

Form 604

Corporations Act 2001 Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Smiles Inclusive Limited

ACN/ARSN 621 105 824

1. Details of substantial holder(1)

Name Smiles Inclusive Limited ("Smiles")

ACN/ARSN (if applicable) 621 105 824

There was a change in the interests of the substantial holder on 30 / 08 / 18

The previous notice was given to the company on 30 / 04 / 18

The previous notice was dated 30 / 04 / 18

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares	24,450,900	42.21%	19,734,500	34.06%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
30 August 2018	Smiles	Shares released from voluntary escrow arrangements. Smiles had a technical relevant interest in those shares under section 608(1)(c) of the Corporations Act.	N/A	4,716,400 fully paid ordinary shares	4,716,400

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Smiles	As set out in Annexure A.	Same as registered holder as set out in Annexure A.	Relevant interest under section 608(1)(c) of the Corporations Act, only for the purposes of section 671B of the Corporations Act and the definition of 'substantial holding' in section 9 of the	18,497,000 fully paid ordinary shares	18,497,000

			Corporations Act. Relevant interest arises as a consequence of Smiles having the capacity to exercise negative control over the disposal of shares issued to the relevant registered holders under mandatory restriction agreements entered in accordance with the ASX Listing Rules, the form of which is attached as Annexure B. Smiles has no right to acquire these shares or to control the voting rights attaching to these shares.		
Smiles	As set out in Annexure A.	Same as registered holder as set out in Annexure A.	Relevant interest under section 608(1)(c) of the Corporations Act as a consequence of Smiles having the capacity to exercise negative control over the disposal of shares issued to the relevant registered holders in accordance with voluntary restriction deeds in the form attached as Annexure C. Smiles has no right to acquire these shares or to control the voting rights attaching to these shares.	1,237,500 fully paid ordinary shares	1,237,500

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Smiles Inclusive Limited	Unit 3/38-40 Township Drive, West Burleigh QLD 4219
Registered holders of securities as set out in Annexure A	C/- Unit 3/38-40 Township Drive, West Burleigh QLD 4219

Signature

print name Paul Innes capacity Company secretary

sign here



date 30 / 08 / 2018

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
 - (2) See the definition of “associate” in section 9 of the Corporations Act 2001.
 - (3) See the definition of “relevant interest” in sections 608 and 671B(7) of the Corporations Act 2001.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The person’s votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of “relevant agreement” in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
 - (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write “unknown”.
 - (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A

1. Holders (mandatory restriction agreement - 24 months from 27/04/2018)

Registered holder of securities	Number of securities	Class of securities
MIKETIM SUPER PTY LTD	5,000,000	fully paid ordinary shares
MRT49 PTY LTD	4,659,000	fully paid ordinary shares
MORBRIDE PTY LTD	802,000	fully paid ordinary shares
MR CARL BURROUGHS	500,000	fully paid ordinary shares
DJ HERLIHY SUPER FUND PTY LTD	427,000	fully paid ordinary shares
MR SEAN ANTHONY CONNOLLY	400,000	fully paid ordinary shares
YCARD HOLDINGS PTY LTD	352,000	fully paid ordinary shares
DJ CAPITAL SOLUTIONS PTY LTD	200,000	fully paid ordinary shares
MR NEIL ROBERT SIMPSON & MRS SARAH JANE SIMPSON	136,000	fully paid ordinary shares
BRAMADA HOLDINGS PTY LTD	120,000	fully paid ordinary shares
MR PAUL DONALD INNES & MRS MARY COLLEEN JANE INNES	100,000	fully paid ordinary shares
MS GRETA KYM USASZ	89,000	fully paid ordinary shares
MS SOPHIE ELIZABETH USASZ	73,000	fully paid ordinary shares
MOBILITYCOM PTY LTD	70,000	fully paid ordinary shares
MR DAVID EDWARD USASZ & MRS MARGARET KYM USASZ	50,000	fully paid ordinary shares
MRS CAROLINE MARIA USASZ	50,000	fully paid ordinary shares
HFJ 2016 PTY LTD	40,000	fully paid ordinary shares
EIGHT PAGODAS PTY LTD	40,000	fully paid ordinary shares
MR DUNCAN HALL	25,000	fully paid ordinary shares
ABA INNOVATION PTY LTD	20,000	fully paid ordinary shares
MR ALEXANDER RICHARD HERLIHY	10,000	fully paid ordinary shares
MR JAMES MICHAEL TIMONEY	750	fully paid ordinary shares
MR MICHAEL ROBERT TIMONEY	750	fully paid ordinary shares
MR MICHAEL ROBERT TIMONEY	750	fully paid ordinary shares
MR MILES ROSS TIMONEY	750	fully paid ordinary shares
Sub total	13,166,000	

