

Ascend Group Limited

A.C.N 114 162 631

NOTICE OF EXTRAORDINARY GENERAL MEETING

Ascend Group Limited (the Company) gives Notice that an Extraordinary General Meeting of its shareholders will be held at the offices of the Company, Level 12, 280 - 288 George Street, Sydney NSW 2000, on Friday, 29th August 2008 at 8:30am EST.

At the meeting the following resolutions will be considered and if thought fit passed:

Ordinary Business

1. Issue Shares and Options to Directors and Employees

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- a) To issue 1,000,000 Unlisted options to Mr. Alan Preston Beasley (Chairman) or his nominee.
- b) To issue 1,000,000 Unlisted options to Mr. Douglas Peter LeMessurier (Executive Director) or his nominee.
- c) To issue 450,000 Unlisted options to Mr. David Henry Sutton (Non-Executive Director) or his nominee.
- d) To issue 450,000 Unlisted options to Mr. John Hanson Boorne (Non-Executive Director) or his nominee.
- e) To issue 450,000 Unlisted options to Mr. Stephen Wee (Non-Executive Director) or his nominee.
- f) To issue up to 1,850,000 Unlisted options to Key Staff following the Extraordinary General Meeting

as set out in the attached Explanatory Statement and schedule of Terms and Conditions of Unlisted Options.

2. Issue Equity to Directors

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- a) To issue 355,120 ordinary fully paid shares with attaching AGLOI options to First Avenue Investment Pty Ltd in lieu of consulting fees outstanding
- b) To issue 947,960 ordinary fully paid shares with attaching AGLOI options to Finta Pty Ltd in lieu of consulting fees outstanding
- c) To issue 200,000 ordinary fully paid shares to David Sutton in lieu of Directors Fees outstanding
- d) To issue 200,000 ordinary fully paid shares to John Boorne in lieu of Directors Fees outstanding
- e) To issue 200,000 ordinary fully paid shares to Stephen Wee in lieu of Directors Fees outstanding

as set out in the attached Explanatory Statement.

3. Approval of Pegasus Milestone Agreement

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

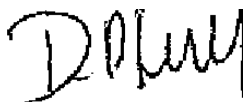
"That approval is given to the terms and conditions of Pegasus Milestone Agreement to issue 8,561,000 Unlisted Convertible fully paid shares as set out in the attached Explanatory Statement."

4. Ratify prior issue of shares and options

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

" That the approval is given to ratify the prior issue of up to 3,140,000 shares and attaching free 1:1 options up to 2,920,000 options with an exercise price of \$0.15 expiring 30 June 2015 as set out in the attached Explanatory Statement."

BY ORDER OF THE BOARD



Douglas Peter LeMessurier
Chairman

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NOTES

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on the members behalf. If the member is entitled to cast two or more votes at the meeting, the member may appoint up to two proxies to attend and vote on the member's behalf.
2. If a member appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the member's votes. Absent this specification, each proxy will need to exercise half the votes.
3. A proxy need not be a member of the company.
4. To appoint a proxy, a proxy form must be signed by the member or the member's attorney duly authorised in writing. If the member is a corporation, the proxy form must be signed in accordance with section 127 of the *Corporations Act 2001* (Cth).
5. To be effective, a proxy form (and, if signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the meeting. Proxy forms and authorities may be delivered to the Company by:

Post: Ascend Group Limited
C/- Azure Group Pty Ltd
Level 12, 280 George Street
Sydney NSW 2000

Fax: 02 9233 3176

Hand: Azure Group Pty Ltd
Level 12, 280 George Street
Sydney NSW 2000

6. Members who forward their proxy forms by fax must make available the original executed form of the proxy for production at the meeting, if called upon to do so.
7. For the purposes of the meeting, persons on the register of members as at 10:00am on 31st July 2008 will be entitled to vote as the holder of shares held by them at that time.

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EXPLANATORY STATEMENT

These explanatory notes have been prepared for the information of shareholders of Ascend Group Limited in connection with the business to be conducted at the Extraordinary Shareholders Meeting to be held at Level 12, 280 - 288 George Street, Sydney NSW 2000, on 29th August 2008 commencing at 8:30am Sydney time. These Explanatory Notes should be read in conjunction with the accompanying Notice of Extraordinary Meeting.

