

27 October 2014

Company Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Notice of Annual General Meeting

Attached please find the ThinkSmart Limited ("the Company") Notice of Annual General Meeting being dispatched to the Company's shareholders today.

The abovementioned document will be available on the Company's website www.thinksmartworld.com

Yours faithfully

A handwritten signature in dark ink, appearing to read "Neil Hackett".

Neil Hackett
Company Secretary
ThinkSmart Limited

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2014 Annual General Meeting of ThinkSmart Limited (the Company) will be held at Level 36, QV.1 Building, 250 St Georges Terrace, Perth on Wednesday, 26 November 2014 at 3:00pm (WST).

An Explanatory Statement containing information in relation to each of the resolutions to be put to shareholders accompanies this Notice of Meeting.

The 2014 Annual Report is available on the Company's website: www.thinksmartworld.com

AGENDA ITEMS

ORDINARY BUSINESS

Financial Reporting

To receive and consider the financial report of the Company and the consolidated entity and the reports of the directors and the auditors for the financial year ended 30 June 2014.

There is no vote on this item.

Resolution 1 – Remuneration Report

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

“That the Remuneration Report contained within the Company's financial report for the year ended 30 June 2014 be adopted.”

This resolution is advisory only and does not bind the directors or the Company.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of a member of the Company's key management personnel (**KMP**), details of whose remuneration is included in the Remuneration Report, or their closely related parties (such as close family members and any companies the person controls).

However, the Company need not disregard a vote cast on Resolution 1 by a member of the KMP or their closely related parties as a proxy if the vote is not cast on behalf of a member of the KMP or their closely related parties and either:

- the voter is appointed as a proxy by writing that specifies how the proxy is to vote on Resolution 1; or
- the proxy is the Chairman of the meeting and the appointment expressly authorises the Chairman to exercise the proxy.

Resolution 2 – Retirement by Rotation and Re-election of Director – Mr Fernando de Vicente

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

“That Mr Fernando de Vicente, being a director of the Company who retires in accordance with ASX Listing Rule 14.5, and being eligible, is re-elected as a director of the Company.”

Resolution 3 – Approval of Participation by Mr Fernando de Vicente in the Executive Share Option Plan

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of options to Mr Fernando de Vicente under the Executive Share Option Plan and on the terms and conditions described in the Explanatory Statement accompanying this Notice of Meeting be approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3:

- by a director of the Company, except those ineligible to participate in any employee incentive scheme of the Company, and any of their associates; and
- as proxy by a member of the KMP or their closely related parties.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person entitled to vote, in accordance with a direction on the Proxy Form; or
- it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote and the appointment expressly authorises the Chairman to exercise the proxy.

Resolution 4 – Approval of On-Market Buy-Back

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

“That, for the purposes of section 257C of the *Corporations Act 2001* (Cth) and for all other purposes, the Company is authorised to conduct an on-market buy-back of ordinary fully paid shares in the Company (**Shares**) in the 12 month period following the approval of this resolution, provided that the number of Shares bought back does not exceed 14,688,056 (being 10% of the lowest number of Shares on issue in the 12 months prior to 24 October 2014), in accordance with the terms and on the basis described in the Explanatory Statement accompanying this Notice of Meeting.”

ENTITLEMENT TO VOTE

It has been determined that under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Annual General Meeting, Shares will be taken to be held by the persons who are the registered holders at 5:00pm (WST) on 24 November 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

PROXIES

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act*; and
- provides satisfactory evidence of the appointment of its corporate representative at the meeting.

If such evidence is not received at the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

Members of the KMP (which includes each of the directors and the company secretary) will not be able to vote as proxy on Resolutions 1 and 3 unless shareholders direct them how to vote. If a shareholder intends to appoint a member of the KMP (such as one of the directors or the company secretary) as their proxy, they should ensure that they direct that person how to vote on Resolutions 1 and 3.

As a member of the KMP, the Chairman of the Meeting will not be permitted to vote undirected proxies on Resolutions 1 and 3. If a shareholder intends to appoint the Chairman as their proxy in relation to Resolutions 1 and 3, or the Chairman will be appointed as their proxy by default, the shareholder can direct the Chairman how to vote by either marking the boxes for Resolutions 1 and 3 (for example, if the shareholder wishes to vote ‘for’, ‘against’ or to ‘abstain’ from voting), or by marking as indicated on the Proxy Form (in which case the Chairman will vote in favour of Resolutions 1 and 3).

