



STRUCTURAL
MONITORING
S Y S T E M S
p l c

(Registered in England with Company No. 4834265;
registered as a foreign company in Australia under ARBN 106 307 322)

NOTICE OF ANNUAL GENERAL MEETING
and
EXPLANATORY STATEMENT
and
PROXY FORM

DATE AND TIME OF MEETING:
15 November 2022 at 11:00 am WST

VENUE:
The Banksia Room
The Double Tree by Hilton
Level 2, 100 James St, Perth, Western Australia

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

These documents should be read in their entirety. If you are in any doubt as to what action you should take, you are recommended to seek your own advice from your accountant, solicitor or other duly authorised professional adviser.

If you have sold or transferred all of your ordinary shares in Structural Monitoring Systems plc, please send this document, together with the accompanying form of proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that an Annual General Meeting ("**Meeting**") of members of Structural Monitoring Systems Plc ("**the Company**") will be held at The Banksia Room, The Double Tree by Hilton, Level 2, 100 James St, Perth, Western Australia on 15 November 2022 at 11:00 am WST.

To vote by proxy, please complete and sign the enclosed proxy form and return in accordance with the instructions on that form so that it is received by no later than 13 November 2022 at 11:00 am WST, whether or not you propose to be present at the Meeting.

CDI Holders Attendance, Voting and Proxy Appointment

CDIs, representing beneficial interests in the Shares, have been issued to allow trading on the electronic transfer and settlement system operated by the ASX. A CDI holder is not a Shareholder and is not entitled to vote at the Annual General Meeting unless a proxy is appointed. Each CDI holder has the right to:

- (a) direct CHESS Depositary Nominees Pty Ltd (CDN), the legal holder of the Shares to which the CDIs relate, how to vote the underlying Shares in respect of their CDIs regarding the business of the Annual General Meeting; or
- (b) instruct CDN to appoint the CDI holder or a person nominated by the CDI holder the CDI holder's proxy for the purposes of attending and voting at the Annual General Meeting.

If you are a CDI holder and you wish to direct or instruct CDN in the manner contemplated above, please read, complete and sign the enclosed CDI Voting Instruction Form and return by one of the methods and by the deadline set out on the CDI Voting Instruction Form. CDI Voting Instruction Forms received later than the specified time will be invalid.

A G E N D A

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report. Copies of the Financial Report, Directors' Report and Auditor's Report are available on the Company's website (www.smsystems.com.au).

RESOLUTION 1: RE-APPOINTMENT OF AUDITORS

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

"That Jeffreys Henry Audit Limited, having previously consented in writing to act in the capacity of auditor, be re-appointed as auditor of the Company from the conclusion of this Meeting until the conclusion of the next "accounts meeting" of the Company pursuant to section 489(4)(a) of the UK Companies Act 2006. The Directors are hereby authorised to fix the remuneration of the Company's auditors."

RESOLUTION 2: RE-APPOINTMENT OF EXECUTIVE CHAIRMAN – ROSS LOVE

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

Mr Ross Love

"That Ross Love who retires in accordance with Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, and, being eligible, offers himself for re-appointment, be re-appointed as executive chairman of the Company".

RESOLUTION 3: RE-APPOINTMENT OF DIRECTOR – BRIAN WALL

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

Mr Brian Wall

"That Brian Wall who retires in accordance with Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, and, being eligible, offers himself for re-appointment, be re-appointed as a director of the Company".

RESOLUTION 4: RE-APPOINTMENT OF DIRECTOR – RICK DEURLOO

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

Mr Rick Deurloo

"That Rick Deurloo who retires in accordance with Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, and, being eligible, offers himself for re-appointment, be re-appointed as a director of the Company".

RESOLUTION 5: RE-APPOINTMENT OF DIRECTOR – SAM WRIGHT

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

Mr Sam Wright

"That Sam Wright who retires in accordance with Article 25.2 of the Articles of Association and ASX Listing Rule 14.4, and, being eligible, offers himself for re-appointment, be re-appointed as a director of the Company".

RESOLUTION 6: APPOINTMENT OF DIRECTOR – MIROLJUB MILETIC

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

Mr Miroljub Miletic

"That Miroljub Miletic being eligible and having consented to act in accordance with Article 25.5 of the Articles of Association and ASX Listing Rule 14.4, be appointed as a director of the Company".

RESOLUTION 7: ADDITIONAL PLACEMENT CAPACITY

To consider, and if thought fit, to pass the following resolution as a special resolution:

"That for the purposes of Listing Rule 7.1A, the directors are authorised to issue new CDI's, totalling up to 10% of the issued capital of the Company at the time of issue, calculated over the period prescribed under Listing Rule 7.1A.2, and otherwise on the terms and conditions set out in the Explanatory Statement."

