



(Registered in England with Company No. 4834265  
ARBN 106 307 322)

**NOTICE OF ANNUAL GENERAL MEETING**  
and  
**EXPLANATORY STATEMENT**  
and  
**PROXY FORM**

**DATE AND TIME OF MEETING:**  
21 January 2021 at 9:00am (WST)

**TO BE HELD AS A VIRTUAL MEETING**

**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.



## CHAIRMAN'S LETTER - 2020 ANNUAL GENERAL MEETING – FULLY VIRTUAL MEETING

Dear Securityholder,

I am pleased to invite you to attend the 2020 Annual General Meeting of Structural Monitoring Systems plc (“SMS” or “The Company”), which will be held at 9:00am (WST) on 21 January 2021 (Meeting). In accordance with COVID-19 guidelines provided by the Commonwealth government, the Federal Treasurer has issued a Determination that permits companies to hold fully virtual annual general meetings. To protect the health and safety of our Shareholders and staff, and to allow for Shareholders who wish to attend the meeting, we will hold a fully virtual Meeting, which means there will not be a physical venue for you to attend.

In addition, the Determination issued by the Federal Treasurer permits a Notice of Meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. Accordingly, this year the SMS Notice of Meeting will not be mailed to Shareholders. Instead, it is available for you to view and download on the SMS website at: [www.smsystems.com.au/investor](http://www.smsystems.com.au/investor)

Your participation in the Meeting is important to us. The Meeting will be webcast live via the Lumi online platform. Shareholders and proxy holders will be able to listen to the proceedings, ask questions of the Board and vote in real-time. You may attend the Meeting online using your computer, your mobile phone or device. CDI holders will be able to listen to the proceedings and ask questions however will not be able to vote in real time.

If you use your computer to attend the Meeting, you should use the Lumi platform (by entering this URL in your browser: <https://web.lumiagm.com> and entering the Meeting ID **333-934-228**). If you use your mobile phone or device to attend the Meeting, you can either enter the URL in your browser: <https://web.lumiagm.com> and entering the Meeting ID **333-934-228** or by using the Lumi AGM App (which you can download from the Apple App or Google Play stores by searching Lumi AGM). Further information on how to participate in the Meeting is provided in the Notice of Meeting.

If you will not be able to attend the Meeting online at the scheduled time, you can participate in the Meeting by appointing a proxy to attend and vote live at the Meeting.

Shareholders are encouraged to submit questions in advance of the Meeting to the Company by emailing the Company on [s.forman@smsystems.com.au](mailto:s.forman@smsystems.com.au). Responses will be provided at the Meeting in respect of all valid questions received prior to the Proxy cut-off time.

You are encouraged to vote on each of the resolutions to be considered at the Meeting. You may do this by voting online at [www.investorvote.com.au](http://www.investorvote.com.au) or by completing and returning the provided CDI Voting Instruction Form no later than 9:00 am (WST) on 18 January 2021 in accordance with instructions on the CDI Voting Instruction Form.

The situation regarding COVID-19 is constantly evolving. Shareholders are encouraged to monitor the Company's ASX announcements and website for any further updates in relation to the Meeting.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'W. Rouse', is written over a horizontal line.

William Rouse  
Executive Chairman

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting ("**Meeting**") of members of Structural Monitoring Systems Plc ("**the Company**") will be held on 21 January 2021 at 9:00 pm (WST). Due to the extraordinary circumstances presented by the COVID-19 pandemic, the meeting will be held virtually.

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 5:00 pm (WST) on 19 January 2021, 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 as a proxy is appointed. Each CDI holder has the right to:

- (a) direct CHESS Depository 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 in respect of 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 2020 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](http://www.smsystems.com.au)).