2. Holders (mandatory restriction agreement – 12 months from 19/04/2018)

Registered holder of securities	Number of securities	Class of securities
MR BEVAN DONALD KEAST	8,000*	fully paid ordinary shares
MRS DONNA ELIZABETH BOSTON	8,000*	fully paid ordinary shares
MRS EARLENE ASHTON	10,000*	fully paid ordinary shares
DR DAVID ELLIS	12,000*	fully paid ordinary shares
MR KIM LEWIS YOUNGER	16,000*	fully paid ordinary shares
MS RACHAEL DOWNES	16,000*	fully paid ordinary shares
MR SIMON ALEXANDER MCDUGALL STODART	20,000*	fully paid ordinary shares
MR DUNCAN HALL	20,000*	fully paid ordinary shares
PIEMONTE PTY LTD	28,000*	fully paid ordinary shares
BORST CONSOLIDATED PTY LTD	40,000*	fully paid ordinary shares
MR ALEXANDER OPENSHAW	40,000*	fully paid ordinary shares
MS ANGELA JEAN NODWELL	40,000*	fully paid ordinary shares
DR BRIAN JOHN FITZPATRICK	40,000*	fully paid ordinary shares
MR STUART ROWLAND ROBERT	40,000*	fully paid ordinary shares
MR STUART ROWLAND ROBERT	40,000*	fully paid ordinary shares
MR STUART ROWLAND ROBERT	40,000*	fully paid ordinary shares
JTR CORPORATION NO.2 PTY LTD	40,000*	fully paid ordinary shares
MR MARK GREER	40,000*	fully paid ordinary shares
MS MICHELLE CARTER	40,000*	fully paid ordinary shares

Registered holder of securities	Number of securities	Class of securities
MR TIMOTHY BOYD IRVING CROMMELIN	40,000*	fully paid ordinary shares
POLVRAN INVESTMENTS PTY LTD	40,000*	fully paid ordinary shares
MS ALEX STAFF	40,000*	fully paid ordinary shares
LUBUTU PTY LTD	40,000*	fully paid ordinary shares
DR CRAIG DUVAL & MRS KATRINA DUVAL	40,000*	fully paid ordinary shares
MR DAVID FREDERICK OAKLEY	40,000*	fully paid ordinary shares
MS CAROLINE USASZ	60,000*	fully paid ordinary shares
MR DANIEL MARK TYSHYNSKI	80,000*	fully paid ordinary shares
H & R WITTIG PTY LTD	80,000*	fully paid ordinary shares
MR ROBERT ALEXANDER EVANS & MRS KAY ELIZABETH EVANS	160,000*	fully paid ordinary shares
MR NIGEL ROGER FRANKLIN HOBLER	160,000*	fully paid ordinary shares
MR ANDREW FEDEROWSKY	200,000*	fully paid ordinary shares
MR DAVID ALAN BURROUGH & MRS SUSAN EARNSHAW BURROUGH	200,000*	fully paid ordinary shares
MRS JOLENE SUKKARIEH	200,000*	fully paid ordinary shares
DR JONATHAN INNES	200,000*	fully paid ordinary shares
MRS CHANTELE MARIE ROBERT	280,000*	fully paid ordinary shares
WITTIG SUPER PTY LTD	320,000*	fully paid ordinary shares
MR NICHOLAS TAMMIK	400,000*	fully paid ordinary shares
MR STUART ROWLAND ROBERT & MS CHANTELE MARIE ROBERT	400,000*	fully paid ordinary shares
FULLERCORP PROPERTIES PTY LTD	1,000,000	fully paid ordinary shares
MR JONATHAN PETER HAMILTON	450,000	fully paid ordinary shares
MR MILTON JAMES QUIGLEY & MRS JENNIFER MARGARET QUIGLEY	100,000	fully paid ordinary shares
DR NICHOLAS GUY CLIFF	100,000	fully paid ordinary shares
MAKARTHUR INVESTMENTS PTY LTD	60,000	fully paid ordinary shares
MR SUVAS FELIX LOBO & DR MARILYN LOBO	50,000	fully paid ordinary shares
DR STUART STANLEY JAMES WATKINS	20,000	fully paid ordinary shares
MR DAVID JOHN MORONEY	19,000	fully paid ordinary shares
DR MOHAMED SALEEM SHAHNAAZ OZEER	5,000	fully paid ordinary shares
DR LEENA SUNIL	5,000	fully paid ordinary shares
DR MELITA ANTONIJEVIC	4,000	fully paid ordinary shares
Sub total	5,331,000	