RESOLUTION 8: RATIFICATION OF PRIOR ISSUE OF SECURITIES

To consider, and if thought fit, to pass, with or without amendment (to the extent permitted by English law), the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,500,000 new CDI's and 5,500,000 free attaching Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast in favour of the resolution by or on behalf of, any person (or any associates of such a person) who participated in the issue. However, this does not apply to a vote cast in favour of a resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on a resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 9: ISSUE OF OPTIONS TO ROSS LOVE

To consider, and if thought fit, to pass, with or without amendment (to the extent permitted by English law), the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 1,500,000 options to CDI's in the Company to Ross Love or his nominee on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast in favour of the resolution by or on behalf of, Ross Love or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associates of Ross Love. However, this does not apply to a vote cast in favour of a resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on a resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

PROXIES

Shareholders are advised that:

1. As a holder of ordinary shares in the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. A proxy need not be a member of the Company.
2. In the case of joint holders, the vote of the person first named in the register of members tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
3. In the case of a corporation, the form of proxy must be expressed to be executed by the corporation and must be executed under its common seal, or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
4. To be valid, the form of proxy and any power of attorney or other authority under which it is signed or a notarial certified copy of such power or authority must be returned in accordance with the instructions on the form by no later than 48 hours prior to the Meeting.
5. The completion and return of a proxy card will not affect the right of a member to attend, speak and vote in person at the meeting convened by this notice.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
7. To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". To abstain from voting on a resolution, select the relevant "abstain" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
8. Members will be entitled to virtually attend and vote at the meeting if they are registered on the Company's register of members 48 hours before the time appointed for the meeting or any adjournment thereof. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

BY ORDER OF THE BOARD



Sam Wright
Director & Company Secretary
Dated: 6 October 2022

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with certain information known to the Company that the Company deems to be material to Shareholders in deciding whether or not to approve the proposed Resolutions.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Certain capitalised terms in this Explanatory Statement are defined in the Glossary.

1. RECEIPT OF FINANCIAL REPORT, DIRECTORS' REPORT & AUDITOR'S REPORT

The Financial Report of the Company for the year ended 30 June 2022 together with the Directors' Report in relation to that financial year and the Auditor's Report on the financial report will be received at the Annual General Meeting. Copies of the Financial Report, Directors' Report and Auditor's Report are available on the Company's website (www.smsystems.com.au).

There is no requirement for a formal resolution on this item.

2. RESOLUTION 1 - RE-APPOINTMENT OF AUDITORS

Resolution 1 seeks Shareholder approval for the re-appointment of Jeffreys Henry Audit Limited as the Company's auditors and for the Directors to fix their remuneration.

The UK Companies Act 2006 ("**2006 Act**") provides that shareholders may appoint auditors of public companies by ordinary resolution at the general meeting of the company at which the company's annual accounts are laid (usually the annual general meeting) defined as the "accounts meeting" (section 489(4)(a), 2006 Act) and that there is no deemed re-appointment. Resolution 2, therefore, proposes the re-appointment of Jeffreys Henry Audit Limited as the Company's auditors until the conclusion of the next "accounts meeting" of the Company.

Since the Company's last annual general meeting the directors appointed Jeffreys Henry Audit Limited as auditor pursuant to section 489(3) of the 2006 Act. The directors appointed Jeffreys Henry Audit Limited following the death of the key principal of the Company's former audit firm, being Elderton Audit (UK) Pty Ltd.

In accordance with section 492 of the 2006 Act, the remuneration of the auditors appointed by a company in general meeting is to be fixed by the company in general meeting or in a manner that the company in general meeting determines. Resolution 1 authorises the Directors to fix the remuneration of the auditors in accordance with this requirement.

The Board unanimously recommends shareholders vote in favour of this resolution.

3. RESOLUTION 2: RE-APPOINTMENT OF EXECUTIVE DIRECTOR – ROSS LOVE

Resolution 2 seeks approval for the re-appointment of Ross Love as Executive Chairman.

Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, provides that the Board may from time to time and at any time appoint any other person to be a Director either to fill a causal vacancy or by way of addition to the Board. A Director so appointed shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall then be eligible for re-election.

Mr Ross Love, the Executive Chairman was appointed by the Board as an additional director on 13 July 2022. He will automatically retire from office at this Annual General Meeting of the Company in

accordance with Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, and offers himself for re-election. Mr Love retires in accordance with these provisions, and being eligible, offers himself for re-election as a Director.

Mr Love is an experienced global executive and consultant with wide public and private sector experience in developing and executing policy reforms and business strategy transformations in Australia and the United States. He is an experienced, airline industry focused executive and was responsible for the management of one of Boston Consulting Group's (BCG) largest and longest running client relationships with Qantas Airlines and oversaw BCG's global airline practice before his tenure as head of the group's New York business.

