



Pacific Smiles Group Limited (ASX: **PSQ**)
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www.pacificsmilesgroup.com.au
ABN 42 103 087 449 / ACN 103 087 449

16 October 2015

The Manager
Company Announcements
ASX Limited
Level 4, Bridge Street
SYDNEY NSW 2000

Pacific Smiles Group Limited - 2015 Notice of Annual General Meeting

Please find attached Pacific Smiles Group Limited's 2015 Notice of Annual General Meeting and Proxy Form which will be distributed to shareholders today.

The Notice of Annual General Meeting, Proxy Form and the Annual Report can also be viewed online at www.pacificsmilesgroup.com.au/Investors.

Yours faithfully

A handwritten signature in black ink that reads "Jane Coleman". The signature is written in a cursive style and is positioned above a light pink rectangular stamp.

Jane Coleman
Chief Financial Officer & Company Secretary

Pacific Smiles Group Limited

ACN 103 087 449

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Thursday, 19 November 2015

Time of Meeting

4.00pm

Place of Meeting

Level 1, 6 Molly Morgan Drive, Greenhills, NSW

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Pacific Smiles Group Limited

ABN 42 103 087 449

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Pacific Smiles Group Limited ACN 103 087 449 (Company) will be held at Level 1, 6 Molly Morgan Drive, Greenhills, NSW on Thursday, 19 November 2015 at 4.00pm for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

BUSINESS OF THE MEETING

1 Financial Statements and Reports

To receive and consider the Financial Report of the Company and its controlled entities for the year ended 30 June 2015, together with the Directors' Report and the Auditors' Report (together set out in the Annual Report).

2 Resolutions

Resolution 1 Non-Binding Resolution to adopt Remuneration Report

To consider and if thought fit to pass as a **non-binding resolution**:

The Remuneration Report for the year ended 30 June 2015 as set out in the Annual Report is adopted.

Note – the vote on this resolution is advisory only and does not bind the directors of the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter (being Key Management Personnel whose remuneration details are included in the Remuneration Report and their Closely Related Parties, as defined in the Glossary section of this Notice of Meeting). However, the Company will not disregard a vote by a Restricted Voter if:*

- (a) it is cast by the Restricted Voter as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1 or the proxy is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and*
- (b) it is not cast on behalf of a Restricted Voter.*

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2 Non-Executive Directors' Remuneration Pool

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

For the purpose of Rule 6.3(a) of the Constitution, Listing Rule 10.17, and for all other purposes the maximum aggregate amount of remuneration that may be paid to the Company's non-executive directors in any financial year is \$600,000.

Voting exclusion statement: *The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on Resolution 2 by a Director of the Company and any Associate of a Director. However, the Company need not disregard a vote if:*

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on a Proxy Form to vote as the proxy decides.*

Further, in accordance with the Corporations Act, a Restricted Voter who is appointed as a proxy will not vote on Resolution 2 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 2; or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 2.

Shareholders may also choose to direct the Chair to vote against Resolution 2 or to abstain from voting.

Resolution 3(a) and Resolution 3(b) Re-election of Directors

To consider and if thought fit to pass each of the following resolutions as separate ordinary resolutions:

(a) Re-election of Mr Simon Rutherford as a Director

Mr Simon Rutherford, who retires in accordance with Rule 6.1(f) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director.

(b) Re-election of Mr Ben Gisz as a Director

Mr Ben Gisz, who retires in accordance with Rule 6.1(f) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director.

Details of Mr Simon Rutherford and Mr Ben Gisz are set out in the Explanatory Notes to this Notice of Meeting.

Resolution 4(a) and Resolution 4(b) Participation by Executive Directors in Long Term Incentive Plan

To consider and if thought fit to pass the following as separate ordinary resolutions:

(a) Grant of Performance Rights to Mr John Gibbs

For the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and all other purposes the Directors are authorised to issue 500,000 Performance Rights to Mr John Gibbs (a Director of the Company) or his nominee, as soon as practicable following the conclusion of the Company's 2015 Annual General Meeting, and in any case, by no later than 12 months after

the conclusion of the Company's 2015 Annual General Meeting, on the terms and conditions set out in the Explanatory Memorandum.

