



ABN 27 621 105 824  
ACN 621 105 824

**ASX Announcement**  
**23 September 2020**

**Smiles Inclusive Limited: Communication to shareholders**

Smiles Inclusive Limited (ASX:SIL) today advises that its shareholders will shortly receive the following documents regarding the extraordinary general meeting of the Company called by a group of former Totally Smiles dentists and their associated entities to be held on Friday 23 October 2020 at 10.00am:

- Chairman's letter to shareholders
- Sustainable Improvement Strategy
- Proxy Form

***This announcement has been approved for release by the Board.***

For further information, please contact:  
Michelle Aquilina, Chief Executive Officer  
E: [michelle.aquilina@totallysmiles.com.au](mailto:michelle.aquilina@totallysmiles.com.au)



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**23 September 2020**

Dear Shareholder

You may have received or will shortly receive a Notice of Meeting from a group of former Totally Smiles dentists and their associated entities (**Requisitioning Shareholders**) for an extraordinary general meeting (**EGM**) of the Company to be held on Friday 23 October 2020. This letter explains the Company's response to the Notice of Meeting and introduces our 'Sustainable Improvement Strategy', which is explained in detail in the attachment.

**The Notice of Meeting and proxy form were NOT sent by Smiles Inclusive and do NOT reflect the views of the Smiles Inclusive Board. The instructions in the Notice of Meeting encourage you to send proxies to a company called Advanced Share Registry, which is not the Company's share registry. THE SMILES INCLUSIVE BOARD STRONGLY RECOMMENDS SHAREHOLDERS NOT TO SEND ANY PROXY FORMS TO ADVANCED SHARE REGISTRY.**

The Requisitioning Shareholders have proposed a number of resolutions to remove all of the current directors and appoint Dr John Camacho, Dr Philip Makepeace and Dr Arthur Walsh as directors (**Nominee Directors**).

**Your Directors unanimously recommend shareholders VOTE AGAINST all of the resolutions proposed by the Requisitioning Shareholders and that you **IGNORE THE PROXY FORM SENT BY THEM**. Only use the attached Proxy Forms authorised and sent by Smiles Inclusive.**

The Nominee Directors have a history of attempting to spill the Board, risking disruption of the Company's efforts to turn around the business. This latest call for an EGM is Dr Camacho's third attempt to remove the current directors and be appointed to the Board. It is an unnecessary and costly distraction for the Company when the performance of the business is beginning to improve.

It is clear from the Notice of Meeting that the Requisitioning Shareholders have not defined a strategy to turn around the performance of the Company for the benefit of all shareholders. They seek to remove the current Managing Director and CEO, Michelle Aquilina, but have not identified a replacement CEO to lead the business. The Nominee Directors have no listed public company experience. Your Board unanimously recommends shareholders **vote against** the resolutions they have proposed, for the following reasons.

**1. The Nominee Directors have no listed public company experience.**

Dr Camacho, Dr Makepeace and Dr Walsh do not have experience of managing a listed public company. They have never been directors of a publicly listed healthcare company or any listed company.

**2. The Requisitioning Shareholders have not defined a plan to improve the performance of the business or restore the Company's balance sheet.**

The Requisitioning Shareholders have not proposed a new CEO and have not put forward a strategy to turn the performance of the business around to achieve sustainable growth, add value to the business or improve the Company's balance sheet.

Dr Camacho, Dr Makepeace and Dr Walsh terminated their facilities and services agreements with the Company in April 2020 and no longer work with the Company. They have not been involved in the work being carried out by the Board and management team with our dentists and staff to improve practice performance and turn around the business.

**3. This latest EGM comes less than 18 months after shareholders rejected Dr Camacho's last bid to join the Company's Board.**

Some of the Requisitioning Shareholders called an EGM in May 2019 seeking to remove the Directors and have Dr Camacho elected to the Board. Shareholders rejected Dr Camacho's bid to join the Board.

Later the same month, shareholders associated with Dr Camacho and others sought to requisition a second EGM to consider the same resolutions that failed at the first EGM. The second EGM ultimately did not have enough shareholder support to proceed.

This latest EGM is the third time that Dr Camacho has sought to remove the Directors and to be elected to the Board.

**4. This EGM is an unnecessary and costly distraction from efforts to improve business performance.**

Smiles Inclusive has had to incur costs, both in time spent by management and the Board and in legal and other fees, to respond to the repeated attempts to spill the Board. The Requisitioning Shareholders' repeated attempts to spill the board risk destabilising our staff and suppliers, as well as our capital raising efforts. They have certainly resulted in unnecessary cost for Smiles Inclusive and a distraction from the Board's drive to improve business performance. Your Board and management will continue to resist any effort to undermine their resolve to implement our strategy to maximise the value of the Company for the benefit of all shareholders.