Among his many career highlights of the past three decades, Mr Love contributed to multiple change programs at Qantas Airways, including two years as a de facto member of CEO Geoff Dixon's Executive Management team (2000-2002,) from the initial privatization in the early 90's, and including the creation and subsequent growth of its loyalty program. He led the external support for the initial development and subsequent international growth of its low-cost subsidiary Jetstar, and the restructuring of its core domestic and international product and cost structure (1994-2014).

He has worked with senior decision makers in Government including at State and Commonwealth level in Australia, the State and City Governments of New York and the UN, as well as with Executive teams and Boards in the Corporate and Non-Profit Sectors.

He was formerly a Senior Partner at The Boston Consulting Group, where he worked for over 25 years, most recently as head of its New York business, and prior to that, its Australian and New Zealand businesses.

He is currently chair of the Water Corporation of Western Australia, Chair of the Fremantle Port Authority, Director of Tellus Group Holdings and a member of the Westport Steering Committee.

Globally Mr Love was responsible for leading an independent review, for the United Nations Security Council, of the UN Assistance Mission to Iraq (2017) and for the development of the emergency response plan for the Governor of New York for the Metropolitan Transportation Authority in New York.

His tenure at Boston Consulting incorporated a significant transformation of aspiration, growth, and culture in the United States, ultimately with 70 partners and over 1,000 staff (2015-2018) in New York, by then BCG's largest office world-wide.

More recently, Mr Love has served as Senior Advisor to the Chairman, Fortescue Metals Group and Minderoo (Sep 2018-March 2019), was a Member of the WA Regional Development Trust (2018-2021) and Consultant to the Minister for Regional Development.

His many community accolades and voluntary roles include CEO Member, the Partnership for New York City (2015-2017), Business Board Member, The Lincoln Center New York (2016-2018), member of the Business Council of Australia (2008-2014), Director, Jawun – Indigenous Corporate Partnerships Australia (2011-2014) and Special Advisor, The Wunan Foundation for Indigenous Development, Kununurra (2012-2014).

Mr Love is recognised for his experience in policy reform, significant corporate and organisational restructure and positioning and leadership of large, global organisations undergoing significant internal and structural change.

The Board (other than Mr Love, who abstains) unanimously recommends shareholders vote in favour of this resolution.

4. RESOLUTION 3: RE-APPOINTMENT OF DIRECTOR – BRIAN WALL

Resolution 3 seeks approval for the re-appointment of Brian Wall as a Non-Executive Director.

Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, provides that the Board may from time to time and at any time appoint any other person to be a Director either to fill a causal vacancy or by way of addition to the Board. A Director so appointed shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall then be eligible for re-election.

Mr Brian Wall, a Non-Executive Director was appointed by the Board as an additional director on 20 June 2022. He will automatically retire from office at this Annual General Meeting of the Company in accordance with Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, and offers himself for re-election. Mr Wall retires in accordance with these provisions, and being eligible, offers himself for re-election as a Director.

Mr Wall began his career as a commercial pilot before transitioning into senior management roles within the industry. Mr Wall was appointed as Anodyne Electronics Corporation (AEM) chief executive officer in 2019 and was instrumental in successfully positioning AEM for profitable growth importantly in several sectors not exposed to external inflationary pressures. Brian successfully navigated AEM through a tumultuous period during a global pandemic and oversaw the move to AEM's new Kelowna facility.

The Board (other than Mr Wall, who abstains) unanimously recommends shareholders vote in favour of this resolution.

5. RESOLUTION 4: RE-APPOINTMENT OF DIRECTOR – RICK DEURLOO

Resolution 4 seeks approval for the re-appointment of Rick Deurloo as a Non-Executive Director.

Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, provides that the Board may from time to time and at any time appoint any other person to be a Director either to fill a causal vacancy or by way of addition to the Board. A Director so appointed shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall then be eligible for re-election.

Mr Rick Deurloo, a Non-Executive Director was appointed by the Board as an additional director on 1 April 2022. He will automatically retire from office at this Annual General Meeting of the Company in accordance with Article 20.2 of the Articles of Association and ASX Listing Rule 14.4, and offers himself for re-election. Mr Deurloo retires in accordance with these provisions, and being eligible, offers himself for re-election as a Director.

Rick has more than 23 years of experience in management and sales in the global aerospace industry and is currently SVP & Chief Commercial Officer for Pratt & Whitney. In this role he is responsible for leading and directing all Sales, Marketing and Customer Support worldwide for

Pratt & Whitney Commercial Engines and International Aero Engines (**IAE**). Pratt & Whitney is an American aerospace manufacturer with global service operations. It is a subsidiary of Raytheon Technologies (NYSE: RTX). Pratt & Whitney's aircraft engines are widely used in both civil aviation and military aviation. Its headquarters are in East Hartford, Connecticut.