A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder’s votes.

A Proxy Form accompanies this Notice and to be effective must be received:

by post to: Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001	in person at: Computershare Investor Services Pty Limited Level 2, 45 St Georges Terrace Perth WA 6000	by facsimile on: (+61 3) 9473 2555
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by no later than 3:00pm (WST) on 24 November 2014

By order of the Board

A handwritten signature in black ink, appearing to read 'Neil Hackett', written in a cursive style.

Neil Hackett
Company Secretary

Date: 27 October 2014

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide shareholders with sufficient information to assess the merits of the accompanying Notice of Meeting.

The directors recommend shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting:

Financial Statements and Reporting

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires:

- the reports of the directors and auditors; and
- the annual financial report, including the financial statements of the Company for the period ended 30 June 2014,

to be laid before the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given reasonable opportunity to raise questions or make comments on the financial affairs of the Company at the Annual General Meeting.

Also, a reasonable opportunity will be given to members as a whole at the meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2014 is put to shareholders for adoption.

The vote on this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the discussion on this Resolution and the outcome of the vote into account when considering the Company's remuneration policy. In addition, shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report at the Annual General Meeting.

As a result of amendments to the Corporations Act known generally as the 'two strikes rule', shareholders should note that if 25% or more of the votes cast on this Resolution are voted against the Resolution (constituting a 'first strike'), a resolution on whether to hold a further meeting to spill the Board (a 'spill resolution') would be put to shareholders if a 'second strike' occurs at the 2015 Annual General Meeting. This spill resolution would be included in the 2015 Notice of Annual General Meeting.

The Chairman intends to vote all available proxies in favour of Resolution 1.

Resolution 2 – Re-election of Director

The Company's Constitution requires that, after excluding managing directors and directors standing for election after being appointed under rule 8.1(b), one third of the remaining directors must retire from office. Mr Steven Penglis, being a director of the Company, will retire effective from the end of the meeting, thereby satisfying the requirements in the Constitution. However, Mr Penglis will not be standing for re-election and ASX Listing Rule 14.5 requires that an entity must hold an election of directors each year. Therefore, Mr Fernando de Vicente, being the director who has been in office the longest since last being elected by shareholders, retires and offers himself for re-election.

A brief description of the candidate follows:

Fernando de Vicente **B. Econ and MBA Bus**

Mr de Vicente is a citizen of Spain who joined the Board on 7 April 2010. Mr de Vicente has a Degree in Economics (International Development) from the University Complutense in Madrid, and an Executive MBA from IESE Business School in Madrid. Mr de Vicente spent nine years at Dixons Retail, one of Europe's largest electrical retailers. Mr de Vicente's latest role in Dixons was International Managing Director, with responsibility for Dixons' Central & Southern European operations, a A\$3 billion business with 350 stores across six countries.

Mr de Vicente started his career with Dixons Retail as Finance Director for PC City Spain, and became the MD for Spain in 2003. In 2006 he was promoted to Regional Managing Director for South-East Europe based in Greece, before assuming the role of International Managing Director in 2008. In March 2010, Mr de Vicente left Dixons to become the Executive Chairman of BodyBell Group, one of Spain's largest speciality retailers. On 15 February 2012, Mr de Vicente was appointed Non-Executive Director of Levantina, a multinational company dealing in natural stone products.

As announced on 20 October 2014, Mr de Vicente will assume the role of CEO from 1 January 2015.

The directors consider that Mr de Vicente brings considerable commercial experience to the Board and will continue to be a key contributor to the Company seeking to continue its product and channel diversification strategy.

The directors (other than Mr de Vicente) recommend that shareholders vote in favour of Resolution 2. Mr de Vicente, who has an interest in the outcome of Resolution 2, declines to make a recommendation.

The Chairman intends to vote all available proxies in favour of Resolution 2.

Resolution 3 – Approval of Participation by Mr Fernando de Vicente in the Executive Share Option Plan

Resolution 3 seeks shareholder approval for the issue of options over the Company's unissued Shares (**Options**) to Mr Fernando de Vicente, a director of the Company, under the Company's Executive Share Option Plan, and otherwise on the terms and conditions set out in this Explanatory Statement.