RESOLUTION 1

Director and Key Staff Options Executive Scheme

Section 208(l)(a) of the *Corporations Act 2001* (Cth) prohibits the Company from giving a financial benefit to a related party of the Company without the approval of the shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Under section 228(2) of the *Corporations Act 2001* (Cth) a Director and an entity controlled by a Director are related parties of the Company and accordingly the Board seeks shareholder approval to issue shares and options to Directors as well as Employees of the Company and or nominee with an exercise price of \$0.25, exercisable on or before 31 December 2017. It is proposed that the options otherwise be issued on the same terms as the options currently on issue in the Company.

The key terms of the options to be issued are set out in the table below:

Key Terms	Option Class AGL02
Exercise Price	\$0.25
Vesting or Issue Date	30 August 2008
Expiry Date	31 December 2017

The extent of the benefit that would be provided by the issue of the proposed new options will only have a value if on the date that the new options are exercised, the market price of the Company's shares exceeds the exercise price of the options. In these circumstances, the recipient of the new options will obtain a financial benefit equivalent to the difference between the market value of the shares and the exercise price of the options.

In accordance with the ASIC policy requirements, the Company notes that the options have no indicative value under this proposal. The total indicative value of the benefit derived under the Black & Scholes valuation method is \$0.015.

Explanatory Statement

The Schedule of Terms and Conditions of Unlisted Options is attached and sets out the proposed options to be issued to Directors and Staff following this Extraordinary General Meeting. The proposed options set out below are considered effective incentives and competitive rewards for key senior executives. The proposed options to staff are critical for retention and to reward performance at this key point in the Company's growth.

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Please read the attached Schedule of Option Term and Conditions in conjunction with this Explanatory Statement.

		Role	Unlisted Options	Options Value
I(a)	Mr. Alan Preston Beasley or his nominee	Chairman	1,000,000	-
I(b)	Mr. Douglas Peter LeMessurier or his nominee	Executive Director	1,000,000	-
I(c)	Mr. David Henry Sutton or his nominee	Non-Executive Director	450,000	-
I(d)	Mr. John Hanson Boorne or his nominee	Non-Executive Director	450,000	-
I(e)	Mr. Stephen Wee or his nominee	Non-Executive Director	450,000	-
I(f)	Staff at Directors Discretion	Key Staff	1,850,000	-
			5,200,000	Nil

Recommendation: Each Director of the Company recommends that shareholders vote in favor of the proposed Resolutions I(a) to (f) on the basis that the proposed options represents reasonable incentives and rewards for the services of each individuals.

Notes:

Mr. Alan Preston Beasley has an interest in the outcome of the proposed Resolution I(a)

Mr. Douglas Peter LeMessurier has an interest in the outcome of the proposed Resolution I(b)

Mr. David Henry Sutton has an interest in the outcome of the proposed Resolution I(c)

Mr. John Hanson Boorne has an interest in the outcome of the proposed Resolution I(d)

Mr. Stephen Wee has an interest in the outcome of the proposed Resolution I(e)

RESOLUTION 2

Approval of Issue of Equity to Directors

Section 208(l)(a) of the *Corporations Act 2001* prohibits the Company from giving a financial benefit to a related party of the Company without the approval of the shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Under section 228(2) of the *Corporations Act 2001* a Director and an entity controlled by a Director are related parties of the Company and accordingly the Board seeks shareholder approval to issue shares and AGL01 options to the Directors and or his nominee with an exercise price of \$0.15, exercisable on or before 30 June 2015. It is proposed that the options be issued on the same terms as the options currently on issue in the company.

The extent of the benefit that would be provided by the issue of shares and attaching options is not able to be quantified with any certainty, however, the proposed issue price for shares under the current capital raising of \$0.10 per share provides an indication of the possible value of the shares. The value of the options is exercisable at \$0.15.

The new options proposed to be issued will only have a value if on the date that the new options are exercised, the market price of the Company's shares exceeds the exercise price of the options. In these circumstances, the recipient of the new options will obtain a financial benefit equivalent to the difference between the market value of the shares and the exercise price of the options.