Voting exclusion statement: *The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on Resolution 4(a) by Mr John Gibbs and his Associates. However, the Company need not disregard a vote if:*

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Under the Corporations Act, a vote must not be cast on Resolution 4(a) (in any capacity) by or on behalf of:

- (a) a Related Party of the Company to whom the resolution would permit a financial benefit to be given; or*
- (b) an Associate of such a Related Party.*

Further, under the Corporations Act, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4(a) unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4(a); or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4(a).

Shareholders may also choose to direct the Chair to vote against Resolution 4(a) or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

(b) Grant of Performance Rights to Dr Alex Abrahams

For the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and all other purposes the Directors are authorised to issue 225,000 Performance Rights to Dr Alex Abrahams (a Director of the Company) or his nominee, as soon as practicable following the conclusion of the Company's 2015 Annual General Meeting, and in any case, by no later than 12 months after the conclusion of the Company's 2015 Annual General Meeting, on the terms and conditions set out in the Explanatory Memorandum.

Voting exclusion statement: *The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on Resolution 4(b) by Dr Alex Abrahams and his Associates. However, the Company need not disregard a vote if:*

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Under the Corporations Act, a vote must not be cast on Resolution 4(b) (in any capacity) by or on behalf of:

- (a) a Related Party of the Company to whom the resolution would permit a financial benefit to be given; or*
- (b) an Associate of such a Related Party.*

Further, under the Corporations Act, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4(b) unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4(b); or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4(b).

Shareholders may also choose to direct the Chair to vote against Resolution 4(b) or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board of Pacific Smiles Group Limited

Jane Coleman

Company Secretary

Dated: 16th October 2015

Instructions on How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 2 or 4, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be lodged by 4pm (AEST time) on Tuesday 17 November 2015. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - online at www.linkmarketservices.com.au (by using the "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form);

- by returning a completed Proxy Form in person, during business hours (Monday to Friday, 9am to 5pm), to:
Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138;
- by returning a completed Proxy Form by post to:
Pacific Smiles Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia; or
- by faxing a completed Proxy Form to Link Market Services Limited on facsimile number +61 2 9287 0309,

so that the Proxy Form is received no later than 4pm (AEST time) on Tuesday 17 November 2015.

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 4pm (AEST time) on Tuesday 17 November 2015. If facsimile transmission is used, the Power of Attorney must be certified. Please mark them to the attention of the Company Secretary.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7pm (AEST time) on Tuesday, 17 November 2015.

Pacific Smiles Group Limited

ACN 103 087 449

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

ANNUAL REPORT

The first item of the Notice deals with the presentation of the Annual Report of the Company for the financial year ended 30 June 2015, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the Financial Report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

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

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act. Any such written questions are required to be submitted at least 5 Business Days prior to the Meeting, pursuant to section 250PA(1) of the Corporations Act.

Written questions must be submitted at the address below not later 5 business days in advance of the Annual General Meeting:

Hand deliveries: LEVEL 1, 6 MOLLY MORGAN DRIVE, GREENHILLS, NSW
Postal address: PO BOX 2246, GREENHILLS, NSW, 2323
Fax number: (02) 4930 2099
Email: jane.coleman@pacificsmiles.com.au

The Annual Report for the year ended 30 June 2015 may be viewed online at:
www.pacificsmilesgroup.com.au/Investors.

RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2015 Annual Report be adopted. The Remuneration Report is set out in the Company's 2015 Annual Report and is also available on the Company's website: www.pacificsmilesgroup.com.au.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

However, if at least 25% of the votes cast are against adoption (**Strike**) of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Company was not required to prepare a Remuneration Report in 2014 and therefore no resolution was proposed to the 2014 Annual General Meeting to adopt the Remuneration Report. If the Remuneration Report receives a Strike at this 2015 Annual General Meeting Shareholders should be aware that if a second Strike is received at the 2016 Annual General Meeting, this may result in the re-election of the Board.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 – NON EXECUTIVE DIRECTORS' REMUNERATION POOL

Clause 6.3(a) of the Company's Constitution provides that the Board may determine remuneration paid to Directors, however, the remuneration paid to all non-executive Directors may not exceed in total in any financial year the amount fixed at a general meeting of the Company.

Under the Company's previous constitution, which the Shareholders resolved to replace with the current Constitution at the 2014 Annual General Meeting in connection with the Company's IPO, the aggregate limit on director remuneration had been set at \$500,000.

Resolution 2 seeks shareholder approval for the aggregate amount of remuneration paid to all non-executive Directors for the purposes of clause 6.3(a) of the Constitution to be fixed at a maximum of \$600,000, which represents a \$100,000 increase from the previous aggregate limit.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the Remuneration Pool for non-executive Directors for the following reasons:

- The maximum aggregate fees payable to non-executive Directors have not been increased since the \$500,000 limit set by amendment to the Company's constitution on 4 December 2007; and
- The \$600,000 aggregate limit has been recommended by the Company's Nomination and Remuneration Committee, which has considered market standard remuneration rates and accommodation for potential future additions to the Board in providing such recommendation to the Board.

If Resolution 2 is passed the maximum aggregate amount of directors' fees that may be paid to all of the Company's non-executive Directors is \$600,000 per annum. The remuneration of each non-executive Director for the year ended 30 June 2015 is detailed in the Remuneration Report in the Company's 2015 Annual Report.

The Company was listed on the ASX on 21 November 2014. Since that date, no securities have been issued to the Company's non-executive directors with Shareholder approval under Listing Rules 10.11 or 10.14.

Voting

Note that a voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting. In particular, the Directors and their Associates may not vote on this Resolution. Further, a Restricted Voter may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair intends to use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 3(a) and RESOLUTION 3(b) - RE-ELECTION OF DIRECTORS

In accordance with Listing Rule 14.4, a Director must not hold office (without re-election) past the third Annual General Meeting following the Director's appointment, or 3 years whichever is longer.

The Company's Constitution prescribes a process by which Directors regularly retire from office. Retiring Directors may offer themselves for re-election. Pursuant to Clause 6.1(f) of the Company's Constitution, each of Mr Simon Rutherford and Mr Ben Gisz being Director of the Company, retire by way of rotation and, being eligible, offers themselves for re-election as a Director of the Company.

Resolution 3(a): Re-election of Mr Simon Rutherford as a Director

Simon has served as a Non-Executive Director of the Company since his appointment in 2003.

Simon is a Director of PKF Newcastle (Business Advisory), PKF Corporate Finance and PKF Wealth. He holds a Bachelor of Commerce degree, is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

Simon's experience and knowledge is predominantly in the areas of corporate governance, strategy, structure, funding, taxation and commercial matters. He has extensive experience in the retail, wholesale, service, engineering, manufacturing, financial services, health, property and transport sectors.

Simon has undertaken numerous projects managing mergers and acquisitions and preparing groups for sale, debt and equity funding and due diligence.

He is currently a Non-Executive Director of Canyon Property Trust (unlisted property trust). He was previously a Non-Executive Director of National Brokers Group and Vow Financial for ten years prior to a trade sale in late 2014.

Simon is currently Chairman of the Audit and Risk Management Committee of the Board.

The Board (with Mr Simon Rutherford abstaining in respect of his own re-election) unanimously recommends to shareholders the re-election of Mr Simon Rutherford as a Director of the Company.

Resolution 3(b): Re-election of Mr Ben Gisz as a Director

Ben has served as a Non-Executive Director of the Company since his appointment in 2012.