**5. The Board, management, dentists and staff of Smiles Inclusive have improved the performance of the business and are dealing with the impacts of COVID-19 positively.**

The Board and management team of Smiles Inclusive are implementing a **Sustainable Improvement Strategy**, which is explained in detail in the attachment to this letter, at the same time as managing the response to COVID-19 which forced the temporary closure of all of our dental clinics.

Implementation of the plan is being led by Managing Director and CEO, Michelle Aquilina, who has 30 years' experience in the dental industry. In her previous role, she led the turnaround of Primary Dental Care (a division of ASX listed Healius Limited (ASX: **HLS**)) that resulted in it becoming one of the top dental service operators in Australia. The Board believes that Michelle's track record, operational skills, and her proven ability to engage practitioners and staff make her the best person in the Australian dental industry to lead the turnaround of Smiles Inclusive.

Our **new CEO** has been at the helm since April 2020 and the business has already made significant gains in practice performance and dentist engagement. Our JVPs have indicated their support for Michelle and acknowledged the changes that have already occurred under her leadership. Our new management team includes skilled and experienced regional operations managers to provide ongoing support and engage with our frontline dentists and staff. A **new COO** has been appointed and we are in the final stages of appointing a **new CFO**. This experienced team will support Michelle in implementing the necessary changes to the business.

The 'green shoots' of improvement are based on management actions including:

- an organisational re-design to empower dentists and staff at the frontline while support office leads strategic growth and innovation, and improves engagement with our people
- reduction of operating costs through consolidating business divisions, terminating 15 sub-optimal practice leases, and right-sizing practice staffing levels and cost bases
- investment in frontline services
- divestment of non-core practices to improve the balance sheet
- implementation of a new supply chain strategy to capitalise on scale and ensure consumables and equipment supplies are competitively priced.

**The Company has a cohesive and productive Board and management team** with a clear pathway forward and a strong commitment to working through the turnaround of the business. The Nominee Directors are asking shareholders to remove all of the directors, including Ms Aquilina, which would derail current efforts to improve the operational and financial performance of the business to ensure a sustainable future and enhance value for shareholders. The Board strongly believes that a change of directors at this time would be disruptive, if not disastrous for Smiles Inclusive and its shareholders.

While recent events have proved challenging for Smiles Inclusive, the current Board and management team have a well-defined strategic and operational plan in place, and a clear execution pathway. The Board is committed to acting in the best interest of all stakeholders, including its patients, dentists, staff and shareholders.

## How to VOTE AGAINST the EGM Resolutions

Shareholders are urged to ignore the proxy form sent by the Requisitioning Shareholders with their Notice of Meeting, and **vote against all resolutions using the proxy form attached to this letter.**

The instructions in the Notice of Meeting encourage you to send proxies to a company called Advanced Share Registry, which is not the Company's share registry. **If you have already sent a proxy form, the Smiles Inclusive Board recommends you re-vote using the attached proxy form, against all resolutions, and send the proxy form to the Company's share registry, Link Market Services. Any second or subsequent vote will replace a proxy vote already received.**

## Sustainable Improvement Strategy

The Board is pleased to introduce the Company's 'Sustainable Improvement Strategy' which provides the business with a pathway to sustainable growth in the short and longer term, and addresses a number of critical areas as a matter of urgency.

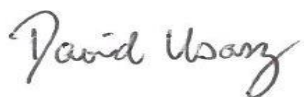
In the immediate term, the strategy focuses on improving engagement with dentists and staff, and driving revenue growth from our existing Totally Smiles centres. We are empowering dentists to grow their businesses, and providing support in operations and governance. Rigorous cost control and removing unnecessary expenses is an important focus, along with introducing more disciplined systems and processes. We are also reviewing our practice portfolio to identify and divest non-core assets.

Longer term, the strategy comprises a combination of actions for operational effectiveness and growth. It focuses on delivering improved business performance and as a result, better returns for shareholders. We are also working on some innovations that will open new markets for our practices and support growth.

The attached document explains the strategy in more detail and includes the actions that are being taken by the Board and management to turn around the operational and financial performance of the

business and recover from the temporary closure of our clinics because of COVID-19. We look forward to updating shareholders of our progress in implementing the strategy for the benefit of all shareholders.

Yours sincerely

A handwritten signature in dark ink, reading "David Usasz". The signature is fluid and cursive, with the first name "David" and last name "Usasz" clearly distinguishable.