In accordance with the policy requirement of ASIC, the company notes that the options have no indicative

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value under this proposal. The total indicative value of the benefit derived under the Black & Scholes valuation method is \$0.015.

2(a) Approval of Issue of Equity to First Avenue Investments Pty Ltd in lieu of outstanding Capital Raising and Consulting Fees

First Avenue Investments Pty Ltd is controlled by Mr Douglas Peter LeMessurier.

First Avenue Investments Pty Ltd provided Capital Raising services for the Company's clients during the year. Ascend is entitled to 7% commission on the capital raisings and in line with pre-existing arrangements First Avenue Investments Pty Ltd was entitled to commissions for the capital raisings as follows:

Company	Total Raised	Commission Rate	Total	Shares at 10c
Calix Limited	\$339,500	5.6%	\$19,012	190,120
				190,120

First Avenue Investments Pty Ltd via Mr Douglas Peter LeMessurier has provided consulting services to the Company and in accordance with consulting agreement is entitled to \$16,500 per month for services rendered. The consulting fees for June 2008 are now outstanding.

First Avenue Investments Pty Ltd has agreed that the outstanding commissions and consulting fees may be remitted by conversion into equity in the Company. The proposed resolution is to authorise the issue of ordinary fully paid shares in the capital of the Company at \$0.10 per share with attaching AGL01 options exercisable at \$0.15 per option representing full remittance of the outstanding fees.

	Shares	Share Value @ \$0.10	Options AGL02	Options Value
(a) Commissions	190,120	\$19,012	190,120	-
(b) Consultancy	165,000	\$16,500	165,000	-
	355,120	\$35,512	355,120	Nil

Recommendation: Each director of the Company recommends that shareholders vote in favour of the proposed Resolution 2a on the basis that the proposed payment of via the issue of shares and attaching options represents reasonable consideration for the services of First Avenue Investments Pty Ltd and allows the Company to preserve its cash for further development of the company's business.

2(b) Approval of Issue of Equity to Finta Pty Ltd in lieu of outstanding Capital Raising Fees and Consulting Companies

Finta Pty Ltd is controlled by Mr Alan Preston Beasley.

Finta Pty Ltd provided capital raising services for the Company during the year. Ascend is entitled to 7% commission on the capital raisings and in line with pre-existing arrangements Finta Pty Ltd was entitled to commissions for the capital raisings as follows:

Company	Total Raised	Commission Rate	Total	Shares at 10c
Calix Limited	\$353,500	5.6%	\$19,796	197,960
SA Copper Limited	\$877,000	4.0%	\$35,080	350,800
				548,760

Finta Pty Ltd via Mr Beasley has provided consulting services to Ascend Group for the raising of capital and listing of the company on the National Stock Exchange and it is proposed that he be entitled to \$40,000 for services rendered.

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Finta Pty Ltd has agreed that the outstanding commissions and consulting fees may be remitted by conversion into equity in the Company. The proposed resolution is to authorise the issue of ordinary fully paid shares in the capital of the Company at \$0.10 per share with attaching AGL01 options exercisable at \$0.15 per option representing full remittance of the outstanding fees.

	Shares	Share Value @ \$0.10	Options AGL02	Options Value @ \$Nil
(a) Commissions	547,960	\$54,796	547,960	-
(b) Consultancy	400,000	\$40,000	400,000	-
	597,760	\$59,779	597,760	-

Recommendation: Each director of the Company recommends that shareholders vote in favour of the proposed Resolution 2a on the basis that the proposed payment of via the issue of shares and attaching options represents reasonable consideration for the services of Finta Pty Ltd and allows the Company to preserve its cash for further development of the Company's business.

2(c) Approval of Issue of Equity to Mr David Sutton in lieu of outstanding Non Executive Directors Fees

Mr Sutton has agreed that the outstanding directors fees may be converted into Equity and the proposed resolution is to authorise the issue of ordinary shares in the capital of the Company at \$0.10 per share to Mr. Sutton representing full remittance of the outstanding Directors fees.

	Shares	Share Value @ \$0.10
2 (a) Mr. David Henry Sutton or his nominee	200,000	\$20,000
	200,000	\$20,000

Recommendation: Each director of the Company recommends that shareholders vote in favour of the proposed Resolution 2c on the basis that the proposed payment of via the issue of shares represents reasonable consideration for the services of Mr. David Henry Sutton and allows the Company to preserve its cash for further development of the company's business.