The Company's remuneration policy is to ensure that executive remuneration is competitive in attracting, motivating and retaining executives of high calibre and properly reflects the duties and responsibilities of each relevant executive.

The remuneration structure used by the Company to achieve these objectives includes the combination of fixed annual remuneration and performance related remuneration – including participation in employee incentive schemes such as the Executive Share Option Plan.

The Executive Share Option Plan was established by the Company prior to its listing on the ASX in 2007. Following changes to the tax treatment of share options in Australia, it has been superseded for Australian-based employees by the Company's Long Term Incentive Plan, which was approved by shareholders at the Company's 2012 Annual General Meeting. However, the Executive Share Option Plan continues to play a role in performance related remuneration for executives and employees that are not based in Australia, such as Mr de Vicente.

As announced on 20 October 2014, from 1 January 2015 (**Commencement Date**), Mr de Vicente will assume the role of CEO and the Company's current CEO, Mr Keith Jones, will transition to the role of Executive Director of the Company, and will retain the options issued to him on 12 June 2014. Mr de Vicente's contract entitles Mr de Vicente to be issued a total of 2 million Options. The exercise price of these Options will be the volume weighted average price of the Company's Shares on ASX (**VWAP**) over the 30 trading days prior to the Commencement Date plus 20%.

The Options will be held subject to the terms and conditions of the Executive Share Option Plan, a full copy of which is available to shareholders on request from the Company Secretary and was also annexed to the notice of meeting for the Company's 2009 Annual General Meeting.

ASX requires, under Listing Rule 10.14, that shareholders approve the grant of securities to a director under an employee share scheme.

Accordingly, shareholder approval is sought for the issue of Options under the Executive Share Option Plan to Mr de Vicente as set out below.

Performance conditions

Mr de Vicente's Options will also be issued subject to the performance conditions outlined below.

First Condition: One-quarter of Mr de Vicente's Options will vest at the end of the 3 years from the Commencement Date (**Performance Period**) if at any time during the Performance Period, the VWAP over any consecutive 30 trading days is or is in excess of 40% greater than the VWAP of the Company's Shares on ASX over the 30 trading days prior to the Commencement Date (**Initial VWAP**).

Second Condition: A further quarter of Mr de Vicente's Options will vest at the end of the Performance Period if at any time during the Performance Period, the VWAP over any consecutive 30 trading days is or is in excess of 80% greater than the Initial VWAP.

Third Condition: The remaining half of Mr de Vicente's Options will vest at the end of the Performance Period if at any time during the Performance Period, the VWAP over any consecutive 30 trading days is or is in excess of 120% greater than the Initial VWAP.

Subject to the rules of the Executive Share Option Plan, Mr de Vicente must remain a group employee at the end of the Performance Period for the Options to vest, after which time the Options may be exercised for a period of 2 years, regardless of whether Mr de Vicente remains a director.

Regulatory information

ASX Listing Rule 10.15 requires the following information regarding the Executive Share Option Plan to be included in this Explanatory Statement:

- Subject to shareholder approval being obtained, the number of Options that the Company may issue to Mr de Vicente will be 2 million.
- No consideration is payable by Mr de Vicente at the time of issue of the Options.
- In accordance with the terms and conditions in the Executive Share Option Plan, the Options may be exercised up to 2 years from the end of the Performance Period.
- The Executive Share Option Plan was in place when the Company was listed on the ASX in 2007. In accordance with the approval sought at the Company's 2009 Annual General Meeting, 3 million Options were issued to Mr Ned Montarelo under the Executive Share Option Plan. In accordance with the approval sought at the Company's 2014 Annual General Meeting, 2 million Options were issued to Mr Keith Jones on 12 June 2014. No other directors have received Options under the Executive Share Option Plan.
- In the case of directors of the Company, participation in the Executive Share Option Plan is limited to executive directors. Accordingly Mr Jones, Mr Montarelo and Mr de Vicente are the only directors who are eligible to participate in the Executive Share Option Plan. Other executives and employees determined by the Board will also be eligible to participate in the Executive Share Option Plan. Non-executive directors will not be entitled to participate in the Executive Share Option Plan. As discussed above, due to changes in the tax treatment of share options in Australia, Mr Montarelo's performance based remuneration is now provided under the Long Term Incentive Plan.
- The Company will issue the Options to Mr de Vicente as soon as practicable following the Commencement Date and no later than 12 months after the meeting.

