



ABN 27 621 105 824  
ACN 621 105 824

**ASX Announcement**  
**4 March 2019**

## **Smiles Inclusive Limited: update on financing arrangements and management changes**

Smiles Inclusive Limited (ASX:**SIL**) released its Appendix 4D and half year financial report (**Report**) to the market late on Thursday 28 February 2019. An accompanying announcement was also released that included details of changes in senior management and guidance for FY19.

### **Financing arrangements**

It became apparent early on 1 March 2019 that clarification is required regarding statements made in respect of the Company's compliance with its financial covenants under its senior finance facility. The Company requested a trading halt so that this clarification could be provided.

The Company has a strong relationship with its senior lender, and confirms that it has now received a waiver of any historic breaches of financial covenants.

The Company's leadership team is working cooperatively with its senior lender to manage future covenant compliance including an independent review to ensure that it complies with all covenant testing going forward as operational performance improves.

### **Management changes**

Further to the announcement of management changes on Thursday 28 February 2019, the Board is pleased to advise that Mr. Tony McCormack has agreed to assume the role of Chief Executive Officer, effective immediately. The material terms of Mr McCormack's employment are set out in the Annexure.

Mr. McCormack has been working with the Company for over three months and has prepared a plan of action to be implemented with the Executive Leadership Team with a focus on improving the trading of the Company and its 56 dental practices.

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For further information, please contact:

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**Annexure – Material terms of employment of CEO, Mr. Tony McCormack**

<b>Commencement Date</b>	Commenced as CEO on 4 March 2019
<b>Term</b>	Until 28 February 2021, or such later date as agreed in writing by the parties.
<b>Remuneration</b>	\$285,000 per annum inclusive of superannuation. In addition, the Company will pay reasonable relocation expenses.
<b>Termination</b>	Either party may terminate by giving three months' written notice. The Company may also terminate Mr McCormack's employment immediately and without notice in certain circumstances.
<b>Restraint</b>	Restraint of up to two years after termination, during which Mr McCormack is restrained from competing with the Company or soliciting any patients, customers, clients or suppliers of the Smiles group (or interfering with those relationships).