2(d) Approval of Issue of Equity to Mr John Hanson Boorne in lieu of outstanding Non Executive Directors Fees

Mr Boorne has agreed that the outstanding directors fees may be converted into equity and the proposed resolution is to authorise the issue of ordinary shares in the capital of the Company at \$0.10 per share to Mr. Boorne representing full remittance of the outstanding Directors fees.

	Shares	Share Value @ \$0.10
2 (a) Mr. John Hanson Boorne or his nominee	200,000	\$20,000
	200,000	\$20,000

Recommendation: Each director of the Company recommends that shareholders vote in favour of the proposed Resolution 2c on the basis that the proposed payment of via the issue of shares represents reasonable consideration for the services of Mr. John Hanson Boorne and allows the Company to preserve its cash for further development of the company's business.

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2(e) Approval of Issue of Equity to Mr Stephen Wee in lieu of outstanding Non Executive Directors Fees

Mr Wee has agreed that the outstanding directors fees may be converted into equity and the proposed resolution is to authorise the issue of ordinary shares in the capital of the Company at \$0.10 per share to Mr Wee representing full remittance of the outstanding Directors fees.

	Shares	Share Value @ \$0.10
2 (a) Mr. Stephen Wee or his nominee	200,000	\$20,000
	200,000	\$20,000

Recommendation: Each director of the Company recommends that shareholders vote in favour of the proposed Resolution 2c on the basis that the proposed payment of via the issue of shares represents reasonable consideration for the services of Mr. Stephen Wee and allows the Company to preserve its cash for further development of the company's business.

Note:

Mr Douglas Peter LeMessurier has an interest in the outcome of the proposed resolution 2a

Mr Alan Preston Beasley has an interest in the outcome of the proposed resolution 2b

Mr David Sutton has an interest in the outcome of the proposed resolution 2c

Mr John Hanson Boorne has an interest in the outcome of the proposed resolution 2d

Mr Stephen Wee has an interest in the outcome of the proposed resolution 2e

Summary of Option Terms

A summary of the terms and conditions of Ascend Group Limited's Options to be granted under resolution 2 is as follows:

- the Options expire at 5.00 pm Sydney time on 30 June 2015. Any option not exercised before that time automatically lapses;
- any portion of the total number of Options held may be exercised by the holder;
- each Option carries the right to subscribe for one share, subject to the adjustment provisions which are set out below;
- Subject to the adjustment provisions which are set out below, the exercise price of the Options is \$0.15 per share, payable in full on application. Shares will be credited as a fully paid share on payment of the exercise price;
- Options are fully transferable, subject to the same restrictions which apply to shares;
- Options are exercisable by the delivery to the registered office of the Company a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by a cheque made payable to the Company for the subscription money due, subject to the funds being cleared funds. The exercise of only a portion of the Options held does not affect the holder's rights to exercise the balance of any Options held;
- the Company must issue the shares no later than 14 business days after receipt of the notice of exercise of the Options and the exercise money;
- shares issued on the exercise of Options will rank, as from the date of issue, equally in all respects with the then shares;
- a statement of holding will be issued for the Options. The reverse side of each statement will set out the rights of the Option holder and a notice that is to be completed when exercising the Options;

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- if the Company is listed on any Australian Stock Exchange, the Company must make application to have shares issued on an exercise of Options listed for official quotation by that stock exchange no later than three business days after the issue of the shares;
- Options will not entitle the holder to participate in any new pro-rata issue of securities of the Company. However, an entitlement to participate will apply following the exercise of the Options. Option holders will be afforded the period of at least nine business days before the record date of a new pro-rata issue of securities to exercise the Options;
- if the issued capital of the Company is reconstructed the number of Options or the exercise price of the Options or both must be reconstructed (as appropriate) so that there will not be any benefits conferred on Option holders which are not conferred on shareholders. Subject to the rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital the terms for the exercise of Options must remain unchanged in all other respects;
- the Options do not give any right to participate in any dividends declared by the Company. Shares issued on the exercise of the Options rank equally for dividends with other shares;
- the number of shares issued on the exercise of Options will be adjusted for pro rata bonus issues made before exercise of Options. The effect of this adjustment will be that, on the exercise of the Options, the number of shares received by the Option holder will include the number of bonus shares that would have been issued if the Options had been exercised before the record date for bonus issues. The exercise price of the Options will not change because of any bonus issue;
- if there is a pro rata rights issue to shareholders in the Company before the exercise of an Option then subject to any applicable listing rule, the exercise price of the Option will be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