* Following expiry of mandatory restriction period, these securities will be subject to voluntary restrictions until 3 business days following release of FY19 financial results.

3. Holders (voluntary restriction deed - until 3 business days following release of FY19 financial results)

Registered holder of securities	Number of securities	Class of securities
MR BEVAN DONALD KEAST	2,000	fully paid ordinary shares
MRS DONNA ELIZABETH BOSTON	2,000	fully paid ordinary shares
MRS EARLENE ASHTON	2,500	fully paid ordinary shares
DR DAVID ELLIS	3,000	fully paid ordinary shares
MR KIM LEWIS YOUNGER	4,000	fully paid ordinary shares
MS RACHAEL DOWNES	4,000	fully paid ordinary shares
MR SIMON ALEXANDER MCDUGALL STODART	5,000	fully paid ordinary shares
MR DUNCAN HALL	5,000	fully paid ordinary shares
PIEMONTE PTY LTD	7,000	fully paid ordinary shares
BORST CONSOLIDATED PTY LTD	10,000	fully paid ordinary shares
MR ALEXANDER OPENSHAW	10,000	fully paid ordinary shares
MS ANGELA JEAN NODWELL	10,000	fully paid ordinary shares
DR BRIAN JOHN FITZPATRICK	10,000	fully paid ordinary shares
MR STUART ROWLAND ROBERT	10,000	fully paid ordinary shares
MR STUART ROWLAND ROBERT	10,000	fully paid ordinary shares
MR STUART ROWLAND ROBERT	10,000	fully paid ordinary shares
JTR CORPORATION NO.2 PTY LTD	10,000	fully paid ordinary shares
MR MARK GREER	10,000	fully paid ordinary shares