The Board, with Mr de Vicente abstaining, recommends that shareholders vote in favour of Resolution 3.

The Chairman intends to vote all available proxies in favour of Resolution 3.

Resolution 4 – Approval of On-Market Buy-Back

Background

On 20 February 2014, the Company announced that it would conduct an on-market buy-back (**Original On-Market Buy-Back**) of up to 15,926,376 Shares (being approximately 9.81% of the Shares on issue at the date of the announcement), subject to market conditions and the Company's share price. The Company announced on 1 October 2014 that it had concluded the Original On-Market Buy-Back and had bought back 12,927,273 Shares. In addition, the Company cancelled approximately 3 million employee Shares that were forfeited under the Company's Long Term Incentive Plan.

On 24 October 2014, the Board announced its intention to seek shareholder approval to conduct a further on-market buy-back (**On-Market Buy-Back**) of up to a 14,688,056 Shares (being 10% of the lowest number of Shares on issue in the 12 months prior to 24 October 2014) to provide the Company with the flexibility to buy back further Shares on-market during the 12 months from the date of the resolution. This is the maximum number of Shares that may be repurchased rather than the actual number that will definitely be bought back.

The Company had 146,880,565 Shares on issue on 24 October 2014 and there has not been any change in the number of Shares on issue since that time. If the maximum number of Shares are bought back, this would represent approximately 10% of the Shares as at the date of this Notice of Meeting.

The Company is seeking approval for the On-Market Buy-Back. If the On-Market Buy-Back is approved and the Company buys back the maximum number of Shares, under the On-Market Buy-Back and the Original On-Market Buy-Back, the Company will have bought back approximately 17.04% of the Shares that were on issue as at 20 February 2014.

Reason for Resolution 4

The Corporations Act permits a company to buy back shares in itself, provided the buy-back does not materially prejudice the company's ability to pay its creditors and provided also that the company complies with the procedures specified in the Corporations Act. A company is entitled to buy back shares on-market without shareholder approval, provided that the total number of shares bought back does not exceed 10% of the smallest number of votes attaching to voting shares on issue during the previous 12 months (**10/12 Limit**).

On-market buy-backs exceeding the 10/12 Limit require shareholder approval. The purpose of Resolution 4 is to seek shareholder approval of the On-Market Buy-Back as the Company has exhausted its 10/12 Limit as a result of the Original On-Market Buy-Back.

Resolution 4 will be approved if more than 50% of votes cast at the Annual General Meeting on the resolution are in favour of it.

In addition, under section 257C, in the notice that accompanies the resolution to approve the On-Market Buy-Back, the Company must disclose all information that is material to the decision on how to vote on Resolution 4. Accordingly, this Explanatory Statement sets out:

- the details of the On-Market Buy-Back;
- reasons for the On-Market Buy-Back (including advantages and disadvantages of the On-Market Buy-Back);
- information on the Company;
- the effect of the On-Market Buy-Back on the Company; and
- other information material to a decision on how to vote on Resolution 4.

On-Market Buy-Back

Details of the On-Market Buy-Back

The Company will appoint a broker to purchase the Shares on-market in the ordinary course of trading on ASX. If it is approved by shareholders, the On-Market Buy-Back will commence no earlier than 27 November 2014 (the day following the Annual General Meeting) and will end no later than 26 November 2015.

For each day on which the Company wishes to purchase Shares on-market, it will issue the broker with instructions to buy back Shares at a price at which is not more than 5% above the average of the market price (as defined in the ASX Listing Rules) for the Company's Shares over the 5 previous trading days. The price cap is imposed by ASX Listing Rule 7.33.

In formulating the instructions to the broker regarding the price and volume of Shares to be purchased under the On-Market Buy-Back, the Company will have regard to factors such as:

- the best interest of shareholders;
- prevailing market conditions;
- financial considerations;
- economic factors;
- reputational factors;
- advice on market information provided by its advisers;
- whether during the period of buy-back activity, the market is fully informed of price sensitive information to ensure compliance with insider trading laws;
- minimising the risk that in standing in the market, the Company will be leading the market in pricing;
- the volumes of Shares traded on the market generally;
- the volatility of price movements in the market generally; and
- the market price of the Shares.