Mr. Deurloo is a member of the Board of Governors of the Wings Club Foundation, a global society of aviation professionals. He holds a bachelor's degree in finance from Eastern Connecticut State University and a master's degree in business administration from the University of Connecticut.

The Board (other than Mr Deurloo, who abstains) unanimously recommends shareholders vote in favour of this resolution.

6. RESOLUTION 5: RE-APPOINTMENT OF DIRECTOR – SAM WRIGHT

Resolution 5 seeks approval for the re-appointment of Sam Wright as a Non-Executive Director.

Article 25.2 of the Articles of Association provides that at each annual general meeting of the Company one-third of the Directors (other than those retiring as Directors appointed by the Board in accordance with Article 20.2) or, if their number is not three or a multiple of three, then such number as is nearest to but not exceeding 33.3% shall retire from office. Article 25.3 of the Articles of Association provides that any Directors to so retire shall be the Directors who have been longest in office since their last election. ASX Listing Rule 14.4 provides that a director of an entity (other than a managing director) must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Mr Wright was last re-appointed a Director at the 2020 annual general meeting on 21 January 2021. Mr Wright will retire from office at the Meeting in accordance with the above requirements and submits himself for re-appointment.

Mr Wright is a Non-Executive Director of the Company.

Sam Wright has twenty years' experience in the administration of ASX listed companies, corporate governance and corporate finance. He is a member of the Australian Institute of Company Directors, the Financial Services Institute of Australasia, and the Chartered Secretaries of Australia.

Mr Wright is currently a Director of ASX listed companies, PharmAust Limited, Reach Resources Limited and Structural Monitoring Systems plc.

Mr Wright is Company Secretary for ASX listed companies, Buxton Resources Limited and Wide Open Agriculture Limited. He also fills the role of Director and Company Secretary with several unlisted companies.

Mr Wright is the Managing Director of Perth-based corporate advisory firm Straight Lines Consultancy, specialising in the provision of corporate services to public companies.

Mr Wright has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, and shareholder relations with both retail and institutional investors.

The Board (other than Mr Wright, who abstains) unanimously recommends shareholders vote in favour of this resolution.

7. RESOLUTION 6: APPOINTMENT OF DIRECTOR – MIROLJUB MILETIC

Resolution 6 seeks approval for the appointment of Mr Miroljub Miletic as a Non-Executive Director.

Article 25.5 of the Articles of Association provides that unless recommended by the Board, no person (other than a retiring Director) shall be eligible for election to the office of Director at any General Meeting, unless not less than 7 and not more than 21 days before the day of the General Meeting there is notice given to the secretary by a Member qualified to be present and vote at the meeting of his intention to propose such person for election. ASX Listing Rule 14.3 provides that an entity must accept nominations for the election of directors up to 35 business days before the date of a general meeting at which directors may be elected, unless the entity's constitution says otherwise.

In accordance with Article 25.5, the Board recommends and proposes that Mr Miroljub Miletic be appointed as a Non-Executive Director of the Company. The Company has received a duly executed consent to act as director from Mr Miroljub Miletic confirming that he is not disqualified from acting as a director. Mr Miletic is currently the Managing Director and Founder of MEMKO Pty Ltd (**MEMKO**) and has an impressive track record of leadership and outstanding achievement in both the Australian and international aerospace industries over more than three decades.

MEMKO offers industry specific products, technology, training and engineering solutions across highly regulated industries such as commercial aviation, aerospace, defence and space.

His considerable contribution to the field of Aviation and Aerospace was recognized with the award of an Honorary Doctorate in Engineering (Aerospace) by RMIT University, Melbourne in 2012 – a significant accolade in recognition of his exceptional career achievements to date.

During his professional career in the industry, Mr Miletic has worked on large commercial and military aircraft projects, among them the Boeing 737 and 747s, the Lockheed C-130 and F-35 and the Airbus A320, A330 and A380 to name just a few.

Prior to founding and building MEMKO, he held a number of leadership positions at The Boeing Company Australia including Director of Engineering & Quality Assurance, General Manager Advanced Composites and Metals and Manager Business Development & Planning.

During his extensive career in the aerospace industry Mr Miletic has led many outstanding achievements that have had broader impact at a local, national and international level including:

- the commercialisation of world leading technologies in composites manufacturing, robotic automation, and weapon systems;
- the development of world class manufacturing facilities for the Boeing 787 program;
- chairing the 12th Australian International Aerospace Congress, Melbourne Australia;
- development and deployment of digital manufacturing processes.

The Board unanimously recommends shareholders vote in favour of this resolution.