Registered holder of securities	Number of securities	Class of securities
MS MICHELLE CARTER	10,000	fully paid ordinary shares
MR TIMOTHY BOYD IRVING CROMMELIN	10,000	fully paid ordinary shares
POLVRAN INVESTMENTS PTY LTD	10,000	fully paid ordinary shares
MS ALEX STAFF	10,000	fully paid ordinary shares
LUBUTU PTY LTD	10,000	fully paid ordinary shares
MR CRAIG DUVAL & MRS KATRINA DUVAL	10,000	fully paid ordinary shares
MR DAVID FREDERICK OAKLEY	10,000	fully paid ordinary shares
MS SOPHIE USASZ	12,000	fully paid ordinary shares
MS CAROLINE USASZ	15,000	fully paid ordinary shares
MS GRETA USASZ	16,000	fully paid ordinary shares
MR DANIEL MARK TYSHYNSKI	20,000	fully paid ordinary shares
H & R WITTIG PTY LTD	20,000	fully paid ordinary shares
BRAMADA HOLDINGS PTY LTD	30,000	fully paid ordinary shares
MR ROBERT ALEXANDER EVANS & MRS KAY ELIZABETH EVANS	40,000	fully paid ordinary shares
MR NIGEL ROGER FRANKLIN HOBLER	40,000	fully paid ordinary shares
YCART HOLDINGS PTY LTD	50,000	fully paid ordinary shares
DJ HERLIHY SUPER FUND PTY LTD	50,000	fully paid ordinary shares
MR ANDREW FEDEROWSKY	50,000	fully paid ordinary shares
MR DAVID ALAN BURROUGH & MRS SUSAN EARNSHAW BURROUGH	50,000	fully paid ordinary shares
MRS JOLENE SUKKARIEH	50,000	fully paid ordinary shares
DR JONATHAN INNES	50,000	fully paid ordinary shares
MRS CHANTELE MARIE ROBERT	70,000	fully paid ordinary shares
WITTIG SUPER PTY LTD	80,000	fully paid ordinary shares
MR NICHOLAS TAMMIK	100,000	fully paid ordinary shares
MR STUART ROWLAND ROBERT & MS CHANTELE MARIE ROBERT	100,000	fully paid ordinary shares
MORBRIDE PTY LTD	200,000	fully paid ordinary shares
Sub total	1,237,500	

Appendix 9A

Restriction agreement

Introduced 01/07/96 Origin: Appendix 11 Amended 01/07/98, 11/03/02, 24/10/05, 20/07/07

We, the persons in:

- Item 1 of the schedule (“entity”);
- Item 2 of the schedule (“holder”);
- Item 3 of the schedule (“controller”),

agree as follows.

Introduction

- *A. The entity intends to issue restricted securities to the holder. The holder will hold the restricted securities as set out in this agreement. It is a condition of the issue of the restricted securities that we will comply with this agreement.
- *A. The entity wants to be listed and has issued restricted securities. The holder will hold the restricted securities as set out in this agreement on the basis that the entity will take the steps necessary to be admitted to the ⁺official list of ASX.
- B. We have provided ASX with all the information necessary to properly form an opinion about who is a ⁺controller of the holder and who is required to execute this agreement.
- C. We enter this agreement for the purpose of complying with chapter 9 of the listing rules.

(* delete as applicable)

Agreement

Escrow restrictions

1. During the escrow period, the holder will not do any of the following.
 - (a) ⁺Dispose of, or agree or offer to ⁺dispose of, the restricted securities.

⁺ See chapter 19 for defined terms.

- (b) Create, or agree or offer to create, any security interest in the restricted securities.
 - (c) Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities.
 - (d) Participate in a return of capital made by the entity.
- Amended 24/10/05
- 2. During the escrow period, a controller will not do any of the following.
 - (a) +Dispose of, or agree or offer to +dispose of, the controller interests.
 - (b) Create, or agree or offer to create, any security interest in the controller interests.
 - (c) Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the controller interests.
- 3. We will comply with chapter 9 of the listing rules. If any of us is not a listed entity, we will comply as if we were a listed entity. Each of us will take any steps we are able to take that are necessary to enable any of the others to comply.
- 4.
 - (a) If the restricted securities are kept on the +certificated subregister, the holder will deposit the certificates for the restricted securities with a bank or +recognised trustee for the escrow period.
 - (b) If the restricted securities are kept on the +issuer sponsored subregister, the holder hereby agrees in writing to the application of a +holding lock to the restricted securities.

Warranties

- 5. If only the holder and the entity are parties to this agreement, one of the following applies.
 - (a) The holder is an individual.
 - (b) The holder has no +controller.
 - (c) The holder has the +controllers set out in item 3 with the interests identified in item 6, and each +controller comes within an exception set out in rule 9.1.4.

+ See chapter 19 for defined terms.

The holder gives this warranty.