#### **RESOLUTION 1: RE-APPOINTMENT OF DIRECTOR – R. MICHAEL REVELEY**

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

##### **Mr R. Michael Reveley**

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

#### **RESOLUTION 2: 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 20.2 of the Articles of Association, ASX Listing Rule 14.4 and, being eligible, offers himself for re-appointment, be re-appointed as a director of the Company."*

### **RESOLUTION 3: RE-APPOINTMENT OF AUDITORS**

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

*"That RSM UK Audit LLP, 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 4: ISSUE OF PERFORMANCE RIGHTS IN LIEU OF ACCRUED FEES TO WILLIAM ROUSE**

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 10.14 and for all other purposes, approval is given for the Company to issue 264,840 Performance Rights for accrued fees to William Rouse or his nominee under the incentive scheme on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The entity will disregard any votes cast in favour of the resolution by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the incentive scheme in question (including, R. Michael Reveley, William Rouse, Stephen Forman, Sam Wright, Terry Walsh and each of their nominees) or an associate of that person or those persons. 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 the 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 5: ISSUE OF PERFORMANCE RIGHTS IN LIEU OF ACCRUED FEES TO R MICHAEL REVELEY**

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 10.14 and for all other purposes, approval is given for the Company to issue a total of 178,025 Performance Rights for accrued fees to R Michael Reveley or his nominee under the incentive scheme on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The entity will disregard any votes cast in favour of the resolution by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the incentive scheme in question (including R. Michael Reveley, William Rouse, Stephen Forman, Sam Wright, Terry Walsh and each of their nominees) or an associate of that person or those persons. 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 the 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 6: ISSUE OF PERFORMANCE RIGHTS IN LIEU OF ACCRUED FEES TO TERRY WALSH**

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 10.14 and for all other purposes, approval is given for the Company to issue a total of 146,654 Performance Rights for accrued fees to Terry Walsh or his nominee under the incentive scheme on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The entity will disregard any votes cast in favour of the resolution by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the incentive scheme in question (including, R. Michael Reveley, William Rouse, Stephen Forman, Sam Wright, Terry Walsh and each of their nominees) or an associate of that person or those persons. 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 the 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 7: ISSUE OF PERFORMANCE RIGHTS PURSUANT TO EMPLOYMENT AGREEMENT**

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 10.14 and for all other purposes, approval is given for the Company to issue 60,000 Performance Rights to Stephen Forman or his nominee under the incentive scheme on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The entity will disregard any votes cast in favour of the resolution by or on behalf of any person referred to in ASX Listing 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the incentive scheme in question (including, R. Michael Reveley, William Rouse, Stephen Forman, Sam Wright, Terry Walsh and each of their nominees), or an associate of that person or those persons. 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 the 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 8: ISSUE OF PERFORMANCE RIGHTS IN LIEU OF ACCRUED FEES TO STEPHEN FORMAN**

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 10.14 and for all other purposes, approval is given for the Company to issue 43,954 Performance Rights to Stephen Forman or his nominee under the incentive scheme on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The entity will disregard any votes cast in favour of the resolution by or on behalf of any person referred to in ASX Listing 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the incentive scheme in question (including, R. Michael Reveley, William Rouse, Stephen Forman, Sam Wright, Terry Walsh and each of their nominees), or an associate of that person or those persons. 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 the 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 PERFORMANCE RIGHTS PURSUANT TO EMPLOYMENT AGREEMENT**

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 10.14 and for all other purposes, approval is given for the Company to issue 90,000 Performance Rights to Sam Wright or his nominee under the incentive scheme on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The entity will disregard any votes cast in favour of the resolution by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the incentive scheme in question (including, R. Michael Reveley, William Rouse, Stephen Forman, Sam Wright, Terry Walsh and each of their nominees) or an associate of that person or those persons. 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 the 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 10: ISSUE OF PERFORMANCE RIGHTS IN LIEU OF ACCRUED FEES TO SAM WRIGHT**

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 10.14 and for all other purposes, approval is given for the Company to issue 65,813 Performance Rights to Sam Wright or his nominee under the incentive scheme on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The entity will disregard any votes cast in favour of the resolution by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the incentive scheme in question (including, R. Michael Reveley, William Rouse, Stephen Forman, Sam Wright, Terry Walsh and each of their nominees) or an associate of that person or those persons. 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 the 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 11: ISSUE OF SHARES TO WILLIAM ROUSE**

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 Company to issue a total of 450,000 Shares to William Rouse or his nominee on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** William Rouse (or their nominee) and 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 associate of that person or those persons. 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 the 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 12: ISSUE OF SHARES TO TERRY WALSH**

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 Company to issue a total of 109,375 Shares to Terry Walsh or his nominee on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** Terry Walsh (or their nominee) and 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 associate of that person or those persons. 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 the 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 General 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: 7 December 2020



## 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.

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

It is proposed that the Financial Report of the Company for the year ended 30 June 2020 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](http://www.smsystems.com.au)).

