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12 April 2019

Dr John Camacho
The Smile Club

Dear John

I am writing to update you on the recent changes at Smiles, and to re-assure you that Tony McCormack and the majority of the Board are focused on delivering on the original promises made to you, so that we can return all of the practices and the company to a sound commercial and financial footing.

The Totally Smiles model and strategy are sound. We need to effectively execute them and support our JVP's, and Tony McCormack is getting on with the job. **Mr McCormack was first contacted by me in late September 2018** when the Board was concerned with Mike Timoney's lack of delivery and the declining performance of the business. He became a consultant in October 2018.

Right now, Smiles needs a detail orientated CEO who can lead the business and execute our plans. **Mr McCormack has exceptional commercial skills and experience, and he is already making dramatic positive changes, many of which were explained in his recent action plan delivered to JVP's. We have also engaged an experienced CFO, Emma Corcoran, who begins work in early May 2019. She has an excellent track record and will provide strong support for our CEO and leadership team.**

As founder, major shareholder and former CEO, Mike Timoney was the person principally responsible for the performance of the business. The fact is, that during his time as CEO, Smiles did not meet a single financial goal or deliver on the promises to JVP's. With Mike Timoney as CEO and David Herlihy as Chairman, the business failed to deliver to our JVP's and performed well below expectations. The result was that the Smiles Inclusive share price fell from \$1.00 to 13.5 cents.

Mike Timoney and David Herlihy have refused to take any responsibility for the poor performance of the business and forced shareholders into an Extraordinary General Meeting that could have been avoided. It is very disappointing that Mr Timoney and Mr Herlihy have taken the company down this path when we need to focus all our efforts on improving the performance of the business. The situation is made worse by their destabilising comments about the company in the media.

In March, I tried to avoid the need for the publicity associated with an EGM by offering to resign from the Board, on the premise that David Herlihy would also stand down. Unfortunately, my offer was rejected by Mr Timoney and Mr Herlihy, and they are now questioning our Board's governance processes in asking Mr Timoney to step down as CEO. This is surprising, particularly because Mr Herlihy was Chairman of the Board which voted unanimously to remove Mr Timoney as CEO.

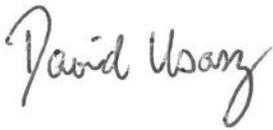
Any suggestion there is a lack of governance could not be further from the truth. The vote to remove Mr Timoney as CEO was carefully considered in light of the continuing poor performance of the business, his inability to develop and execute a clear plan to improve the situation and his inability to work co-operatively with Tony McCormack to return all of our practices to profit.

I understand many of you who are shareholders as well as JVP's have begun to receive calls and emails campaigning for your vote. This whole process causes additional uncertainty and distraction at a time when our JVP's and the business need our full support.

I am disappointed to be writing to you in these circumstances, but I want to assure you that Tracy Penn, **Peter Evans and I are working closely with Tony McCormack and the leadership team to deliver a sustainable solution for your practices to prosper.**

I appreciate that this is a difficult situation for JVP's and shareholders, so please do not hesitate to call me at any time.

Yours sincerely

A handwritten signature in cursive script that reads "David Usasz".

David Usasz
Chairman
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