8. RESOLUTION 7– ADDITIONAL PLACEMENT CAPACITY

8.1 Listing Rule 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% ("**10% Placement Facility**").

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. As at 30 September 2022, the Company was not included in the S&P/ASX 300 Index and the Company's market capitalisation was approximately \$60,380,831. As such, the Company is an eligible entity for these purposes. *[Note: based on closing price of \$0.45 on 30 September 2022 and 134,179,626 currently issued CDIs]*

Resolution 7 seeks shareholder approval by way of a special resolution for the Company to have the 10% Placement Facility provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

8.2 Disclosures provided for Listing Rule 14.1A

For the purposes of Listing Rule 14.1A, the following is disclosed:

- (a) If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.
- (b) If Resolution 7 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

8.3 Securities issued under the 10% Placement Facility

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The only quoted Equity Securities that the Company has on issue are its CDIs. Therefore, any Equity Securities issued under the 10% Placement Facility must be CDIs.

The number of Equity Securities which may be issued by a company under Listing Rule 7.1A is calculated in accordance with the following formula:

$$(A \times D) - E$$

where

A is the number of fully paid ordinary shares on issue at the commencement of the relevant period:

- plus the number of fully paid ordinary shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;

- plus the number of partly paid ordinary shares that became fully paid in the relevant period;
- less the number of fully paid ordinary shares cancelled in the relevant period.

D is 10%.

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement to issue has not been subsequently approved by the holders of the Company's ordinary securities under Listing Rule 7.4.

Relevant Period is the 12 month period immediately preceding the date of the issue or agreement.

The Directors are seeking approval to issue a number of Equity Securities representing 10% of the issued share capital of the Company pursuant to Listing Rule 7.1A.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any shares.

8.4 Technical information required by Listing Rule 7.3A

The following information is provided pursuant to and in accordance with Listing Rule 7.3A:

(a) Period for which the 7.1A approval is valid

If Shareholder approval is granted for Resolution 7, then that approval will cease to be valid on the earlier of:

- the date that is 12 months from the date of the Meeting; or
- the time and date of the Company's next annual general meeting; or
- the time and date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

(b) Minimum price

The Equity Securities must be issued at an issue price that is no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- The date of which the price at which the Equity Securities are to be issued is agreed; or
- If the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) Use of funds

The primary purpose for which CDIs may be issued pursuant to Resolution 7 is to pursue possible further investment opportunities which may arise, for working capital to utilise within the group for operations and project development.

(d) Risk of Economic and Voting Dilution

Provided that Shareholder approval is granted for Resolution 7, Shareholders should note there is a risk that:

- i. the market price of Equity Securities may be significantly lower on the issue date than on the date on which approval is given to this Resolution 7 under Listing Rule 7.1A; and
- ii. the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The table below is provided to illustrate the potential voting and economic dilution of existing Shareholders on the basis of the current market price of shares and the current number of shares for variable “A” calculated in accordance with the formula in Listing Rule 7.1A.2 as at 3 October 2022.

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.25 50% decrease in Issue Price	\$0.50 Issue Price	\$1.00 100% increase in Issue Price
Current Variable A 134,447,963 shares	10% dilution	13,447,963	13,447,963	13,447,963
	Funds raised	\$3,361,990.65	\$6,723,981.30	\$13,447,962.60
50% increase in current Variable A 201,671,944 shares	10% dilution	20,171,944	20,171,944	20,171,944
	Funds raised	\$5,042,985.98	\$10,085,971.95	\$20,171,943.90
100% increase In current Variable A 268,895,926 shares	10% dilution	26,895,925	26,895,925	26,895,925
	Funds raised	\$6,723,981.30	\$13,447,962.60	\$26,895,925.20

The table is prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under Listing Rule 7.1A and does not factor in the Company’s ability to issue up to 15% of its issued capital under Listing Rule 7.1; and
- (iii) The issue price is \$0.50.

The table shows:

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and

- (ii) two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

(e) *Allocation policy*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issued pursuant to the 10% Placement Facility under Listing Rule 7.1A. The identity of the allottees of Equity Securities will be determined on a case by case basis having regard to factors including but not limited to the following:

- i. the methods of raising funds that are available to the Company, including rights issue or other issues in which existing Shareholders can participate;
- ii. the effect of the issue the Equity Securities on the control of the Company;
- iii. the financial situation of the Company;
- iv. advice from corporate, financial and broking advisors; and
- v. the potential benefits an allottee could provide to the Company as a strategic investor (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) *Previous issues in the last 12 months under the 10% Placement Facility*

During the last 12 months the Company has not issued any Equity Securities under the 10% Placement Facility during the last 12 months.

(g) *Voting exclusion*

As at the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities utilising this 10% Placement Facility following the 2022 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting for this Resolution at the Meeting.

Recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

9.1 General

As announced on 20 September 2022, the Company issued 5,500,000 new CDIs at an issue price of \$0.35 per CDI together with 5,500,000 free attaching Options exercisable at \$1.20 pursuant to a placement ("**Placement**") to sophisticated and professional investors.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those securities.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue, or agree to issue, during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an Option), if the number of those securities exceeds 15% of the number of securities

on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

9.2 Disclosures provided for Listing Rule 14.1A

For the purposes of Listing Rule 14.1A, the following is disclosed:

- (a) If Resolution 8 is passed, up to a total of 5,500,000 CDIs and 5,500,000 Options issued by the Company under the Placement will be excluded in calculating the Company's placement capacity in accordance with the ASX Listing Rules, thereby increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.
- (b) If Resolution 8 is not passed, up to a total of 5,500,000 CDIs and 5,500,000 Options issued by the Company under the Placement will be included in calculating the Company's placement capacity in accordance with the ASX Listing Rules, thereby decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities

9.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the securities:

- (a) 5,500,000 new CDIs together with 5,500,000 free attaching Options were issued;
- (b) the issue price for the CDIs was \$0.35 each;
- (c) the exercise price for the Options is \$1.20 and the Options will expire on 6 April 2024, further terms of the Options are set out in the Schedule to this Explanatory Statement;
- (d) the new CDIs are issued on the same terms and conditions as the Company's existing CDIs;
- (e) the securities were issued to sophisticated and professional investors that were Australian or New Zealand residents and clients of the Lead Manager Westar Capital Limited. Priority to participate was given to eligible Shareholders who participated in the March entitlement offer who qualified as professional and sophisticated investors. No securities issued under the Placement were issued to a related party of the Company, a member of the Company's key management personnel, a substantial holder of the Company, an advisor to the Company or an associate of any of the above.;
- (f) the securities were issued on 20 September 2022; and
- (g) the funds raised will be used to fund the Company's CVM commercialisation strategy and for general working capital purposes.

10. RESOLUTION 9 – ISSUE OF OPTIONS TO ROSS LOVE

10.1 General

The Company has agreed, subject to obtaining Shareholder approval and Mr Love's re-appointment at this Annual General Meeting, to allot and issue up to 1,500,000 Options to Mr Ross Love as part of his remuneration package on the terms and conditions set out below. The Options are to be issued in three tranches as follows:

- (a) 500,000 Tranche 1 Options (**Tranche 1**);
- (b) 500,000 Tranche 2 Options (**Tranche 2**); and
- (c) 500,000 Tranche 3 Options (**Tranche 3**).

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

By issuing the Options as part of Mr Love's remuneration package, the Company is able to preserve its cash reserves and also provides a means of incentivising Mr Love by aligning his interest with the Shareholders.

10.2 ASX Listing Rule 10.11 and 7.1

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies (none of which apply here).

Accordingly, Shareholder approval is required pursuant to the Listing Rule 10.11 for the proposed grant of the Options to Mr Love, who is a related party of the Company under the Listing Rules.

Listing Rule 7.1 requires the prior approval of Shareholders in general meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12-month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under Listing Rule 10.11.

Accordingly, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 (in accordance with Exception 14 of Listing Rule 7.2).

For the purposes of Listing Rule 14.1A, the following is disclosed:

- (a) If Resolution 9 is passed, the Company will be able to proceed with the issue of a total of 1,500,000 Options to Mr Love exercisable at the price and on the dates as specified in in section 10.3, and the issue of such Options will be excluded in calculating the Company's placement capacity in accordance with the Listing Rules.
- (b) If Resolution 9 is not passed, the Company will not be able to proceed with the issue of a total of 1,500,000 Options to Mr Love, exercisable at the price and on the dates as specified in in section 10.3, and the Company may be required to implement alternative arrangements to remunerate Mr Love including increasing Directors' fees or providing other forms of cash based remuneration in recognition of the calibre of the Mr Love thereby reducing the available cash resources of the Company.

10.3 Technical Information required by ASX Listing Rule 10.11

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Director Remuneration Shares:

- (a) the related party to whom the Options will be issued is Mr Ross Love or his nominee. The recipient, being the Executive Chairman of the Company, is a related party of the Company and accordingly Listing Rule 10.11.1 applies. If Mr Love elects to have the Options granted to his nominee, Listing Rule 10.11.4 applies
- (b) the maximum number of Options to be issued to Mr Ross Love is 1,500,000. The Options are issued for nil consideration.
- (c) the Company proposes to issue the Options to Mr Love no later than 1 month after approval of the issue at the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) no funds will be raised by the issue of these Options as they are being issued in consideration for remuneration owing by the Company to Mr Love for Director fees accrued and owing.
- (e) Each Option will be granted on the following terms:
 - (i) each Option entitles Mr Love to subscribe for one (1) CDI of the Company;
 - (ii) the Options will expire 3 years from the date of issue;
 - (iii) the Options issued are exercisable at the following prices:
 - (A) Tranche 1 – 143% of the VWAP for the 15 Trading Days on which the shares traded prior to the date of Mr Love's appointment on 13 July 2022, being \$0.593;
 - (B) Tranche 2 – the higher of 90 cents or 143% of the VWAP for the 5 Trading Days on which Shares trade prior to the Annual General Meeting to which the Options were approved; and
 - (C) Tranche 3 – the higher of \$1.20 or 143% of the VWAP for the 5 Trading Days on which Shares trade prior to the Annual General Meeting to which the Options were approved.
- (f) If Mr Love resigns or is terminated within 12 months of his appointment (his date of appointment being 13 July 2022) the Options granted will be forfeited.
- (g) The Options will vest after Mr Love has been continually employed for 6 months by the Company, accordingly the Options are expected to vest on 13 January 2023.
- (h) Mr Love's total remuneration package is \$325,000 per annum (plus GST) together with the Options package subject to shareholder approval of this resolution and valued at a total of \$326,969 using the Black Scholes method.