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### 2. RESOLUTION 1: RE-APPOINTMENT OF DIRECTOR – R. MICHAEL REVELEY

Resolution 1 seeks approval for the re-appointment of R. Michael Reveley as 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 Reveley was last re-appointed a Director at the 2018 annual general meeting on 11 December 2018. Mr Reveley will retire from office at the Annual General Meeting in accordance with the above requirements and submits himself for re-appointment.

Mr Reveley is an Executive Director of the Company. Details of the qualifications and expertise of Mr Reveley are set out in the 2020 Annual Report of the Company.

The Board recommends the re-election of Mr Reveley as a Director.

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### 3. RESOLUTION 2: RE-APPOINTMENT OF DIRECTOR – SAM WRIGHT

Resolution 2 seeks approval for the re-appointment of Sam Wright as 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 casual 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 Wright, an Independent Non-Executive Director was appointed by the Board as an additional director on 13 October 2020. 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 Wright retires in accordance with these provisions, and being eligible, offers himself for re-election as a Director.

Details of the qualifications and expertise of Mr Wright are set out in the 2020 Annual Report of the Company.

The Directors recommend the re-election of Mr Wright as a Director.

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#### 4. **RESOLUTION 3 - RE-APPOINTMENT OF AUDITORS**

Resolution 3 seeks Shareholder approval for the re-appointment of RSM UK Audit LLP 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 3, therefore, proposes the re-appointment of RSM UK Audit LLP as the Company's auditors until the conclusion of the next "accounts meeting" of the Company.

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 3 authorises the Directors to fix the remuneration of the auditors in accordance with this requirement.

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#### 5. **RESOLUTIONS 4 to 10 - BACKGROUND**

##### 5.1 **Background**

Resolutions 4 to 10 relate to various issues of Performance Rights to Directors and former director of the Company. The proposed issue of Performance Rights to the various related parties are being issued in lieu of accrued director fees.

As at the date of this Notice, the Directors interests in the Company are set out in the table below:

Director	CDIs	Convertible 1:1 to CDIs	Tranche 2- \$2.00	Tranche 3- \$2.50	Tranche 4- \$3.00	Tranche 5- \$3.25	Tranche 6- \$3.50	Tranche 7- \$3.75	Total Performance Rights
Robert Reveley	2,471,444	214,904	200,000	200,000	100,000	25,000	25,000	50,000	814,904
Stephen Forman	1,900,000	117,308	50,000	Nil	50,000	Nil	50,000	Nil	267,308
Sam Wright	1,620,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Terry Walsh	64,500	101,471	25,000	25,000	25,000	25,000	25,000	25,000	251,471
William Rouse	270,588	170,588	400,000	50,000	50,000	25,000	50,000	50,000	795,588

Subject to the passing of the Resolutions set out in this Notice, the Directors interests in the Company will be as set out in the table below:

Director	CDIs	Convertible 1:1 to CDIs	Tranche 2- \$2.00	Tranche 3- \$2.50	Tranche 4- \$3.00	Tranche 5- \$3.25	Tranche 6- \$3.50	Tranche 7- \$3.75	Total Performance Rights
Robert Reveley	2,471,444	392,929	200,000	200,000	100,000	25,000	25,000	50,000	992,929
Stephen Forman	1,900,000	221,262	50,000	Nil	50,000	Nil	50,000	Nil	371,262
Sam Wright	1,620,000	155,813	Nil	Nil	Nil	Nil	Nil	Nil	155,813
Terry Walsh	64,500	248,125	25,000	25,000	25,000	25,000	25,000	25,000	398,125
William Rouse	720,588	435,428	400,000	50,000	50,000	25,000	50,000	50,000	1,060,428