**David Usasz**

**Chairman**





smiles<sup>®</sup>  
inclusive

# Sustainable Improvement Strategy

SHAREHOLDER UPDATE SEPTEMBER 2020

# OUR SUSTAINABLE IMPROVEMENT STRATEGY

Our Sustainable Improvement Strategy is an integrated framework that promotes innovation, collaboration, engagement and continuous improvement to ensure the needs of our people, our business and our shareholders are aligned.





# BUILDING MOMENTUM AND IMPROVING PERFORMANCE

Roll-out of the strategy has gathered momentum since commencing in May 2020 and delivered some early improvements in engagement with dentists and staff, and business performance.



## 2020

- > Re-building the foundation

## February – March

- > Recruitment of new CEO and COO

## April

- > COVID-19 pandemic – recovery plan commenced
- > Launched operational effectiveness changes and standard operations procedures for scale
- > Cost efficiencies and supply chain strategy commenced
- > Process to divest non-core practices commenced
- > Communication and Engagement Strategy launched

## May

- > A new Sustainable Improvement Strategy launched
- > Organisational re-structure reduced support office structure and invested in regional operations managers to support centres

## June

- > Clinical Advisory Committee Plan developed
- > Property Strategy commenced

## July

- > Partnership with GEM
- > Consolidation of dentures and mobile dentistry division

## August

- > Re-launch of mobile dentistry division
- > Launched Employee Wellbeing Assistance Program
- > Launched employee engagement survey

## September

- > Reset of Brand Strategy
- > Launch Voice of the Customer strategy
- > Launch Digital Enablement strategy

## FY2021

- > Strengthen value proposition

## FY2022-24

- > Focus on growth and expansion



# OVERCOMING THE CHALLENGES TO OUR BUSINESS

While COVID-19 has been a serious disruption and has significantly impacted our financial performance, it has provided the opportunity to reset the business. There is also an urgent need to address challenges with the Totally Smiles business model that have had a significant negative impact on our financial performance.

## COVID-19 Recovery Plan

All of our practices were forced to close in March-April. They re-opened on 15 May and we are ramping up to a full service offering within the prevailing public health guidelines.

We will continue to monitor and respond to COVID-19, embracing public health guidelines and advice to ensure the safety of our patients, dentists and staff.

Key aspects of our COVID-19 Recovery Plan include:

- > Wellbeing program to support our people
- > Emergency dental care for the community
- > Senior executive and Board pay cuts
- > JobKeeper eligibility and support for our people when practices closures are required.

## Fixing the business model

Smiles Inclusive's business model was founded on integrating and re-branding more than 50 dental practices across Australia that were acquired when the company listed on the ASX in April 2018. The business has had problems successfully integrating its practices and achieving the benefits of owning a network with national scale.

Our immediate focus is to stabilise the business and empower front line teams with a consistent operating platform and clinical governance, and disciplined systems and processes. We have taken decisive action to reduce costs and achieve efficiencies of scale; and to drive revenue growth by implementing an organisation re-design and capitalising on existing surgery capacity and recruiting new dentists. These, and a range of other changes, are part of the Sustainable Improvement Strategy and are delivering some initial performance improvements.

## Urgent need to address business performance

Our new local empowerment model will drive growth and give us the agility to address consumer needs and new trends. Our immediate focus is:

- ✓ **Drive revenue growth:** Capitalise on existing surgery capacity within our centres and recruit additional dentists
- ✓ **Empower our centres:** Organisational re-design for a local empowerment model and support front line teams in service delivery and innovation

- ✓ **Rigorous cost control:** cost efficiencies through scale and delegations of authority
- ✓ **Support business operations with a consistent operating platform and clinical governance,** disciplined systems and processes
- ✓ **Portfolio review of sites and explore divestment**

# PROGRESSING OUR STRATEGIC INITIATIVES

We have already seen positive change from the Sustainable Improvement Strategy – improved business performance and better engagement with dentists and staff. Our strategy is based on five key strategic initiatives that we know are core to building sustainable, thriving dental businesses.