10.4 Other Information

The directors are remunerated at a level commensurate with the current stage of the Company's development and its financial capacity. Mr Love is paid an annual cash remuneration of \$325,000 (excluding superannuation).

The Company believes it is appropriate to grant equity options to its key management personnel, including its executive chairman. Smaller entities often elect to use equity instruments to remunerate key personnel in order to attract and retain high calibre individuals while minimising the cash cost of engaging those people. In addition, the options also help to create alignment between directors and shareholders. In particular, the Company wishes to grant the Options to Mr Love under the proposed Resolution 9, rather than other alternatives considered by the Company including increasing Directors'

fees or providing other forms of cash based remuneration in recognition of the calibre of Mr Love. The Company considers the issue of the Options to be preferable to other available alternatives because it provides a means of appropriately remunerating and incentivising Mr Love while preserving cash resources and also aligns his interests with the interests of shareholders.

The Options, if their issue is approved by shareholders, will be valued at the grant date. However an indicative valuation of the Options as at 28 September 2022 (being the date the Company agreed to issue the Options, subject to shareholder approval) is detailed below:

Tranche	Number of Options	Exercise Price	Indicative value of Options (28 September 2022)	
Tranche 1	500,000	\$0.593	\$0.2505	
Tranche 2	500,000	\$0.900	\$0.2161	
Tranche 3	500,000	\$1.200	\$0.1873	

The indicative value of the Options is based on a Black Scholes valuation of the Options as at 28 September 2022 based on the following inputs:

(a) Tranche 1:

- (i) Underlying Share Price: \$0.465 per share (closing price of the Company on 28 September 2022)
- (ii) Exercise Price: \$0.593 per share
- (iii) Risk free rate: 3.73% (Australian Government 3 year bond yield)
- (iv) Volatility: 90.57%
- (v) Indicative Grant Date: 11 November 2022
- (vi) Expiry: 11 November 2025

(b) Tranche 2:

- (i) Underlying Share Price: \$0.465 per share (closing price of the Company on 28 September 2022)
- (ii) Exercise Price: \$0.900 per share
- (iii) Risk free rate: 3.73% (Australian Government 3 year bond yield)
- (iv) Volatility: 93.55%
- (v) Indicative Grant Date: 11 November 2022
- (vi) Expiry: 11 November 2025

(c) Tranche 3:

- (i) Underlying Share Price: \$0.465 per share (closing price of the Company on 28 September 2022)
- (ii) Exercise Price: \$1.200 per share

- (iii) Risk free rate: 3.73% (Australian Government 3 year bond yield)
- (iv) Volatility: 93.55%
- (v) Indicative Grant Date: 11 November 2022
- (vi) Expiry: 11 November 2025

In accordance with AASB 2, the value of the Options to be granted to Mr Love will be calculated on the issue date using the Black Scholes method and expensed in the Statement of Profit & Loss in the year ended 30 June 2023. However, based on the latest indicative valuation set out above as at 28 September 2022, the charge to profit and loss for the year ended 30 June 2023, would be approximately \$326,969.

The number of Options to be issued to Mr Love if Resolution 9 is approved represents, on a fully diluted basis assuming all other options on issue are converted, 1.051% of the Company's issued CDIs as at the date of this Notice. Mr Love currently holds zero (0) CDIs in the Company, if Mr Love is granted, and subsequently exercises the Options the subject of Resolution 9, he will hold an aggregate of 1,500,000 CDIs, representing 1.117% of the Company's capital. The issue of the Options and subsequent exercise of the Options will therefore have no effect on the control of the Company.

The issue exercise of the Options will dilute existing Shareholders' interests by 1.053% (assuming no other changes in the Company's capital as at the date of this Notice).

