
**1300SMILES LIMITED
ACN 094 508 166**

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

Date of Meeting: Thursday 23 November 2017

Time of Meeting: 10.00 am (Townsville time)

**Location of Meeting: 1300SMILES Limited
105 Denham Street
Townsville Q 4810**

A Form of Proxy is enclosed with the Notice and instructions for its completion. The Proxy Form should be returned by post on the address shown on the form. You can also vote on line at www.investorvote.com.au

This Notice of Annual General Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, legal adviser or other professional adviser prior to voting.

Business

1300SMILES financial statements and report

1. To receive the financial statements, directors report and auditors report for 1300SMILES and its controlled entities for the year ended 30 June 2017.

Note: there is no requirement for shareholders to approve these reports.

Re- election of director

2. **Resolution 1:** To consider and if thought fit to pass a resolution that Mr Robert Jones be re-elected as a director.

Remuneration Report

3. **Resolution 2:** To consider and if thought fit to pass as an ordinary resolution that the Remuneration Report for year end 30 June 2017 is adopted.

Note: the vote on this resolution is advisory only and does not bind the directors or the Company.

General Business

4. To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

BY ORDER OF THE BOARD

Gina Bozinovski
Company Secretary
18 October 2017

NOTES

Appointment of proxy

A proxy form is enclosed for your use if required. Please see the instructions on the back of the form.

Completed Proxy Forms must be received by the Share Registry, at least 48 hours before the time for holding the meeting or any adjournment of the meeting.

ONLINE:

Go to Computershare's website www.investorvote.com.au and log in using the control number found on the front of your accompanying proxy form, or scan the QR code on the front of the accompanying proxy form with your mobile device and insert your postcode.

BY MAIL:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001

BY FAX:

(within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555

Persons entitled to vote

Under regulation 7.11.37 of the Corporations Regulations 2001, the directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the Company's register of members at 7.00pm (Townsville time) on 21 November 2017.

Corporate representatives

A member, that is a body corporate, may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the meeting. The appointment may be a standing one.

Questions from Shareholders at Meeting

At the Meeting, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report. The Company's auditors will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

Written questions to the auditor

Shareholders may submit a written question to the auditor regarding the content of the auditor's report or the conduct of the audit of the annual financial report. The Chairman will allow reasonable opportunity at the Meeting to respond to the questions set out on this list. The auditor is not required to provide written answers to questions.

Explanatory Memorandum

This Explanatory Memorandum is provided to shareholders of **1300SMILES Limited ACN 094 508 166 (Company or 1300SMILES)** to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at 1300SMILES Limited, 105 Denham Street, Townsville, QLD, 4810 on **23 November 2017 at 10.00am** (Townsville time).

The Directors recommend shareholders read the accompanying Notice of Annual General Meeting (**Notice**) and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

This Explanatory Memorandum is an important document and should be read carefully by all shareholders.

Item 1 : Financial statements and reports

The Corporations Act 2001 (Cth) (**Act**) requires the Company to lay its Financial Report and the reports of the directors and auditor for the last financial year before the Annual General Meeting.

No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's auditor will also be present at the meeting and shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

The Annual Report 2017 is available on the Company's website at www.1300SMILES.com.au

Resolution 1 : Re-election of direction

Resolution 1 seeks approval for the re-election of Mr Robert Jones who is retiring by rotation under Rule 17.5 of the Company's Constitution. This rule states that a director must retire from office at the third annual general meeting after the director was elected or most recently re-elected.

On 1 September 2017 the Company announced that Mr Glen Richards would not be seeking re-election as director and would retire following the annual general meeting. The board intends to appoint a director in accordance with the casual vacancy rules set out in Rule 17.7 of the Constitution immediately following the annual general meeting.

Pursuant to Chapter 14.5 of the Listing Rules, the Company must hold an election of directors at each annual general meeting. The rule applies even where there is no director required to stand for re-election at an annual general meeting. Mr Jones is eligible for election under Rule 14.4 and 14.5 and offers himself for re-election as a director of the Company.

Mr Jones was first appointed a Non-Executive Director in September 2007 and last stood for re-election in 2016. Mr Jones was a Director and Chairman of the Mater Health Services North Qld Ltd from 1993 until 2013. Mater Health Services North Qld Ltd owns and operates two fully accredited private hospitals in Townsville, the Mater Hospital (Pimlico) and Mater Hospital (Hyde Park).

The Directors, with Mr Jones abstaining, recommend that you vote in favour of the re-election of Mr Jones.

The Chairman intends to vote all undirected proxies in favour of this resolution. Shareholders appointing the Chairman as their proxy but who do not want their proxy vote cast in favour of the re-election of Mr Robert Jones should mark the against or abstain box in respect of Resolution 1.

Resolution 2: Remuneration Report

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report details the Company's policy on the remuneration of non-executive directors, the Managing Director and other senior executives and is set out in the Annual Report 2017, which is available on the Company's website at www.1300SMILES.com.au

The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company. Shareholders will be given the opportunity to ask questions and to make comments on the Remuneration Report.

The directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company and its business.

As the directors have a personal interest in the proposed Resolution, they make no recommendation as to how shareholders should vote on this Resolution.

The Chairman intends to vote all undirected proxies in favour of the Remuneration Report. Shareholders appointing the Chairman as their proxy but who do not want their proxy vote cast in favour of the Remuneration Report you should mark the against or abstain box in respect of Resolution 2.

Voting exclusion statement

A vote must not be cast (in any capacity) on Resolution 2 by or on behalf of a member of 1300SMILES Limited key management personnel (**KMP**), details of whose remuneration is included in the Remuneration Report, or their closely related parties, whether as a shareholder or as a proxy.

However, a vote may be cast on Resolution 2 by a KMP, or a closely related party of a KMP, if:

- (a) it is cast as proxy for a person who is entitled to vote, and who has specified in writing how the proxy is to vote on Resolution 2; or
- (b) it is cast by the Chairman as a proxy for a person who is entitled to vote and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP; and
- (c) the vote is not cast on behalf of a KMP or a closely related party of a KMP.

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
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

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: 189149

SRN/HIN:

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 10.00am
(Townsville time) on Tuesday, 21 November 2017**

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** →

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.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of 1300SMILES Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of 1300SMILES Limited to be held at 1300SMILES Limited, 105 Denham Street, Townsville, QLD 4810 on Thursday, 23 November 2017 at 10.00am (Townsville time) and at any adjournment or postponement of that Meeting.

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

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Resolution 2** 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
1	Re-election of Mr Robert Jones as a Director (Chairman)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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 / / _____