6. If the holder, the entity and any +controller are parties to this agreement, the holder has the +controllers set out in item 3 with the controller interests identified in item 6, and any +controller who is not a party to this agreement comes within an exception set out in rule 9.1.4. The holder and each +controller give this warranty.
7. If item 7 of the schedule is completed, the full particulars of security interests which have been created, or are agreed or offered to be created, in the restricted securities are set out. A release of the security interests is attached. Apart from this, before the escrow period begins, the holder has not done, or omitted to do, any act which would breach clause 1 if done or omitted during the escrow period. The holder gives this warranty.
8. If item 8 of the schedule is completed, the full particulars of security interests which have been created, or are agreed or offered to be created, in the controller interests are set out. A release of the security interests is attached. Apart from this, before the escrow period begins, the +controller has not done, or omitted to do, any act which would breach clause 2 if done or omitted during the escrow period. Each +controller gives this warranty.
9. A breach of any of these warranties is a breach of this agreement.

Consequences of breaching this agreement

10. If it appears to the entity that the holder or a +controller may breach this agreement, the entity must take the steps necessary to prevent the breach, or to enforce the agreement.
11. If the holder or a +controller breach this agreement, each of the following applies.
 - (a) The entity must take the steps necessary to enforce the agreement, or to rectify the breach.
 - (b) The entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or +conversion of any of the +restricted securities. This is in addition to other rights and remedies of the entity.
 - (c) The holder of the +restricted securities ceases to be entitled to any dividends, distributions or voting rights while the breach continues.

Amendment

12. This agreement will not be changed or waived without ASX's written consent.

+ See chapter 19 for defined terms.

Jurisdiction

13. The laws of the State of the home branch of the entity apply to this agreement. We submit to the jurisdiction of the courts of that State.

Definitions and interpretation

In this agreement:

ASX means ASX Limited.

controller interests means the ⁺securities, substantial economic interest or other interests in the restricted securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 6 of the schedule.

escrow period means the period set out in item 4 of the schedule.

restricted securities means the ⁺securities set out in item 5 of the schedule and any ⁺securities attaching to or arising out of those ⁺securities that are restricted securities because of the definition of restricted securities in the listing rules.

The singular includes the plural and vice versa.

A reference to a party includes its successors, personal representatives and transferees.

Words and expressions defined in the listing rules of ASX, and not in this agreement, have the meanings given to them in the listing rules.

Every warranty or agreement (expressed or implied) in which more than one person joins, binds them individually and any combination of them as a group.

Schedule

1. Entity's name and address:
2. Holder's name and address:
3. Each ⁺controllers' name and address:
4. Escrow period (the date from which the initial restricted securities are escrowed):
5. Particulars of restricted securities:
6. Particulars of controller interests:
7. Particulars of security interests over restricted securities:
8. Particulars of security interests over controller interests:

Dated:

[Proper execution as a deed]

⁺ See chapter 19 for defined terms.

Voluntary restriction deed

Smiles Inclusive Limited ACN 621 105 824

The Holder specified in the Schedule



TALBOT SAYER

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Voluntary restriction deed

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Details

Date

Parties

Name Smiles Inclusive Limited

ACN 621 105 824

Short form name **Issuer**

Notice details Attention The Directors

Address C/- Talbot Sayer, GPO Box 799, Brisbane QLD 4001

Email

Name The person set out in Schedule 1

Short form name **Holder**

Notice details As set out in Schedule 1

Background

- A The Company has issued (or will issue) the Restricted Securities to the Holder.
- B The Holder holds (or will hold) the Restricted Securities as set out in this document.
- C The Holder has agreed to enter into this document voluntarily for the benefit of the Company.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this document:

Term	Definition
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Bidder	has the meaning given to that term in the Corporations Act.
Business Day	means a day that is not a Saturday, Sunday or public holiday in the place where an act is to be performed, notice received or a payment is to be made.
Conversion Shares	means Shares issued upon conversion of convertible notes issued by the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Listing Date	means the date of admission of the Company to the official list of ASX.
Listing Rules	means the listing rules of ASX which govern, among other things, the admission of entities to the official list of ASX, disclosure and some aspects of a listed entity's conduct.
Mandatory Escrow	means restrictions imposed in accordance with Chapter 9 of the Listing Rules.
Offer	has the meaning given to that term in clause 5.1.
Pre-bid Acceptance Agreement	has the meaning given to that term in clause 5.1.
Proportional Takeover Bid	has the meaning given to that term in the Corporations Act.
Restricted Period	means the period set out in Schedule 1.
Restricted Securities	means the Shares held (or to be held) by the Holder set out in Schedule 1.
Shares	means shares in the capital of the Company.
Takeover Bid	has the meaning given to that term in the Corporations Act and, for the avoidance of doubt, includes a Proportional Takeover Bid.
Underwriter	means Morgans Corporate Limited (AFSL 23541).