Where

- O' = the new exercise price of the Option
- O = the old exercise price of the Option
- E = the number of shares into which Option is exercisable
- P = the average market price per share (weighted by reference to volume) of the shares during the 5 trading days ending on the day before the ex rights date or the ex entitlement date
- S = the subscription price for a share under the pro-rata issue
- D = the dividends due but not yet paid on the existing shares (except those to be issued under the issue)
- N = the number of shares with rights or entitlement that must be held to receive a right to one new share

A copy of the full terms of the Options plan is available to shareholders free of charge from the company secretary.

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RESOLUTION 3

Approval of Pegasus Milestone Agreement

Under a letter of engagement dated 4 June 2008 Ascend Group has engaged Pegasus Corporate Advisory Pty Ltd ("Pegasus") ("Engagement Letter"). In summary under the engagement letter Pegasus will provide with the following corporate services to the Company:

1. Identify and assist with further capital raising
2. Assist with strategic planning and growth strategies
3. Link Ascend to the institutional market

As background, Pegasus is a corporate advisory group specialising in assisting small and micro-cap listed companies. Pegasus' executive has 20 years of experience within the institutional investor sector. The company is based in both Australia and the Asia region. Among other things Pegasus undertakes to market research for companies; organises and makes introductions with the institutional investment community and facilitates access to larger pools of capital by way of equity, hybrid or debt rising.

In consideration for the services provided by Pegasus, the Company has agreed it will pay a monthly retainer and has also resolved to issue Pegasus or its nominees fully paid ordinary shares based on meeting certain milestones.

The details of the Pegasus remunerations are as follows:

Retainer Fee:	\$10,000 (Ten thousand dollars excluding GST), payable each month for a 12 month period
Share Conditions:	Convertible A, B and C Class shares will be issued at \$0.10 cents convertible into Ordinary Shares upon happening of certain milestones.

The conditions attaching to each of the A, B and C Class shares will:

- i) Have the right to convert on the happening of specified milestones to fully paid ordinary shares;
- ii) Have no rights to dividends;
- iii) Have no voting rights;
- iv) Will be cancelled in the event that the milestones are not achieved.

The amount of shares and respective milestone events for converting each Class of Shares into Ordinary shares are as follows:

Share Class and Milestone Condition	Applicants	Number and Class of Shares, Issue Price and Extent Paid
Ordinary A Class shares: Converts to ordinary shares if the Company continues to engage Pegasus on 4th September 2008	Pegasus Corporate Advisory Pty Ltd and or nominees	3,425,000 A Class Ordinary shares issued at \$0.10 per share
Ordinary B Class shares: Converts to ordinary shares if the Company continues to engage Pegasus on 4th December 2008	Pegasus Corporate Advisory Pty Ltd and or nominees	2,568,000 B Class Ordinary shares issued at \$0.10 per share
Ordinary C Class shares: Converts to ordinary shares if the Company continues to engage Pegasus on 4th June 2009.	Pegasus Corporate Advisory Pty Ltd and or nominees	2,568,000 C Class Ordinary shares issued at \$0.10 per share

Recommendation: The Directors recommend that you vote in favour of the resolution to approve the issue of securities to Pegasus.

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RESOLUTION 4

Ratify prior issue of Shares and Options

The Company has issued ordinary shares since listing on the National Stock Exchange under the listing rule 6.25.

The Company has issued 3,140,000 ordinary shares at an issue price of \$0.10 per share with attaching Options AGLOI options totaling 2,920,000 options. The options are exercisable on or before 30 June 2015 at an exercise price of \$0.15 each as set out in the Summary of Option Terms below.

NSX Listing Rule 6.25

NSX Listing Rule 6.25 provides that without the approval of holders of ordinary securities, an entity must not issue or agree to issue more equity securities than the number calculated according to the formula set out in NSX Listing Rule 6.25.