## People engagement and wellbeing

Engaging and empowering dentists and staff to deliver service excellence and practice performance, with our support. Our partnership with Dr Natalie Flatt PhD from Connect Psych Services provides our people with support and assistance for mental health and wellbeing



## Cost efficiency

Operating our practices to capitalise on economies of scale across the network



## Strategic growth

Pursuing innovation and opportunities to grow our services and practices that align to our strategic framework



## Operational effectiveness

Operating our network according to a consistent operating platform for scale with a leaner and resilient organisational structure



## Clinical excellence

Supporting dentists and staff to provide the highest standards of dental care, adapting to continuing developments in clinical practice and consumer needs

Some of the positive changes the strategy has already delivered include:

- ✓ Improved engagement with dentists and staff
- ✓ Investment in frontline services to continually meet the needs of patients
- ✓ Investment in experienced regional operations managers to support dentists and staff with innovation and growth
- ✓ Reduced operating costs and rigorous cost controls
- ✓ Streamlined supply chain for greater efficiency
- ✓ Disciplined standard operating procedures and continuous improvement strategies to support business operations
- ✓ Sale of non-core practices
- ✓ Consolidation of mobile and dentures business units to focus investment and effort into growth markets and improve cost base

# PROGRESSING OUR STRATEGIC INITIATIVES (CONTINUED)



## STRATEGY 1 People Engagement and wellbeing

We are working with an external provider on a 'Voice of the Customer' (VoC).

The VoC will enable us to map the lifecycle of patients, dentists and staff so that we can better understand our people and our patients to enable us to be more responsive to their needs and continually be at the forefront.

Recruitment and retention are pivotal to growth. Through research and feedback, the VoC project will help us to design and manage the experience of our people and patients and continually meet their needs. It will also provide a foundation to improve engagement, dentist retention and job satisfaction for our staff.



## STRATEGY 2 Cost Efficiency

Streamlining operating costs has been a critical step in stabilising the business for sustainable growth.

Optimising our support office structure will enable us to be more agile and respond to market conditions while also improving our financial position.

- > Consolidation of dental clinics network
- > Termination of leases through consolidation and improved business performance
- > Renegotiation in supply chain resulting in cost reductions
- > Practice right sizing
- > Removing costs where there is duplication or unnecessary spend.

# PROGRESSING OUR STRATEGIC INITIATIVES (CONTINUED)



## STRATEGY 3 Strategic Growth

We are pursuing innovative growth opportunities that will make Totally Smiles a first mover and differentiate us within our competitive market.

### **GEM Partnership**

We are pleased to partner exclusively with GEM – a new fast-moving consumer goods brand in the dental category. GEM is an industry disruptor, addressing an emerging market need for all-natural, premium toothpaste and dental care products. GEM has designed an exclusive bespoke range of organic toothpaste and dental products for Totally Smiles. This exclusive partnership will see further collaboration in innovative products and exclusive products to Totally Smiles. GEM will be sold through our clinics and a new Totally Smiles e-commerce platform. Our partnership with GEM will be a brand differentiator opening a new millennial market segment and an entry into e-commerce.

### **Mobile dentistry business**

Mobile dentistry is a differentiator within our competitive environment. The business operates in New South Wales and Victoria, focusing on dental services for primary and secondary schools. To re-launch the business, we have

consolidated two brands, recruited a support team and engaged with state education departments. We are currently exploring expansion opportunities for this exciting business.

### **A new low cost fixed price model**

The dental industry is sensitive to household disposable income with one-third of Australians not regularly visiting the dentist because of costs. Australia has also experienced a decline in people who have private health insurance<sup>2</sup>.

Whilst the focus continues to be on our core business, it is also important to be on the forefront of meeting consumer needs. Totally Smiles is developing a low cost fixed price model targeted to this market. We believe Australian market conditions allow for both models to co-exist where ALL Australians can have the opportunity to manage their oral health. This model of care is geared towards high volume, low cost and efficient operations, offering patients transparent, accessible and affordable dental care.

<sup>2</sup> AHIW 2020, Oral Health and Dental Care in Australia July 2020 IBISWorld 2019, Industry Report Q8531 Dental Services in Australia



# PROGRESSING OUR STRATEGIC INITIATIVES (CONTINUED)



## STRATEGY 4 Operational Effectiveness

A consistent operational platform supports the delivery of service excellence and efficiencies across our network.

We have introduced new standard operating procedures and right-sized the staffing and cost base of our practices for scale.

A critical review of our Totally Smiles branded portfolio of practices has identified a number of sites that are being considered for divestment. These sites are currently:

- > Loss making
- > Have limited scope for future growth or located in saturated markets
- > Are either dormant or located in geographically challenged areas.

Divestment of non-core practices will improve operations, cashflow, Group EBIT and Return on Invested Capital.

We have introduced Regional Operations Managers to support our practices. KPIs and objectives for revenue and cost management have also been rolled out across our operations.

To improve communication and engagement with dentists and staff, we have enhanced our communication strategy to align and engage our people, to create opportunities for collaboration and improve performance across the network.

# PROGRESSING OUR STRATEGIC INITIATIVES (CONTINUED)



## STRATEGY 5 Clinical Excellence

We have introduced bi-annual quality reviews across our practice network for strong clinical governance and to drive continual improvement in services. The reviews are based on continuous improvement methodologies to facilitate quality improvement across the network.

