



1300SMILES Limited
ACN 094 508 166

Notice of Annual General Meeting

Date: Thursday, 22 November 2018
Time: 9.00am (Townsville time)
Place: 1300SMILES Limited
105 Denham Street
Townsville QLD 4810

A Form of Proxy is enclosed with the Notice and instructions for its completion. The proxy form should be returned by post on the address shown on the form. You can also vote online at www.investorvote.com.au.

This is an important document that requires your attention

This Notice of Meeting should be read in its entirety. If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional adviser.

Notice of Annual General Meeting

Notice is given that an Annual General Meeting of 1300SMILES Limited ACN 094 508 166 (**Company**) will be held at 1300SMILES Limited, 105 Denham Street, Townsville, Queensland at 9.00am (Townsville time) on Thursday, 22 November 2018.

Agenda

1 1300SMILES financial statements and reports

To receive the financial statements, Directors' Report and Auditor's Report for 1300SMILES Limited and its controlled entities for the financial year ended 30 June 2018.

Note: There is no requirement for shareholders to approve these reports.

2 Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass, the following resolution as a non-binding ordinary resolution under section 250R(2) of the *Corporations Act 2001* (Cth):

'That the Remuneration Report for the year ended 30 June 2018 be hereby adopted.'

- Notes: (1) This resolution is advisory only and does not bind the Company or the directors.
- (2) If 25% or more of votes that are cast are voted against the Remuneration Report at two consecutive Annual General Meetings, shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must stand for re-election.

Voting Exclusion

The Company will disregard and not count any votes cast (in any capacity) on Resolution 1 by or on behalf of either of the following persons:

- (a) a member of the Company's Key Management Personnel; or
 - (b) a Closely Related Party of a member of the Company's Key Management Personnel.
- unless:
- (c) the person:
 - (i) does so in relation to a resolution where they hold a Directed Proxy Form; or
 - (ii) is the Chairman of the meeting and is expressly authorised to exercise the proxy even through the resolution is a Remuneration Resolution; and
 - (d) the vote is not cast on behalf of a person described in paragraphs (a) and (b) above.

3 Resolution 2 – Election of Evonne Collier as a Director

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

'That Evonne Collier, who was appointed to the Board to fill a casual vacancy on 23 November 2017 and who retires in accordance with clause 17.7 of the Company's Constitution and being eligible, be elected as a Director of the Company.'

4 Resolution 3 – Election of Jason Smith as a director

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

'That Jason Smith, who was appointed to the Board to fill a casual vacancy on 23 November 2017 and who retires in accordance with clause 17.7 of the Company's Constitution and being eligible, be elected as a Director of the Company.'

5 Resolution 4 – Re-election of Robert Jones as Director

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

'That, Robert Jones, who will retire by rotation at the close of the Annual General Meeting in accordance with clause 17.5 of the Company's Constitution and being eligible for re-election, be re-elected as a Director of the Company.'

6 General Business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

BY ORDER OF THE BOARD

Patrick Wyatt
Company Secretary
Dated 22 October 2018

Notes

- 1 The Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the share register at 7pm (Sydney time) Tuesday, 20 November 2018. Accordingly, those persons are entitled to attend and vote at the Annual General Meeting.
- 2 If you are eligible, you may vote by attending the Annual General Meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.
- 3 To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.
- 4 A member who is entitled to vote at the Annual General Meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of the Company. The proxy form must be duly signed by the member or the member's attorney.
- 5 Where the member appoints 2 proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
- 6 To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the Annual General Meeting or any adjourned meeting (or such lesser period as the Directors may permit):
 - (a) By mail to Computershare Investor Services, GPO Box 242, Melbourne Victoria 3001.
 - (b) Online by going to the Computershare website www.investorvote.com.au and log in using the control number found on the front of your proxy form, or scan the QR code on the front of your proxy form with your mobile device and follow the instructions on the secure website to vote.
 - (c) By facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
- 7 Any proxy form received after this deadline will be treated as invalid.
- 8 A person appointed as proxy may vote or abstain from voting as he or she thinks fit except where the proxy holds a Directed Proxy Form or is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.
- 9 If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your Undirected Proxy Form in accordance with his intentions set out below.
- 10 The Chairman intends to vote all Undirected Proxy Forms in favour of all Resolutions, including Remuneration Resolutions.
- 11 A copy of the Notice of Meeting and Explanatory Memorandum has been lodged with ASX pursuant to the ASX Listing Rules. Neither ASX nor any of its officers take any responsibility for the contents of the Notice of Meeting and Explanatory Memorandum.
- 12 At the Annual General Meeting, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.
- 13 Shareholders may submit written questions to the Auditor regarding the content of the Auditor's Report or the conduct of the audit of the annual financial report. The Chairman will allow reasonable opportunity at the Annual General Meeting to respond to the questions set out on this list. The Auditor is not required to provide written answers to questions.
- 14 The following definitions apply in this Notice of Meeting and Explanatory Memorandum:

ASX Listing Rules means the official listing rules of ASX as amended from time to time.