Ben is a Partner at TDM Asset Management, a Sydney based private investment firm. Ben has extensive financial markets experience, including roles in investment banking and private equity/principal investments with Investec Group in Sydney and London. Prior to this, Ben was an equities analyst with Credit Suisse.

Ben was integrally involved in the listing of Pacific Smiles Group on the ASX in 2014.

Ben holds a Bachelor of Commerce degree from the University of Sydney and is a Fellow of the Financial Services Institute of Australasia. Ben is also a Chartered Accountant and a CFA charterholder and has served on the CFA Society of the UK's continuing education committee.

Ben is currently Chairman of the Nomination and Remuneration Committee of the Board. He is also a member of the Audit and Risk Management Committee.

The Board (with Mr Ben Gisz abstaining in respect of his own re-election) unanimously recommends to shareholders the re-election of Mr Ben Gisz as a Director of the Company.

RESOLUTION 4(a) and RESOLUTION 4(b) – GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTORS

The Company proposes to grant a total of 500,000 Performance Rights to Mr John Gibbs and 225,000 Performance Rights to Dr Alex Abrahams, each a current Director of the Company, as soon as practicable following the conclusion of the 2015 Annual General Meeting, and in any case, by no later than 12 months after the conclusion of the 2015 Annual General Meeting.

The Company proposes to grant the Performance Rights on the following terms and subject to the Plan Rules:

- The Performance Rights granted to Mr John Gibbs and Dr Alex Abrahams will vest after four years (**Performance Period**), conditional on the achievement of relevant performance and service conditions measured from the date of grant of the Performance Rights.
- Vesting of the Performance Rights will be subject to:
 - satisfaction of earnings per share (EPS) performance hurdles (measured using the FY2015 year as a base year and FY2019 as the final year) for the Performance Period. The number of Performance Rights vesting will be determined on a sliding scale from nil vesting for an EPS CAGR of 15.0% per annum or less and 100% vesting for an EPS CAGR of 25% per annum; and

- the relevant Director remaining employed by the Company (or its subsidiaries) on the vesting date, subject to certain “good leaver” exemptions.
- Performance Rights that do not vest on the relevant vesting date will lapse. Performance Rights will also lapse if total shareholder return (TSR) does not reach a minimum of 10.0% per annum over the Performance Period. The Share price baseline for TSR calculation will be calculated by reference to the volume weighted average price for the Shares for the last ten days of trading on the ASX in November 2015.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision, which includes where the financial benefit given constitutes reasonable remuneration in the circumstances of the Company under the exception in section 211 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr John Gibbs and Dr Alex Abrahams is each a related party of the Company.

Resolution 4(a) and Resolution 4(b) relate to the proposed grant of Performance Rights to each of Mr John Gibbs and Dr Alex Abrahams.

The Board considers that the financial benefit given by the grant of Performance Rights constitutes reasonable remuneration for the purposes of the exception in the Corporation Act.

The grant of Performance Rights to Mr John Gibbs and Dr Alex Abrahams is in recognition of their contribution to the Company’s development to date and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership.

The Board considers that the experience of Mr John Gibbs and Dr Alex Abrahams in the business of the Company and the dental industry will greatly assist the Company in achieving its strategy and objectives. The Directors consider that the incentives represented by the grant of these Performance Rights are an efficient means for the Company to incentivise both Directors to continue to contribute to the growth and development of the Company.

The proposed grant of Performance Rights to Mr John Gibbs and Dr Alex Abrahams will be subject to the Plan Rules.

Information Requirements - Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Performance Rights under the Plan to Mr John Gibbs and Dr Alex Abrahams.

