the Plan or the rights or benefits of a Participant under these Rules, shall not be used as grounds for granting or increasing damages in any action brought by any Participant against the Company whether in respect of any alleged wrongful dismissal or otherwise.

## **10. GOVERNING LAW**

This Plan and these Rules shall in all respects be governed by and shall be construed in accordance with the laws of Western Australia.

## **11. SEVERANCE**

If any provision in these Rules is void, voidable by any party or illegal, it shall be read down so as to be valid and enforceable or, if it cannot be so read down, the provision (or where possible, the offending words) shall be severed from these Rules without



affecting the validity, legality or enforceability of the remaining provisions (or parts of those provisions) of these Rules which shall continue in full force and effect.

## **12. AMENDMENT OF RULES**

Subject to and in accordance with the Listing Rules (including any waiver granted under the Listing Rules):

- (a) subject to **clause 12(b)** of these Rules, the Board may from time to time amend (including the power to revoke, add to or vary) all or any of the provisions of these Rules in any respect whatsoever, by an instrument in writing without the necessity of obtaining the prior or subsequent consent of shareholders of the Company or any Associated Body Corporate in a general meeting;
- (b) the Board may make any amendment to these Rules with retrospective effect as the Board may determine in good faith, providing that the Board obtains the prior approval of at least 50% of Participants who shall be adversely affected by the retrospective amendment in relation to Shares previously granted to them.

## **13. SUSPENSION OR TERMINATION OF THE PLAN**

The Board may suspend or terminate the Plan at any time, in which case the Company shall not make any further issues of shares under the Plan during the suspended or terminated period. However, during that period the Board shall otherwise continue to administer the Plan in accordance with these Rules.



# GM Registration Card

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

## Vote by Proxy: ASP

Your proxy voting instruction must be received by **4.00pm (WST) on Sunday, 20 September 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

#### Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

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

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



Contact	<b>Return your completed form</b>		<b>All enquiries to Automic</b>	
	<b>BY MAIL</b> Automic GPO Box 5193 Sydney NSW 2001	<b>IN PERSON</b> Automic Level 5, 126 Phillip Street Sydney NSW 2000	<b>BY EMAIL</b> meetings@automicgroup.com.au	

STEP 1: Appoint Your Proxy	<b>Complete and return this form as instructed only if you do not vote online</b> I/We being a Shareholder entitled to attend and vote at the General Meeting of Aspermont Limited, to be held at <b>4.00pm (WST) on Tuesday, 22 September 2020 at Aspermont Limited Boardroom, 613-619 Wellington Street, Perth, WESTERN AUSTRALIA</b> hereby:
	<b>Appoint the Chairman of the Meeting (Chair)</b> OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**  
 Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2: Your Voting Direction	<b>Resolutions</b> <div style="float: right; text-align: right;"> <b>For      Against      Abstain</b> </div>
	1.      Approval of Execution of Lease Agreement Between the Company and Illeveter Pty Limited <div style="float: right; text-align: right;"> <input type="checkbox"/>      <input type="checkbox"/>      <input type="checkbox"/> </div>
	2.      Approval of Aspermont Limited Employee Salary Sacrifice Share Plan <div style="float: right; text-align: right;"> <input type="checkbox"/>      <input type="checkbox"/>      <input type="checkbox"/> </div>
	3.      Issue of Shares as Salary Sacrifice Shares to Mr Alexander Kent <div style="float: right; text-align: right;"> <input type="checkbox"/>      <input type="checkbox"/>      <input type="checkbox"/> </div>

**Please note:** 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 be counted in computing the required majority on a poll.

STEP 3: Sign Here + Contact Details	<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<div style="border: 1px solid black; height: 30px; width: 100%;"></div> Sole Director and Sole Company Secretary	<div style="border: 1px solid black; height: 30px; width: 100%;"></div> Director	<div style="border: 1px solid black; height: 30px; width: 100%;"></div> Director / Company Secretary
	Contact Name:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
	Email Address:		
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Contact Daytime Telephone <div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Date (DD/MM/YY) <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="font-size: 1.2em;">/</div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="font-size: 1.2em;">/</div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>			

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).