## 6. RESOLUTION 4 TO 6 – ISSUE OF PERFORMANCE RIGHTS IN LIEU OF ACCRUED FEES TO MESSRS ROUSE, REVELEY & WALSH

### 6.1 Background

As announced 24 March 2020, the Company's Board and CEO carefully reviewed the SMS Group's cashflow outlook for the remainder of the calendar year, in light of the timeframe remaining in 2020 to CVM™ commercialization and the currently evolving virus situation. As a matter of prudence, all SMS Board and Executive/senior staff moved to an equity-only compensation structure, and agreed to material compensation cuts that will remain in place - if necessary - for the remainder of the calendar year, to ensure that the cashburn at the corporate level is limited to essential outgoings only (ie regulatory related expenses, ASX and audit fees, patent maintenance, and so forth). With the proviso that there is limited disruption to AEM's business, as we currently expect, the Group will be able to self-fund throughout the calendar year, and into 2021.

Messrs Rouse, Reveley & Walsh have accrued director's fees owing and seek to receive Performance Rights in lieu of Director fees for the period 1 January to 31 December 2020, subject to shareholder approval. Messrs Rouse, Reveley & Walsh voluntarily elected to receive these Performance Rights in lieu of the cash fees due to them in order to preserve, and assist in the accumulation of, the Company's cash reserves. The Performance Rights are fully convertible into Shares on a 1:1 conversion basis.

The number of Performance Rights to be issued to Directors of the Company have been calculated by dividing the accrued fees owed, by \$A0.50 for Q3 and \$0.40 for Q4 (being the average closing price of SMN shares for the ten trading days to the end of each quarter). Where the Director is paid in USD, the FX conversion rate is AUD:USD 0.716 for Q3 and 0.72 for Q4 (being the rounded average AUD:USD close for the ten trading days prior to the end of each quarter).

Resolutions 4 to 6 seek Shareholder approval for the issue of a total of 589,518 Performance Rights to Messrs Rouse, Reveley & Walsh pursuant to ASX Listing Rule 10.14. The Performance Rights are being issued under the terms of the approved Plan.

### 6.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an incentive scheme without the approval of the holders of its ordinary securities:

- (a) ASX Listing Rule 10.14.1: a director of the entity;

- (b) ASX Listing rule 10.14.2: an associate of a director of the entity; or
- (c) ASX Listing Rule 10.14.3: a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of the Performance Rights to the related parties falls within ASX Listing rule 10.14.1 and therefore requires the approval of Shareholders under ASX Listing rule 10.14.

Resolutions 4 to 6 seek the required Shareholder approval for the issue of the Performance Rights under and for the purposes of ASX Listing rule 10.14.

### **6.3 Information Required by ASX Listing Rule 14.1A**

If Resolutions 4 to 6 are passed, the Company will be able to proceed with the issue of the Performance Rights to the related parties under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If any or all of the Resolution 4 to 6 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the related parties under the Plan and will be required to make cash payments to Messrs Rouse, Reveley and Walsh.

### **6.4 Information Required by ASX Listing Rules 10.15**

For the purposes of ASX Listing Rules 10.14 and 10.15 the following information is provided:

- (a) The Performance Rights will be issued to:
  - (i) William Rouse (or their nominee) pursuant to Resolution 4;
  - (ii) R. Michael Reveley (or their nominee) pursuant to Resolution 5;
  - (iii) Terry Walsh (or their nominee) pursuant to Resolution 6;
- (b) Approval to issue the Performance Rights under the Plan pursuant to Resolutions 4 to 6 is required by virtue of ASX Listing Rule 10.14.1, as Messrs Rouse, Reveley are each a Director of the Company and Mr Walsh was a director in the last six months;
- (c) The maximum number of securities that may be acquired by Messrs Rouse, Reveley & Walsh or their nominees under the Plan is calculated on the basis of each Performance Right being valued at \$A0.50 for Q3 and \$0.40 for Q4 (being the average closing price of SMN shares for the ten trading days to the end of each quarter). Where the Director is paid in USD, the FX conversion rate is AUD:USD 0.716 for Q3 and 0.72 for Q4 (being the rounded average AUD:USD close for the ten trading days prior to the end of each quarter):
  - (i) Mr Rouse: 264,840 Performance Rights in lieu of outstanding Director's fees;
  - (ii) Mr Reveley: 178,024 Performance Rights in lieu of outstanding Director's fees; and
  - (iii) Mr Walsh: 146,654 Performance Rights in lieu of outstanding Director's fees;
- (d) The remuneration packages for Messrs Rouse, Reveley, Walsh, Forman & Wright, being Directors of the Company, are as follows:

- (i) Mr Reveley: Annual remuneration (salary and fees) of USD\$125,000;
  - (ii) Mr Rouse: Annual remuneration (salary and fees) of AUD\$180,000;
  - (iii) Mr Walsh: Annual remuneration (salary and fees) of AUD\$115,000;
  - (iv) Mr Forman: Annual remuneration (salary and fees) of USD\$50,000; and
  - (v) Mr Wright: Annual remuneration (salary and fees) of AUD\$78,000;
- (e) Messrs Rouse, Reveley, & Walsh, received Performance Rights under the Plan pursuant to Shareholder approval received at the annual general meeting held on 12 December 2019, comprising of:
- (i) 291,176 Performance Rights for nil consideration to Mr Rouse;
  - (ii) 214,904 Performance Rights for nil consideration to Mr Reveley; and
  - (iii) 101,471 Performance Rights for nil consideration to Mr Walsh;
- (f) The Performance Rights to be issued are not fully paid ordinary securities, and, on this basis, the terms of the Performance Rights are set out in Schedule 1 and it is noted the Performance Rights paid in lieu of the past, already earned, Director fees vest immediately and otherwise are fully convertible at any time into Shares on a 1:1 conversion basis at the election of the holder;
- (i) The proposed issue of Performance Rights, pursuant to Resolutions 4 to 6, to Messrs Rouse, Reveley, & Walsh, in their capacity as Directors of the Company, provides a tangible and cost-effective incentive to enhance the performance of the Company following their appointment to the Board; and
  - (ii) The Company attributes the value to the Performance Rights of AUD\$0.40 each (being the average closing price of SMN shares for the ten trading days to the date of this Notice). Specifically, as follows:
    - (A) AUD\$71,210 in respect of Mr Reveley's 178,025 Performance Rights;
    - (B) AUD\$105,936 in respect of Mr Rouse's 264,840 Performance Rights; and
    - (C) AUD\$58,662 in respect of Mr Walsh's 146,654 Performance Rights.
- (g) The Performance Rights will be issued as soon as practicable after this Meeting, and in any event, no later than 3 years from the date of this Meeting;
- (h) There is ***no monetary consideration payable*** for the issue of the Performance Rights, however they are being issued in lieu of Director fees;
- (i) A summary of the material terms of the Plan are summarised in Schedule 2;
- (j) No loans will be provided in relation to the acquisition of the Performance Rights under the Plan;
- (k) Details of any securities issued under the Plan will be published in each annual report of the entity relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14; and

- (l) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after Resolutions 4, 5 and 6 is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

## **Recommendation**

The directors decline to make a recommendation to Shareholders in relation to Resolutions 4 to 6.

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## **7. RESOLUTION 7 and 8 – ISSUE OF PERFORMANCE RIGHTS TO STEPHEN FORMAN**

### **7.1 Background**

On 1 November 2019, Stephen Forman was appointed as a Non-Executive Director of the Company as per ASX Announcement released on that day. The Company seeks Shareholder approval to issue a total of 103,954 Performance Rights, comprising of:

- (a) 60,000 Performance Rights in accordance with his Employment Agreement (pursuant to Resolution 7); and
- (b) 43,954 Performance Rights for services as a Director for the period from 1 January 2020 to 31 December 2020 in lieu of a cash Director fee (pursuant to Resolution 8).

Resolution 7 and 8 seeks Shareholder approval for the issue of Performance Rights to Mr Forman pursuant to ASX Listing Rule 10.14. The Performance Rights are being issued under the terms of the Plan.

The issue of Performance Rights is seen as a cost-effective way of providing the Director a tangible incentive to enhance the performance of the Company.

### **7.2 ASX Listing Rule 10.14**

A summary of the ASX Listing Rule 10.14 is set out in Section 6.2 above.