Reasons for the On-Market Buy-Back

The Board considers that the On-Market Buy-Back is in the best interests of shareholders. Following the sale of its Australian and New Zealand operations in early 2014, the Company currently has surplus capital and the Board considers the On-Market Buy-Back is a simple means of returning surplus capital to shareholders and enabling the Company to maintain an efficient capital structure.

The Company wishes to have the flexibility to buy back further Shares on-market. The timing and number of Shares purchased by the Company under the On-Market Buy-Back will depend on market conditions and volumes and other factors and is in the Company's absolute discretion.

Advantages

- The On-Market Buy-Back provides increased liquidity for shareholders who wish to exit their investment in the Company as it pursues its UK growth strategy, given the Shares are not as widely traded as some other securities.
- Purchases of Shares by the Company under the On-Market Buy-Back can be tailored to react to changing market conditions.
- Implementation of the On-Market Buy-Back is simple, and it will also give the Company the flexibility to adjust the volume of Shares bought back as the On-Market Buy-Back can be suspended at any time if circumstances change.

Disadvantages

The Board does not consider that the On-Market Buy-Back poses any significant disadvantage to shareholders and considers that the benefits of the On-Market Buy-Back outweigh the possible disadvantages. However, shareholders should evaluate the following factors:

- there will be a reduction in available cash levels and thus the Company's ability to use that cash, including for acquisitions;
- the On-Market Buy-Back entails a reduction in the capital base of the Company;
- the voting power of Mr Montarello is likely to increase (see the section 'Effect of the On-Market Buy-Back on the Company' below for more detail);
- post the completion of the On-Market Buy-Back, there is likely to be a reduction in the liquidity of the Shares;
- by implementing the On-Market Buy-Back, the Company will incur some expenses. These expenses are not considered material; and
- shareholders who participate in the On-Market Buy-Back will not benefit from any future increase in the market price of the Shares or be entitled to receive future distributions on those Shares which are bought back.

Information on the Company

Share Price Information

A graph showing the share price performance of the Company from October 2013 to October 2014 is set out below.



Outlook for the Company

Following the Board's strategic review, the Company is now solely focused on the UK market, being nearly 3 times the size of the Australian market with 62 million consumers.

The Company is focused on pursuing growth in the UK through the following strategies:

- organic growth;
- product and market development;
- invest in synergistic growth opportunities; and
- build capability to support growth.

The contract with the Company's existing partner, Dixons, has now been extended to May 2017 for both Business and Consumer leasing. The Upgrade Anytime consumer proposition launched in mid May 2014 and immediately delivered strong growth in volumes. In addition Dixons has since merged with Carphone Warehouse to create a joint company with potential revenues of £10bn and a 1,298 store network. The Company will continue to refresh products aligned to its partners' commercial objectives to assist them in creating a differentiated proposition in their markets. There are further opportunities to introduce the Company's existing in store and online point of sale solutions to other retailers with customers who want all the benefits of the latest technology or product features with the flexibility to upgrade products as their need develops. The Company does not see these opportunities as limited to computing related product sales.

The sale of the Australian and New Zealand operations has provided the Company with significant cash reserves (currently approximately \$35 million). While the proposed On-Market Buy-Back may reduce the amount of cash reserves held by the Company (see the section 'Effect of the On-Market Buy-Back on the Company' below for more detail), the Company will still retain significant available cash.

The Company is in advanced negotiations to put in place new lease accounting based banking facilities which, whilst reducing the profitability of contracts in their first year relative to the brokerage treatment currently applied in the UK, will diversify the Company's funding platform and reduce its cost of funds, thereby enhancing margins and allowing the development of a broader and more competitive range of products in the longer term. The Company intends to utilise some of its available cash resources to seed these new facilities once they are in place.

While the reduction in cash reserves as a result of the On-Market Buy-Back may constrain the Company to pursue some opportunities that require significant capital, the Company believes that it will have sufficient capital and borrowing capabilities to fund opportunities that have the potential to accelerate synergistic growth. The evaluation of these opportunities is in its early phase, however the Company considers that its strong balance sheet, market experience and singular market focus could unlock value in strategically aligned businesses.

Ultimately the Company is positioning for growth in a strengthening UK market place. The Company's people and their capabilities, alongside efficient processes and a unique IP capability have created significant added value and support for its retail partners. The Company plans to continue to build this capability across a wider range of innovative financial propositions to a broader base of retail partners.