Directed Proxy Form means a proxy form which specifies how the proxy is to vote.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Meeting.

Key Management Personnel of the Company are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2018.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolution 1 in this Notice of Meeting.

Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Annual General Meeting on Thursday, 22 November 2018. These explanatory notes should be read with, and form part of, the accompanying Notice of Meeting.

1 Item 1 – Financial statements and reports

The *Corporations Act 2001* (Cth) requires the Company to lay its Financial Report and the reports of the Directors and Auditor for the last financial year before the Annual General Meeting. No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's Auditor will also be present at the Annual General Meeting and shareholders will be given reasonable opportunity to ask the Auditor questions about the conduct of the audit and content of the Auditor's Report.

The 2018 Annual Report is available on the Company's website at www.1300SMILES.com.au.

2 Resolution 1 – Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2018 is set out in the Company's 2018 Annual Report, which is available on the Company's website at www.1300SMILES.com.au.

The Remuneration Report details the Company's policy on the remuneration of Non-Executive Directors, the Managing Director and other Key Management Personnel. The Chairman of the Annual General Meeting will allow a reasonable opportunity for shareholders to ask questions about, or to make comments on, the Remuneration Report at the Annual General Meeting. In addition, shareholders will be asked to vote on the Remuneration Report.

The resolution is advisory only and does not bind the Company or its Directors. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company. The directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company and its business.

Under the *Corporations Act 2001* (Cth), if 25% or more of the votes that are cast are voted against the Remuneration Report at two consecutive Annual General Meetings, shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must stand for re-election.

As the Directors have a personal interest in the proposed Resolution, they make no recommendation as to how shareholders should vote on this Resolution.

3 Resolutions 2 and 3 – Election of Evonne Collier and Jason Smith as Directors

3.1 Background

Clause 17.7 of the Company's Constitution provides that the Board may at any time appoint any person to be a Director. A Director appointed under this clause (and for the purposes of ASX Listing Rule 14.4) holds office until the end of the next Annual General Meeting of the Company, when the Director may be elected.

3.2 Election of Evonne Collier

Evonne Collier was appointed to fill a casual vacancy as a Non-Executive Director of the Board on 23 November 2017. Ms Collier therefore retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offers herself for re-election. The Board considers Ms Collier to be an independent Director.

Ms Collier is an experienced leader with a successful track record in business scale-up and transformation, brand/channel strategy, new to world and category innovation, digital disruption and B2B and B2C customer experience. She has 25 years' senior executive experience working within blue-chip local and multinational companies in the FMCG, Health/Pharmaceutical and Entertainment/Technology sectors.

Ms Collier has extensive board and executive experience with ASX and large shareholder based businesses. She currently serves as Non-Executive Chair of Vault Intelligence Limited as well as Non-Executive Director of Think Childcare Limited, Brisbane Markets Limited, Motorama Group and Catch Group. In the last 3 years, Ms Collier has also held directorships with The Hospitals Contribution Foundation of Australia Limited, Ingredients Plus Pty Limited, Winson Group and ParaQuad NSW.

The Directors, with Ms Collier abstaining, recommend that shareholders vote in favour of Resolution 2.

3.3 Election of Jason Smith

Jason Smith was appointed to fill a casual vacancy as a Non-Executive Director of the Board on 23 November 2017. Mr Smith therefore retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for re-election. The Board considers Mr Smith to be an independent Director.

Mr Smith is the founder and Executive Chairman of Back In Motion Health Group. With over 100 locations in Australia and New Zealand, Back in Motion was rated by BRW five years consecutively in the top 15 growing franchises.

Mr Smith is the author of the international best seller "Get Yourself Back In Motion" – a physiotherapist's secrets to pain relief and optimal health. He is also a regular contributor and presenter on health & wellness, leadership and business related subjects on television, radio, print and online channels. Mr Smith has demonstrated commitment to those less fortunate through his work with numerous humanitarian welfare organisations and community groups.

Mr Smith is a member of the Franchise Council of Australia, the Australian Physiotherapy Association, various CEO groups and business forums. He currently serves as a Director of SOS Health Foundation, Sport and Life Training and Iceberg Leadership Institute.

The Directors, with Mr Smith abstaining, recommend that shareholders vote in favour of Resolution 3.

4 Resolution 4 – Re-election of Robert Jones as Director

Clause 17.5 of the Company's Constitution provides that at each Annual general Meeting one-third of the Directors (except for the Managing Director), shall retire from office by rotation. This clause does not include the Directors standing for election in accordance with clause 17.7 of the Company's Constitution.

In accordance with clause 17.5 of the Company's Constitution, Mr Jones retires by rotation and being eligible, offers himself for re-election as a Director of the Company.

Mr Jones was first appointed a Non-Executive Director in September 2007 and last stood for re-election at the 2017 Annual General Meeting. He currently serves as director of Hermit Bus Park Service Pty Ltd and was previously a Director and Chairman of the Mater Health Services North Qld Ltd from 1993 until 2013.

The Directors, with Mr Jones abstaining, recommend that shareholders vote in favour of Resolution 4.