1.2 Interpretation

In this document:

- (a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;
- (e) a reference to this document includes the agreement recorded by this document;
- (f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (g) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;
- (h) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- (i) a reference to a 'month' means calendar month;
- (j) a reference to '\$' or 'dollar' is to Australian currency; and
- (k) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as', or 'for example' (or similar phrases) do not limit what else might be included.

2. Restrictions

2.1 Holder activity during Restricted Period

Subject to clauses 3, 4 and 5, during the Restricted Period the Holder must not:

- (a) sell, transfer, or otherwise dispose of, or agree to offer to sell, transfer or otherwise dispose of, the Restricted Securities;
- (b) create, or agree to create, any security interests in, or encumbrances over, the Restricted Securities; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Restricted Securities.

2.2 Holding lock

If the Restricted Securities are kept on an issuer sponsored subregister, the Holder agrees to the application of a holding lock to the Restricted Securities.

3. Takeover Bid

3.1 Release during Takeover Bid

The Company must release all or any part of the Restricted Securities from the restrictions in clause 2 by notice in writing to the Holder if:

- (a) a Takeover Bid is made to acquire all or some of the Shares; and
- (b) holders of at least half of the Shares in the bid class that are not subject to escrow have accepted the Takeover Bid,

for the sole purpose of allowing the Holder to participate in the Takeover Bid.

3.2 Return of restrictions

If the Takeover Bid does not become unconditional, the Holder agrees that the restrictions in clause 2 will be reapplied.

4. Merger

4.1 Release during merger

The Company must release all or any part of the Restricted Securities from the restrictions in clause 2 by notice in writing to the Holder if the Shares are proposed to be transferred or cancelled as part of a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act, for the sole purpose of allowing the Holder to participate in the scheme of arrangement.

4.2 Return of restrictions

If the merger by scheme of arrangement is not carried out, the Holder agrees that the restrictions in clause 2 will be reapplied.

5. Pre-bid Acceptance Agreements

5.1 Entry into Pre-bid Acceptance Agreements

The Holder may enter into, and perform its obligations under, an agreement with a potential Bidder whereby the Holder agrees to accept the offer made under a Takeover Bid for all the issued Shares (**Offer**) within a period of time after the offer period begins (**Pre-bid Acceptance Agreement**), provided that the terms thereof must:

- (a) be subject to a condition precedent that the Bidder publicly proposes the Offer within five Business Days after the date of the Pre-bid Acceptance Agreement;
- (b) require the Holder to accept the Offer for all or any part of the Shares no earlier than 10 Business Days after the offer period begins; and
- (c) automatically terminate if:
 - (i) the Bidder does not dispatch offers under the Offer within two months after the date on which the Bidder publicly announces that it intends to make the Offer;

- (ii) a superior proposal (being one that, taking into account all aspects of the proposal, is reasonably capable of being completed and represents superior value to holders of Shares) is made before the Holder accepts the Offer;
- (iii) the Bidder's offers under the Offer lapse (without being free of all conditions);
- (iv) a court or the Takeovers Panel decides that all or any part of the transaction contemplated by the Pre-bid Acceptance Agreement is unlawful or constitutes unacceptable circumstances; or
- (v) on the date which is three months after the date of the Pre-bid Acceptance Agreement.