GLOSSARY

In this Notice of Meeting and Explanatory Statement the following expressions have the following meanings:

"Articles of Association" or "Articles"	the Company's articles of association, as amended from time to time.
"ASX"	ASX Limited (ACN 008 624 691).
"ASX Listing Rules" or "Listing Rules"	the official Listing Rules of ASX as amended from time to time.
"Board"	The Board of Directors of the Company.
"CDI"	CHESS Depository Interests.
"Company"	means Structural Monitoring Systems plc, registered in England and Wales with Company Number 4834265 (ARBN: 106 307 322)
"Corporations Act"	means the <i>Corporations Act 2001</i> (Cth).
"Director"	A director of Structural Monitoring Systems.
"EIP"	an employee incentive plan as summarised in Schedule 2.
"Equity Securities"	has the meaning given to that term in the Listing Rules.
"Explanatory Statement"	the explanatory statement accompanying this Notice.
"Meeting" or "General Meeting"	the Annual General Meeting of the Company to be held on Tuesday, 15 November 2022.
"Notice of Meeting"	the notice convening the Meeting, which accompanies this Explanatory Statement.
"Option"	means an option to acquire a Share.
"Resolutions"	the proposed resolutions set out in the Notice of Meeting.
"Section"	a section of the Explanatory Statement.
"Share"	a fully paid ordinary share of £0.0005 each in the capital of the Company and, where the context requires, means a CHESS depository interest.
"Shareholder"	The registered holder of one or more Shares.
"Structural Monitoring Systems", "SMN" or "Company"	Structural Monitoring Systems plc, registered in England and Wales with Company Number 4834265 (ARBN: 106 307 322).
"WST"	Western Standard Time (Australia).
"\$" or "A\$"	Australian dollars.
"£"	British pounds.

SCHEDULE 1 – OPTION TERMS

The Options entitle the holder to subscribe for CDIs on the terms and conditions set out below:

(a) **Entitlement**

- (i) Each Option gives the Option Holder the right to subscribe for one (1) CDI by paying the Exercise Price before the Expiry Date in accordance with terms and conditions set out in this Schedule.
- (ii) CDIs issued on the exercise of the Options will rank equally with all existing CDIs on issue, as at the exercise date, and will be subject to the provisions of the Articles of Association of the Company and any escrow restrictions imposed on them by the ASX.

(b) **Exercise Price**

The amount payable upon exercise of each Option is \$1.20 (**Exercise Price**).

(c) **Expiry Date**

The Options will expire on 6 April 2024 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time from the issue date up to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **CDIs issued on exercise**

CDIs issued on exercise of the Options rank equally with the then issued CDIs of the Company.

(h) **Quotation**

The Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all CDIs issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to CDI Holders during the currency of the Options without exercising the Options.

(j) **Participation in a Reorganisation of Capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.



Need assistance?

**Phone:**

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

**Online:**

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **11:00am (WST) Sunday, 13 November 2022**.

CDI Voting Instruction Form

How to Vote on Items of Business

Each CHESS Depositary Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI registered in your name at 11:00am (WST), Sunday 13 November 2022 entitles you to one vote.

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depositary Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depositary Nominees Pty Ltd enough time to tabulate all CHESS Depositary Interest votes and to vote on the underlying shares.

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 Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable.

Lodge your Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 181732

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



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.

CDI Voting Instruction Form

Please mark **X** to indicate your directions

STEP 1

CHESS Depositary Nominees will vote as directed

Voting Instructions to CHESS Depositary Nominees Pty Ltd

Please mark Option A **OR** B

I/We being a holder of CHESS Depositary Interests of Structural Monitoring Systems plc, hereby direct CHESS Depositary Nominees Pty Ltd (CDN) to:

Option **A** ☐ vote on my/our behalf with respect to the Resolutions below in the manner instructed in Step 2 below.

OR Option **B** appoint the:

☐ **Chairman of the Meeting**

OR

to attend, speak and vote the shares underlying my/our holding at the Annual General Meeting of Structural Monitoring Systems plc ("the Company") to be held at The Banksia Room, The Double Tree by Hilton, Level 2, 100 James St, Perth, Western Australia on Tuesday, 15 November 2022 at 11:00am (AWST) and at any adjournment of that meeting.

CDN instructs its proxy to vote on the resolutions proposed at the meeting in accordance with the directions in Step 2 below. Where no direction is given, the proxy may vote as they see fit. In addition, the proxy can vote as they see fit on any other business of the meeting, including amendments to the resolutions and at any adjournment of the meeting.

The Chairman of the Meeting intends to vote all valid undirected proxies in favour of each item of business, set out in Step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing CHESS Depositary Nominees Pty Ltd or their appointed 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-appointment of auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-appointment of Executive Chairman - Ross Love	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-appointment of Director - Brian Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-appointment of Director - Rick Deurloo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Re-appointment of Director - Sam Wright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Appointment of Director - Miroljub Miletic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		For	Against	Abstain
8	Ratification of prior issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Issue of Options to Ross Love	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Contact
Name

Securityholder 2

Director

Contact
Daytime
Telephone

Securityholder 3

Director/Company Secretary

Date / /