The Company has previously advised that following the sale of its Australian and New Zealand operations it is considering a range of options in respect of a return of capital. In addition to the On-Market Buy-Back, the Company will continue to actively consider options to return further capital to shareholders to deliver an outcome that will be in the best interests of all shareholders whilst ensuring the Company retains sufficient capital to meet its growth aspirations in the UK. The Company has also previously advised that it was considering the future of its ASX listing. Whilst the Company has no immediate intention to seek to de-list from ASX, the Company will continue to periodically assess the appropriateness of its ASX listing having regard to its operations, growth strategy, capital requirements and the interests of the Company and its shareholders.

The Company is a listed disclosing entity for the purpose of the Corporations Act and its announcements to the market are updated in accordance with its continuous disclosure obligations. Shareholders should monitor the Company website and the ASX website for any further announcements by the Company.

Effect of the On-Market Buy-Back on the Company

Funding of the On-Market Buy-Back

Following the sale of its Australian and New Zealand business, the Company currently has approximately \$35 million cash.

As described above, the Company is seeking approval to buy back up to 14,688,056 Shares through the On-Market Buy-Back and will fund this from its surplus cash.

The maximum prices permitted under the On-Market Buy-Back are not more than 5% above the average of the market price over the previous 5 trading days.

So, for example, if the Company bought back the full capacity under the On-Market Buy-Back of 14,688,056 Shares at an average price of \$0.36 per Share (being a 5% premium to the volume weighted average price of the Shares ending on 21 October 2014, the last practicable date prior to this Notice of Meeting), the cost of the buy-back would be \$5,287,700 (excluding transaction costs). All costs of the On-Market Buy-Back will be funded out of surplus cash.

Financial position

The pro forma balance sheet as at 30 June 2014 set out below reflects the impact of the On-Market Buy-Back on the Company's financial position, assuming that 14,688,056 Shares are bought back at an average price of \$0.36 per Share with all of it being treated as capital.

Company pro-forma balance sheet extract as at 30 June 2014				
	At	1 Jul to 30 Sep 2014 Actual	Proposed 14,688,056	
\$millions	30-Jun-14	On Market Buy Backs less Issued Employee Loan Funded Shares	On Market Buy Back at \$0.36 per share	Pro-forma
Cash and cash equivalents	39.1	-4.5	-5.3	29.3
Other current assets	6.2			6.2
Total current assets	45.3	-4.5	-5.3	35.5
Non-current assets	22.2			22.2
Total assets	67.5	-4.5	-5.3	57.7
Total liabilities	-8.6			-8.6
Net assets	58.9	-4.5	-5.3	49.1
Issued Share Capital	48.1	-4.5	-5.3	38.3
Reserves	-0.1			-0.1
Accumulated profits	10.9		-	10.9
Total equity	58.9	-4.5	-5.3	49.1

As discussed above, the On-Market Buy-Back authorises the Company to buy back up to 14,688,056 Shares, so the Company may buy back more than \$5,287,700 worth of Shares if it buys back some of these Shares for more than \$0.36 per Share. Accordingly, the pro forma balance sheet is for illustrative purposes only.

Impact on earnings per Share

The On-Market Buy-Back will be earnings per Share (**EPS**) accretive. The level of the enhancement will depend on the number of Shares bought back. For example, assuming that 14,688,056 Shares are bought back at an average price of \$0.36 per Share, then the 30 June 2014 EPS, on a pro-forma basis (accounting for the On-Market Buy-Back) would be enhanced positively by 10% relative to 30 June 2014 EPS on a pro-forma basis (accounting for the Original On-Market Buy-Back) as follows:

Company pro-forma EPS for 6 months to 30 June 2014				
	6 months to 30-Jun-14	1 Jul to 30 Sep 2014 Actual On Market Buy Backs less Issued Employee Loan Funded Shares	Proposed 14,688,056 On Market Buy Back at \$0.36 per share	Pro-forma
Weighted average no. of shares (millions)	160.7	-11.9	-14.7	134.1
PAT for 6m to 30 June 2014 - Continuing (\$millions)	1.55	1.55	1.55	1.55
EPS - Continuing Operations - Basic (cents per share)	0.97	1.05	1.16	1.16

* EPS calculation based on a weighted average number of Shares. Actual Shares on issue as at 30 June 2014 was 158,734,857.