The issue of Performance Rights to Mr Forman falls within ASX Listing rule 10.14.1 and therefore requires the approval of Shareholders under ASX Listing Rule 10.14.

Resolution 7 and 8 seek the required Shareholder approval for the issue of the Performance Rights under and for the purposes of ASX Listing Rule 10.14.

### **7.3 Information Required by ASX Listing Rule 14.1A**

If Resolution 7 and/or 8 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Forman under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 7 and/or 8 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Mr Forman under the Plan and will be required to make cash payments to Mr Forman.

### **7.4 Information Required by ASX Listing Rules 10.14**

For the purposes of ASX Listing Rules 10.14 and 10.15 the following information is provided:

- (a) The Performance Rights will be issued to Stephen Forman;
- (b) Approval to issue the Performance Rights under the Plan pursuant to Resolution 7 and 8 is required by virtue of ASX Listing Rule 10.14.1, as Mr Forman is a Director of the Company;
- (c) Mr Forman's remuneration package is as out in Section 6.4(d) above;
- (d) The maximum number of securities that may be acquired by Mr Forman or his nominee under the Plan is 103,954 Performance Rights, comprising of:
  - (i) 60,000 Performance Rights in accordance with his Employment Agreement (pursuant to Resolution 7); and
  - (ii) 43,954 Performance Rights in lieu of a cash Director fee (pursuant to Resolution 8),  
which vest immediately and are fully convertible at any time into SMN ordinary shares on a 1:1 conversion basis at the election of the holder:
- (e) Mr Forman received 150,000 Performance Rights for nil consideration under the Plan pursuant to Shareholder approval received at the annual general meeting held on 12 December 2019;
- (f) The Performance Rights are not fully paid ordinary securities, and, on this basis, the following information is provided:
  - (i) The terms of the Performance Rights are set out in Schedule 1;
  - (ii) The proposed issue of the Performance Rights that Company is proposing to issue pursuant to Resolutions 7 and 8 is seen as a cost-effective way of providing the Mr Forman, in his capacity as a Director, with a tangible incentive to enhance the performance of the Company following his appointment to the Board;
  - (iii) The Company attributes the value of the proposed issue of Performance Rights to Mr Forman to be AUD\$41,581 calculated on the basis of each Performance Right being valued at AUD\$0.40 each (being the average closing price of SMN shares for the ten trading days to the date of this Notice):
- (g) The Performance Rights will be issued as soon as practicable after this Meeting and in any event no later than 3 years from the date of this Meeting.
- (h) There is no monetary consideration payable for the issue of the Performance Rights;
- (i) A summary of the material terms of the Plan are summarised in Schedule 2;
- (j) No loans will be provided to Mr Forman in relation to the acquisition of the Performance Rights under the Plan;
- (k) Details of any securities issued under the Plan will be published in each annual report of the entity relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14; and
- (l) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after Resolutions 7 and 8 is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

## **Recommendation**

Michael Reveley, William Rouse, Stephen Forman and Sam Wright decline to make a recommendation to Shareholders in relation to this Resolution.

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## **8. RESOLUTION 9 and 10 – ISSUE OF PERFORMANCE RIGHTS TO SAM WRIGHT**

### **8.1 Background**

On 13 October 2020, Sam Wright was appointed as a Non-Executive Director of the Company as per ASX Announcement released on that day. The Company seeks Shareholder approval to issue a total of 155,813 Performance Rights, comprising of:

- (a) 90,000 Performance Rights in accordance with his Employment Agreement (pursuant to Resolution 9); and
- (b) 65,813 Performance Rights for services for the period from 1 July to 31 December 2020 in lieu of a cash Director fee (pursuant to Resolution 10).

Resolution 9 and 10 seeks Shareholder approval for the issue of Performance Rights to Mr Wright or his nominee pursuant to ASX Listing Rule 10.14. The Performance Rights are being issued under the terms of the Plan.

The issue of Performance Rights (and any subsequent share on satisfaction of performance hurdles) is seen as a cost-effective way of providing the Director a tangible incentive to enhance the performance of the Company.