In effect, the rule requires that the approval of the holders of ordinary securities be obtained in respect of any proposal to issue more equity securities in any 12 month period than the number which exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of the issue or agreement (as determined in accordance with the formula set out in NSX Listing Rule 6.25).

Explanatory Statement

NSX Listing Rule 6.25 states an issue of securities made without approval under NSX Listing Rule 6.25 is treated as having been made with approval for the purpose of NSX Listing Rule 6.25 if the issue did not breach NSX Listing Rule 6.25 (i.e. was within the 15% limit) and shareholders subsequently approve it.

The issue of the shares under Resolution 4 did not breach NSX Listing Rule 6.25. In order to restore the Company's future 15% placement capacity, it is proposed the Shareholders ratify the issue of Shares. Ratification of that issue provides the Company with flexibility in capital management and allows the Company to raise further funds or make further acquisitions, if required.

Summary of Option Terms

A summary of the terms and conditions of Ascend Group Limited's Options to be granted under resolution 4 is as follows:

- the Options expire at 5.00 pm Sydney time on 30 June 2015. Any option not exercised before that time automatically lapses;
- any portion of the total number of Options held may be exercised by the holder;
- each Option carries the right to subscribe for one share, subject to the adjustment provisions which are set out below;
- Subject to the adjustment provisions which are set out below, the exercise price of the Options is \$0.15 per share, payable in full on application. Shares will be credited as a fully paid share on payment of the exercise price;
- Options are fully transferable, subject to the same restrictions which apply to shares;
- Options are exercisable by the delivery to the registered office of the Company a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by a cheque made payable to the Company for the subscription money due, subject to the funds being cleared funds. The exercise of only a portion of the Options held does not affect the holder's rights to exercise the balance of any Options held;
- the Company must issue the shares no later than 14 business days after receipt of the notice of exercise of the Options and the exercise money;
- shares issued on the exercise of Options will rank, as from the date of issue, equally in all respects with the then shares;
- a statement of holding will be issued for the Options. The reverse side of each statement will set out the rights of the Option holder and a notice that is to be completed when exercising the Options;

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- if the Company is listed on any Australian Stock Exchange, the Company must make application to have shares issued on an exercise of Options listed for official quotation by that stock exchange no later than three business days after the issue of the shares;
- Options will not entitle the holder to participate in any new pro-rata issue of securities of the Company. However, an entitlement to participate will apply following the exercise of the Options. Option holders will be afforded the period of at least nine business days before the record date of a new pro-rata issue of securities to exercise the Options;
- if the issued capital of the Company is reconstructed the number of Options or the exercise price of the Options or both must be reconstructed (as appropriate) so that there will not be any benefits conferred on Option holders which are not conferred on shareholders. Subject to the rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital the terms for the exercise of Options must remain unchanged in all other respects;
- the Options do not give any right to participate in any dividends declared by the Company. Shares issued on the exercise of the Options rank equally for dividends with other shares;
- the number of shares issued on the exercise of Options will be adjusted for pro rata bonus issues made before exercise of Options. The effect of this adjustment will be that, on the exercise of the Options, the number of shares received by the Option holder will include the number of bonus shares that would have been issued if the Options had been exercised before the record date for bonus issues. The exercise price of the Options will not change because of any bonus issue;
- if there is a pro rata rights issue to shareholders in the Company before the exercise of an Option then subject to any applicable listing rule, the exercise price of the Option will be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

Where

- O' = the new exercise price of the Option
- O = the old exercise price of the Option
- E = the number of shares into which Option is exercisable
- P = the average market price per share (weighted by reference to volume) of the shares during the 5 trading days ending on the day before the ex rights date or the ex entitlement date
- S = the subscription price for a share under the pro-rata issue
- D = the dividends due but not yet paid on the existing shares (except those to be issued under the issue)
- N = the number of shares with rights or entitlement that must be held to receive a right to one new share

A copy of the full terms of the Options plan is available to shareholders free of charge from the company secretary.

Recommendation: The Directors recommend that you vote in favour of the resolution to approve the issue of securities.