Dividends

As the On-Market Buy-Back will be entirely funded from cash, there will be no borrowing costs associated with the On-Market Buy-Back. However, the Company will have reduced interest income in the future as a result of the cash used to acquire Shares under the On-Market Buy-Back. Following the buy-back, the Board will continue to regularly review the Company's dividend policy having regard to the Company's financial position. However, as the Company's operations are based in the UK, it is unlikely that any future dividends will carry any additional franking credits.

Shares on issue

As at the date of this Notice of Meeting, the Company had 146,880,565 Shares on issue. Following completion of the On-Market Buy-Back and if the maximum number of Shares are bought back, the Company would have 132,192,509 Shares on issue.

Effect of the On-Market Buy-Back on the control of the Company

The Executive Chairman, Mr Ned Montarello (and entities controlled by Mr Montarello) holds 31,059,356 Shares currently, giving him voting power of 21.15% (based on 146,880,565 Shares on issue currently). Mr Montarello has indicated that he does not currently intend to participate in the On-Market Buy-Back. Accordingly, if the maximum number of Shares are bought back under the On-Market Buy-Back (being 14,688,056), Mr Montarello's voting power would increase from 21.15% to 23.50%.

The table below sets out the possible effect of the On-Market Buy-Back on Mr Montarello's voting power under a range of scenarios, on the basis that Mr Montarello does not participate in the On-Market Buy-Back:

Shares bought back	Mr Montarello's voting power
5,000,000	21.89%
10,000,000	22.69%
14,688,056 (being the maximum number of Shares that may be bought back under the On-Market Buy-Back)	23.50%

Having regard to the potential for the On-Market Buy-Back to increase the voting power of Mr Montarello if he does not participate in the On-Market Buy-Back, he will not make a recommendation in his capacity as a director nor vote on Resolution 4.

Other material information

Australian income taxation considerations

For shareholders selling into the On-Market Buy-Back, the sale should be treated for taxation purposes as an ordinary on-market sale of shares.

All shareholders are strongly advised to obtain their own professional advice on the tax implications of the On-Market Buy-Back based on their own specific circumstances.

Effect on employee share plan schemes

The On-Market Buy-Back is only an offer to buy Shares. It does not extend to options held by the Company's executives.

Employees whose employee Shares are subject to restrictions on disposal under the Company's Long term Incentive Plan will not be able to sell their Shares under the On-Market Buy-Back.

Board recommendation

The Board (other than Mr Montarello) recommends that shareholders vote in favour of Resolution 4. The Board believes that the On-Market Buy-Back is the most efficient way to return capital to shareholders at this point in time.

Given that the On-Market Buy-Back is likely to increase the percentage shareholding of Mr Montarello, in the circumstances, Mr Montarello does not consider it appropriate to make a recommendation to shareholders in connection with Resolution 4.

The Chairman intends to vote all available proxies in favour of Resolution 4.

Directors' interests in Shares and options

The relevant interests of each director in the securities of the Company as at the date of this Notice of Meeting are:

Director	Shares	Other securities
Mr Ned Montarello	31,059,356	nil
Mr David Griffiths	2,592,001	nil
Mr Keith Jones	341,000	2,000,000 options
Mr Steven Penglis	1,272,600	nil
Mr Fernando de Vicente*	603,500	nil

* A proposal to grant Mr de Vicente 2,000,000 options is to be considered at the Annual General Meeting.

The Directors are entitled to participate in the On-Market Buy-Back in the same manner as other shareholders.

THINKSMART

ThinkSmart Limited

ABN 24 092 319 698

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to
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(outside Australia) +61 3 9473 2555

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000001 000 TSM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

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



For your vote to be effective it must be received by 3:00pm (WST) Monday, 24 November 2014

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

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

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

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.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of ThinkSmart 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 ThinkSmart Limited to be held at Level 36, QV1 Building, 250 St Georges Terrace, Perth, Western Australia on Wednesday, 26 November 2014 at 3:00pm (WST) 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 Resolutions 1 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 3 are 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 Resolutions 1 and 3 by marking the appropriate box in step 2 below.

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
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Retirement by Rotation and Re-election of Director - Mr Fernando de Vicente	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Participation by Mr Fernando de Vicente in the Executive Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of On-Market Buy-Back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution. 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.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

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Computershare +