### **8.2 ASX Listing Rule 10.14**

A summary of the ASX Listing Rule 10.14 is set out in Section 6.2 above.

The issue of Performance Rights to Mr Wright falls within ASX Listing rule 10.14.1 and therefore requires the approval of Shareholders under ASX Listing Rule 10.14.

Resolution 9 and 10 seek the required Shareholder approval for the issue of the Performance Rights under and for the purposes of ASX Listing Rule 10.14.

### **8.3 Information Required by ASX Listing Rule 14.1A**

If Resolution 9 and/or 10 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Wright under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 9 and/or 10 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Mr Forman under the Plan and will be required to make cash payment to Mr Wright.

### **8.4 Information Required by ASX Listing Rules**

For the purposes of ASX Listing Rules 10.14 and 10.15 the following information is provided:

- (a) The Performance Rights will be issued to Sam Wright or his nominee;
- (b) Approval to issue the Performance Rights under the Plan pursuant to Resolution 9 and/or 10 is required by virtue of ASX Listing Rule 10.14.1, as Mr Wright is a Director of the Company;



- (c) Mr Wright's remuneration package is as out in Section 6.4(d) above;
- (d) The maximum number of securities that may be acquired by Mr Wright or his nominee under the Plan is 155,813 Performance Rights, comprising of:
  - (i) 90,000 Performance Rights in accordance with his Employment Agreement (pursuant to Resolution 9) and
  - (ii) 65,813 Performance Rights in lieu of a cash Director fee (pursuant to Resolution 10),which vest immediately and are fully convertible at any time into SMN ordinary shares on a 1:1 conversion basis at the election of the holder.
- (e) Mr Wright was appointed as a director on 13 October 2020 has not received any securities pursuant to the Plan since his appointment.
- (f) The Performance Rights are not fully paid ordinary securities, and, on this basis, the following information is provided:
  - (iv) The terms of the Performance Rights are set out in Schedule 1;
  - (v) The proposed issue of the Performance Rights that Company is proposing to issue pursuant to Resolutions 9 and 10 is seen as a cost-effective way of providing the Mr Wright, in his capacity as a Director, with a tangible incentive to enhance the performance of the Company following his appointment to the Board;
  - (vi) The Company attributes the value of the proposed issue of Performance Rights to Mr Wright to be AUD\$62,325 calculated on the basis of each Performance Right being valued at AUD\$0.40 each (being the average closing price of SMN shares for the ten trading days to date of this Notice):
- (g) The Performance Rights will be issued as soon as practicable after this Meeting and in any event no later than 3 years from the date of this Meeting.
- (h) There is no monetary consideration payable for the issue of the Performance Rights;
- (i) A summary of the material terms of the Plan are summarised in Schedule 2;
- (j) No loans will be provided to Mr Wright in relation to the acquisition of the Performance Rights under the Plan;
- (k) Details of any securities issued under the Plan will be published in each annual report of the entity relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14; and
- (l) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after Resolutions 9 and/or 10 is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

## **Recommendation**

Michael Reveley, William Rouse, Stephen Forman and Sam Wright decline to make a recommendation to Shareholders in relation to this Resolution.

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## **9. RESOLUTION 11 TO 12 – ISSUE OF SHARES TO MESSRS ROUSE AND WALSH**

### **9.1 Background**

On 21 April 2020 and 4 August 2020, the Company employees subscribed to Shares under the Plan. The Plan was approved by shareholders on 11 December 2018. The Shares were issued to employees in accordance with the terms of the Plan and was priced at \$A0.29 per Share in Q1 and \$A0.32 per Share in Q2, with this calculation based on the average price of the five lowest closing prices during each quarter period, less 12.5%.

The Directors wish to participate in the subscription of Shares. Accordingly, Resolutions 11 and 12 seeks Shareholder approval for the issue of:

- (a) 450,000 Shares to Mr Rouse (or his nominee) pursuant to Resolution 11; and
- (b) 109,375 Shares to Mr Walsh (or his nominee) pursuant to Resolution 12,

### **9.2 ASX Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

### **9.3 Information Required by ASX Listing Rule 14.1A**

If Resolution 9 and 10 are passed, the Company will be able to proceed with the issue of the Shares to Mr Wright under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 9 and/or 10 is not passed, the Company will not be able to proceed with the issue of the Shares to the Mr Rouse and Mr Walsh.