DIRECTORS' RECOMMENDATIONS

The Directors of Ascend Group Limited recommends that shareholders vote in favour of all four resolutions as set out in the accompanying Notice of Extraordinary General Meeting, for the reasons set out above.

As described above, the directors' interests in the proposed resolutions are as follows:

- Mr. Alan Preston Beasley has an interest in the outcome of Resolutions 1a and 2b
- Mr. Douglas Peter LeMessurier has an interest in the outcome of Resolutions 1b and 2a
- Mr. David Henty Sutton has an interest in the outcome of Resolution 1c and 2c
- Mr. John Hanson Boorne has an interest in the outcome of Resolutions 1d and 2 d
- Mr. Stephen Wee has an interest in the outcome of Resolutions 1e and 2e

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SCHEDULE OF TERMS AND CONDITIONS OF UNLISTED OPTIONS

1. Option holders will be entitled on payment of an amount equal to \$0.25 for the share (**Exercise Price**) be allotted one ordinary fully paid share (**Share**) in Ascend Group Limited (**Company**) for each Option exercised (subject to possible adjustments referred to below).
2. Options are exercisable in whole or in part at any time prior to 31 December 2017 (**Exercise Period**). Any Options not exercised before the expiry of the Exercise Period will lapse.
3. Shares issued on exercise of the Options will be credited as fully paid Shares on payment of the Exercise Price.
4. Options are fully transferable, subject to any restriction agreement and the same restrictions which apply to Shares.
5. Options are exercisable by the delivery to the Company's registered office a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by a cheque made payable to the Company for the subscription money due, subject to the funds being cleared funds.
6. The exercise of only a portion of the Options held does not affect the holder's rights to exercise the balance of any Options held.
7. Shares to be issued pursuant to any exercise of Options will be issued no later than 45 days after receipt of the notice of exercise of the Options and the exercise money.
8. Shares issued on the exercise of Options will rank, as from the date of issue, equally in all respects with all other Shares on issue.
9. Statement of holding will be issued for the Options. The reverse side of each statement will set out the rights of the Option holder and a notice that is to be completed when exercising the Options.
10. The Company will make application to have Shares issued on an exercise of Options listed for official quotation by that stock exchange no later than 3 business days after the issue of the Shares.
11. Options will not entitle the holder to participate in any new pro-rata issue of securities of the Company. However, an entitlement to participate will apply following the exercise of the Options. Option holders will be afforded the period before the record date of a new pro-rata issue of securities to exercise the Options.
12. If the issued capital of the Company is reconstructed the number of Options or the exercise price of the Options or both will be reconstructed (as appropriate) so that there will not be any benefits conferred on Option holders which are not conferred on Shareholders. Subject to the rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital the terms for the exercise of Options will remain unchanged in all other respects.
13. The Options do not give any right to participate in any dividends declared by the Company. Shares issued on the exercise of the Options rank equally for dividends with other Shares.
14. The number of Shares issued on the exercise of Options will be adjusted for pro rata bonus issues made before exercise of Options. The effect of this adjustment will be that, on the exercise of the Options, the number of Shares received by the Option holder will include the number of bonus Shares that would have been issued if the Options had been exercised before the record date for bonus issues. The exercise price of the Options will not change because of any bonus issue.
15. If there is a pro rata rights issue (other than a bonus issue) to shareholders in the Company before the exercise of an Option then subject to any applicable listing rule, the exercise price of the Option

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will be reduced according to the following formula:

$$O' = O - ((E[P - (S + D)]) / (N + 1)) \text{ Where:}$$

O'	=	the new exercise price of the Option
O	-	the old exercise price of the Option
E		the number of Shares into which one Option is exercisable
P	=	the average closing sale price per Share (weighted by reference to volume) of the Shares during the 5 trading days immediately preceding the day before the ex rights date or the ex entitlement date (excluding special crossing and overnight sales and exchange traded options exercised)
S		the subscription price for a Share under the pro-rata issue
D	=	the dividends due but not yet paid on the existing underlying Shares (except those to be issued under the issue)
N	=	the number of Shares with rights or entitlement that must be held to receive a right to one new Share

Voting Exclusion Statement

In relation to resolution five the Company will disregard any votes cast by or on behalf of any person to whom it is known securities will be allotted, and their associates. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.