The following information is provided to Shareholders in relation to Resolution 4(a) and Resolution 4(b) for the purposes of Listing Rule 10.15:

- (a) for the purposes of Resolution 4(a):
 - (i) the Performance Rights will be granted to Mr John Gibbs (or his nominees); and

- (ii) the maximum number of Performance Rights to be granted to Mr John Gibbs (or his nominees) is 500,000 Performance Rights;
- (b) for the purposes of Resolution 4(b):
 - (i) the Performance Rights will be granted to Dr Alex Abrahams (or his nominees); and
 - (ii) the maximum number of Performance Rights to be granted to Dr Alex Abrahams (or his nominees) is 225,000 Performance Rights;
- (c) the Performance Rights will be granted for no consideration, and accordingly, no funds will be raised by the grant of the Performance Rights;
- (d) the Company has not previously sought shareholder approval under Listing Rule 10.14 for the grant of Performance Rights; and
- (e) only Directors who are also eligible employees of the Company (or their permitted nominees), nominated by the Board, are entitled to participate in the Plan. Therefore, there are no other persons referred to under Listing Rule 10.14 other than Mr John Gibbs and Dr Alex Abrahams are entitled to participate in the Plan because each of the other current Directors of the Company are non-executive Directors.

As shareholder approval is being sought for the purposes of Listing Rule 10.14, shareholder approval is not required under Listing Rule 7.1.

Voting

Note that a voting exclusion applies to Resolution 4(a) and Resolution 4(b) in the terms set out in the Notice of Meeting. In particular,

- Mr John Gibbs and his Related Party (and their Associates) may not vote on Resolution 4(a) and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of Directors and Key Management Personnel; and similarly,
- Dr Alex Abrahams and his Related Party (and their Associates) may not vote on Resolution 4(b) and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of Directors and Key Management Personnel.

The Chair will use any such proxies to vote in favour of the Resolutions. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

GLOSSARY

AEST means Australian eastern standard time.

Annual report means the Directors Report, the Financial Report, and the Auditor's Report in respect to the year ended 30 June 2015.

Auditor's Report means the auditor's report on the Financial Report.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the Directors.

Chair means Robert Cameron, or any other individual elected to chair any meeting of the Company from time to time.

CAGR means compound annual growth rate.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act, under which a Closely Related Party of a member of the Key Management Personnel refers to a company the member controls, the member's spouse, child or dependant (or a child or dependant of the member's spouse), or anyone else who is one of the member's family and may be expected to influence or be influenced by the member in the member's dealings with the entity.

Company means Pacific Smiles Group Limited ACN 103 087 449.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities

IPO means any the initial public offering of the Company's Shares in November 2014.

Key Management Personnel has the meaning given in the Corporations Act and refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing means any admission and quotation of the Company's Shares on the Australian Securities Exchange.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Notice of Meeting means this Notice of Annual General Meeting.

Performance Right means the performance rights granted under the Plan, subject to the Plan Rules.

Plan means the Company's long term incentive plan adopted by the Board in November 2014, in connection with the IPO.

Plan Rules means the rules of the Plan, as disclosed to ASX on 21 November 2014.

Proxy Form means the proxy form accompanying the Notice.

Related Party has the meaning given in section 228 of the Corporations Act and in respect of a public company, it includes

directors of the public company, directors of an entity that controls the public company, the spouses of these directors and the relatives (parents and children) of these directors or their spouses.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Remuneration Report means the remuneration report for the year ended 30 June 2015 as set out in the Annual Report.

Remuneration Pool means the aggregate annual limit on non-executive Director remuneration set at a general meeting of the Company from time to time pursuant to clause 6.3(a) of the Constitution.

Shareholder means a member of the Company from time to time.

Shares means ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 9 of the Explanatory Memorandum.

Spill Resolution has the meaning out on page 9 of the Explanatory Memorandum.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Pacific Smiles Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **4:00pm on Thursday, 19 November 2015 at Level 1, 6 Molly Morgan Drive, Greenhills, NSW** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 2, 4a and 4b: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 2, 4a and 4b, even though these Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).


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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4a Grant of Performance Rights to Mr John Gibbs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Non-Executive Directors' Remuneration Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4b Grant of Performance Rights to Dr Alex Abrahams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Re-election of Mr Simon Rutherford as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3b Re-election of Mr Ben Gisz as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

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



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **4:00pm on Tuesday, 17 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

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

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