The reviews are complemented by expanded professional development and the introduction of a Clinical Advisory Committee.

Totally Smiles is focused on developing our people and being an aspirational brand to work for. We support our employees to aim for excellence in clinical standards by introducing professional development, training and the latest equipment.

To meet these goals we are:

- > Developing a Clinical Advisory Committee to oversee professional development and training, and facilitate in-house and external training opportunities.
- > Introducing our Young Professionals and Senior Dentist Education program to create dentists of the future, train and develop our people, support recruitment and retention, and advance quality of dental care.

# SMILES BOARD AND LEADERSHIP TEAM

We have a capable and cohesive Board and management team, focusing on turning around performance to build a sustainable and growing business that delivers value for shareholders.



**David Usasz**  
Chairman

David was a 20-year partner at PWC involved in M&A, and accounting and financial consultancy in corporate re-organisations. He is a former non-executive director of QIC and Cromwell Corporation. He holds a Bachelor of Commerce and is a Fellow of the Institute of Chartered Accountants.



**Peter Fuller**  
Non-executive Director

Peter is a director of Smiles Inclusive and a Dental Prosthetist with 30 years experience in the dental industry. Peter holds Bachelor of Dental Technology and a degree in business management.



**Michelle Aquilina**  
Managing Director and CEO

Michelle is a highly experienced CEO and has worked in the dental industry for 30 years. She is founder of the Swift Q dental 99 model. Michelle is a specialist change agent who led and turned around Primary Dental Care for Healius Limited. Michelle holds a degree in business management, Masters in Business Administration (Executive) and a Masters of Management.



**Mark O'Brien**  
Chief Operating Officer

Mark has been a successful leader in healthcare, pharma, retail and early education businesses that have grown by acquisition. Mark has a Bachelor of Science (Hons) from the University of Melbourne and a Post Graduate Diploma of Management (AGSM).



**Peter Evans**  
Non-executive Director

Peter was a director of Morgans, Australia's largest full-service retail stockbroking and wealth management firm, and several other public and private companies. Peter holds a Bachelor of Commerce, Diploma of Advanced Accounting and Masters of Stockbroking. He is a Fellow of the Financial Services Institute of Australasia and a Senior Fellow of the Australian Institute of Company Directors.





This document has been prepared by Smiles Inclusive Limited (**Company**) and includes general background information about the Company. Statements in this document are made only as at 22 September 2020 and the information in this document remains subject to change without notice. The information in this document is of a general nature and does not purport to be complete, is provided solely for information purposes and should not be relied upon by the recipient.

**Not financial product advice**

This document is for informational purposes only and is not a financial product or investment advice or recommendation to acquire any securities in the Company and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Each recipient of this document should make their own assessment of an investment in the Company and should not rely on this document. In all cases, each recipient should carry out its own investigations and analysis of the Company and verify the accuracy, reliability and completeness of the information contained in this document. Recipients should seek appropriate legal, financial, tax and other advice.

**Disclaimer**

To the maximum extent permitted by law, the Company disclaims all responsibility and liability for any loss arising from this document or reliance on anything contained in or omitted from it or otherwise arising in connection with this document and does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this document or that this document contains all material information about the Company that a prospective investor may require in evaluating a possible investment in the Company.

**Past and future performance**

Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This document contains certain forward-looking statements with respect to the financial condition, operations and business of the Company and certain plans and objectives of the Company. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward looking statements involve known and unknown risks, uncertainties and other factors that because of their nature may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which the Company will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts.





**smiles<sup>®</sup>**  
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## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Smiles Inclusive Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



**X99999999999**

## PROXY FORM

I/We being a member(s) of Smiles Inclusive Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (Brisbane time) on Friday, 23 October 2020 at AJ & CO Lawyers, Level 18, 1 Eagle Street, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

**The Chairman intends to vote all undirected proxies against ALL resolutions. In exceptional circumstances, the Chairman may change his voting intention on any resolution, in which case an ASX announcement will be made.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Appointment of Dr Joao (John) Camacho as a Director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Removal of Mr Peter Evans as a Director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Appointment of Dr Philip Makepeace as a Director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Removal of Mr Peter Fuller as a Director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Appointment of Dr Arthur Walsh as a Director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Removal of Ms Michelle Aquilina as a Director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Removal of Mr David Usasz as a Director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Removal of Directors appointed after the notice of requisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**SIL PRX2001A**

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO 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 those 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 Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Wednesday, 21 October 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Smiles Inclusive Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**