



1300SMILES Limited
ACN 094 508 166

Notice of Annual General Meeting

Date: 25 November 2019
Time: 9.00am (Townsville time)
Place: 1300SMILES Limited
105 Denham Street
Townsville QLD 4810

A proxy form 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 25 November 2019.

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 2019.

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 2019 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 Jason Smith as a director

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

'That Jason Smith, 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.'

4 Resolution 3 - Renewal of proportional takeover bid provisions

To consider and, if thought appropriate, pass the following resolution as a **special** resolution:

'That the proportional takeover provisions in clause 34 of the Constitution be and are hereby renewed for the three year period from 10 November 2019 up to and including 9 November 2022.'

5 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

Robert Jones
Non-Executive Chairman
Dated 24 October 2019

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) Friday, 22 November 2019. 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 2019.

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 25 November 2019. 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 2019 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 2019 is set out in the Company's 2019 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 Resolution 2 – Re-election of Jason Smith 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 Smith retires by rotation and being eligible, offers himself for re-election as a Director of the Company.

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 a recent best-selling book titled 'Outside In Downside Up Leadership' and was listed as the No.2 Top Franchise Executive in Australia for 2019. He has previously published 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 and Iceberg Leadership Institute.

The Board considers Mr Smith to be an independent Director.

The Directors, with Mr Smith abstaining, recommend that shareholders vote in favour of Resolution 2.

4 Resolution 3 – Renewal of proportional takeover bid provisions

4.1 Proportional takeover provisions

A proportional takeover bid is one under which an offer is made for only a proportion of each shareholder's shares.

Clause 34 of the Company's Constitution prohibits the registration of a transfer of shares under a proportional takeover bid unless and until an ordinary resolution approving the bid is passed by the relevant shareholders.

The proportional takeover provisions were last approved at the 2016 annual general meeting.

The existing proportional takeover approval provisions will cease to have effect on 10 November 2019, unless renewed by special resolution of the shareholders.

4.2 Effect of proportional takeover provisions proposed to be renewed

The effect of the proportional takeover provisions is that, if a proportional takeover bid is made to shareholders, the Directors are required to seek shareholder approval for such takeover bid at least 14 days before the last day of the bid period. The resolution approving the bid must be passed by more than 50% of the votes cast on the resolution. The bidder and any associate of the bidder will be excluded from voting.

If a resolution to approve the bid is voted on and is rejected, all offers under the bid are taken to be withdrawn and each binding takeover contract for the bid is rescinded. If no resolution has been voted on to approve the bid in the required timeframe, a resolution is taken to have been passed approving the bid.

The proportional takeover provisions do not apply to full takeover bids and, if Resolution 3 is passed, will only apply until 9 November 2022, unless renewed again by shareholders.

4.3 Reasons for renewing proportional takeover provisions

A proportional takeover bid involves an offer to buy only a specified portion of each shareholder's shares. Therefore, without the proportional takeover provisions, a proportional takeover bid for the Company might enable a bidder to obtain control of the Company without shareholders having an opportunity to sell all their shares.

The proportional takeover provisions give shareholders the opportunity to decide whether or not a proportional takeover bid is acceptable and should be allowed proceed.

4.4 Advantages and disadvantages of provisions during current period

As far as the Directors are aware, there have not been any actual advantages or disadvantages to either the Directors or shareholders arising from the proportional takeover provisions during the period in which those provisions have been in effect.

4.5 **Potential advantages of renewal - shareholders**

The proportional takeover provisions ensure that all shareholders have an opportunity to consider a proportional takeover bid and vote on whether it should be permitted to proceed.

The provisions may help shareholders avoid being locked in as a minority and avoid a bidder acquiring control of the Company without paying an adequate control premium. The provisions may assist in ensuring that any future proportional takeover bid is structured to be attractive to a majority of independent shareholders.

4.6 **Potential disadvantages of renewal - shareholders**

However, the approval provisions may make a proportional takeover more difficult to achieve and therefore discourage proportional bids. This in turn, may reduce opportunities for shareholders to sell shares in the Company at an attractive price to persons seeking control of the Company and may therefore eliminate any element of takeover speculation from the Company's share price. It may also be argued that the provisions constitute an additional restriction on the ability of shareholders to deal freely with their shares.

4.7 **Potential advantages and disadvantages of renewal - Directors**

There are no specific advantages or disadvantages for Directors (in their capacity as Directors of the Company) of the proportional takeover provisions.

4.8 **Present acquisition proposals**

At the date of this notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

The Directors consider that it is in the best interest of shareholders to have the right to vote on a proportional takeover bid and therefore unanimously recommend that you vote in favour of this resolution.



ABN 91 094 508 166

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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (Townsville time) Saturday 23 November 2019.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/we being a member/s of 1300Smiles Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of 1300SMILES Limited to be held at 1300SMILES Limited, 105 Denham Street, Townsville QLD 4810 on **Monday 25 November, 2019** at 9:00am (Townsville time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention in step 2) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Jason Smith as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Renewal of proportional takeover bid provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