5.2 Limited release

- (a) Subject to clause 5.2(b) and the Pre-bid Acceptance Agreement satisfying the requirements of clause 5.1, the Company must release those Shares which are the subject of the Offer and the Pre-bid Acceptance Agreement from the restrictions in clause 2 and do all other things necessary in time to permit the Holder to comply with its obligations to accept the Offer under the Pre-bid Acceptance Agreement.
- (b) The release contained in this clause 5.2 is a limited release and only releases the Holder from the restrictions in clause 2 for the sole purpose of accepting the Offer. For the avoidance of doubt, if the Takeover Bid under which the Offer is made does not become unconditional, the Holder agrees that the restrictions in clause 2 will be reapplied.

6. Warranties

6.1 Holder warranties

The Holder warrants to the Company that it:

- (a) before the Restricted Period begins, has not done, or omitted to do, any act which would breach clause 2 if done or omitted to be done during the Restricted Period; and
- (b) has power to enter into and perform its obligations under this document.

6.2 Breach of warranties

A breach of warranties in clause 6.1 is a breach of this document.

7. Consequences of breaching this document

7.1 Enforcement

If the Company anticipates that the Holder may breach this document, the Company may take such steps as are necessary to prevent the breach or to enforce this document.

7.2 Consequences of breach

If the Holder breaches this document, each of the following applies:

- (a) the Company may take such steps as are necessary against the Holder to enforce this document or to rectify the breach; and

- (b) the Company may (in addition to any other rights and remedies it may have) refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any Restricted Security unless the Company is prohibited from doing so under the Listing Rules.

8. General

8.1 Amendments

This document may only be amended by written agreement between both parties.

8.2 Assignment

A party may only assign this document or a right under this document with the written consent of the other party.

8.3 Counterparts

This document may be signed in any number of counterparts. All counterparts together make one instrument.

8.4 No merger

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

8.5 Entire agreement

- (a) This document supersedes all previous agreements about its subject matter. This document embodies the entire agreement between the parties.
- (b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion, is withdrawn and has no effect except to the extent expressly set out or incorporated by reference in this document.
- (c) Each party acknowledges and agrees that it does not rely on any prior conduct or representation by the other party in entering into this document.

8.6 Further assurances

Each party must do all things reasonably necessary to give effect to this document and the transactions contemplated by it.

8.7 No waiver

- (a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.
- (b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

8.8 Governing law and jurisdiction

- (a) Queensland law governs this document.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

8.9 Severability

- (a) A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.
- (b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

8.10 Costs

Each party bears its own costs in relation to the preparation and signing of this document.

9. Notice

9.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

- (a) in writing in English, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) given as follows:
 - (i) delivered by hand to that person's address;
 - (ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas; or
 - (iii) sent by email to that person's email address.

9.2 When is notice given

A notice, consent or communication given under clause 9.1 is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand	<p>(a) That day, if delivered by 5.00pm on a Business Day; or</p> <p>(b) The next Business Day, in any other case.</p>
Sent by email	<p>At the time of departure from the sender's mail server unless the sender receives an automated message generated by the recipient's mail server (Failure Message) that the email has not been delivered within two hours.</p> <p>For the avoidance of doubt any response generated by or at the instigation of the recipient (including an 'out of office' message) will not be a Failure Message.</p>
Sent by post	<p>(a) Three Business Days after posting, if sent within Australia; or</p> <p>(b) Seven Business Days after posting, if sent to or from a place outside Australia.</p>

9.3 Address for notices

A person's address and email address are those set out in this document, or as the person otherwise notifies the sender.

Schedule 1 - Particulars

1. Holder

Name	[insert holder]
Short form name	Holder
Notice details	Address [insert address]
	Email [insert email]

2. Restricted Period

From the Listing Date until the date that is three Business Days following the release of financial results of the Company for the period ended 30 June 2019, or such earlier date as notified in writing by the Company to the Holder (after consultation between the Company and the Underwriter).

3. Restricted Securities

[insert] Conversion Shares held by the Holder on the Listing Date, reduced by the number of these Shares that are subject to Mandatory Escrow from time to time.

Signing page

EXECUTED as a deed.

Executed for **Smiles Inclusive Limited ACN**

621 105 824 by:

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

[Insert execution block for Holder.]