## 9.4 Information Required by ASX Listing Rules

For the purposes of ASX Listing Rules 10.13 the following information is provided:

- (a) the Shares will be issued to:
  - (i) William Rouse (or his nominee) pursuant to Resolution 9; and
  - (ii) Terry Walsh (or his nominee) pursuant to Resolution 10,who falls within the category set out in Listing Rule 10.11.1 as Messrs Rous and Walsh are a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued to:
  - (i) Mr Rouse (or his nominee) is 450,000 Shares pursuant to Resolution 11, comprising of:
    - (A) 150,000 Shares at \$A0.29 per Shares; and
    - (B) 300,000 Shares at \$A0.32 per Shares;
- (c) Mr Walsh (or his nominee) is 109,375 Shares at \$A0.32 per Share pursuant to Resolution 12;
- (d) The securities issued will be Shares in the capital of the Company - ranking equally with existing Shares on issue;
- (e) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (f) the Company will receive:
  - (i) \$A139,500 from Mr Rouse (or his nominee) for Shares issued pursuant to Resolution 11;
  - (ii) \$A35,000 from Mr Walsh (or his nominee) for Shares issued pursuant to Resolution 12;
- (g) the funds received will be used to increase the liquid cash funds balances held by the Company;
- (h) the purpose of the issue of the Shares is to provide Messrs Rouse and Walsh to subscribe for Shares at the same price as the employees described in Section 9.1 above;
- (i) the Shares issued pursuant to Resolutions 11 and 12 are not intended to remunerate or incentivise the Messrs Rouse and Walsh; and
- (j) the Shares are not being issued under an agreement;

### Recommendation

Michael Reveley, William Rouse, Stephen Forman and Sam Wright decline to make a recommendation to Shareholders in relation to this Resolution.

## GLOSSARY

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

<b>"Articles of Association" or "Articles"</b>	the Company's articles of association, as amended from time to time.
<b>"ASX"</b>	ASX Limited (ACN 008 624 691).
<b>"ASX Listing Rules" or "Listing Rules"</b>	means the official Listing Rules of ASX as amended from time to time.
<b>"Board"</b>	The Board of Directors of the Company.
<b>"Company"</b>	means Structural Monitoring Systems plc, registered in England and Wales with Company Number 4834265 (ARBN: 106 307 322)
<b>"Director"</b>	A director of Structural Monitoring Systems.
<b>"Explanatory Statement"</b>	means the explanatory statement accompanying this Notice.
<b>"Meeting" or "General Meeting"</b>	the Annual General Meeting of the Company to be held on 21 January 2021.
<b>"Notice of Meeting"</b>	the notice convening the Meeting, which accompanies this Explanatory Statement.
<b>"Performance Rights"</b>	means a performance right, issued on the terms and conditions set out in Schedule 1, which subject to the achievement of certain milestones, upon conversion, converts into one Share.
<b>"Plan"</b>	means an employee incentive plan as summarised in Schedule 2.
<b>"Section"</b>	means a section of the Explanatory Statement.
<b>"Share"</b>	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.
<b>"Resolutions"</b>	the proposed resolutions set out in the Notice of Meeting.
<b>"Shareholder"</b>	The registered holder of one or more Shares.
<b>"Structural Monitoring Systems", "SMN" or "Company"</b>	Structural Monitoring Systems plc, registered in England and Wales with Company Number 4834265 (ARBN: 106 307 322).
<b>"WST"</b>	Western Standard Time (Australia).
<b>"\$" or "\$"</b>	Australian dollars.
<b>"£"</b>	British pounds.

## **SCHEDULE 1– TERMS OF THE PERFORMANCE RIGHTS**

The Performance Rights will be issued under, and in accordance with, the terms and conditions of the Plan and the following terms.

### **Terms of Performance Rights**

1. The Performance Rights are non-transferable.
2. The Performance Rights do not confer any entitlement to attend or vote at meetings of the Company, to dividends, to participation in new issues of securities or entitlement to participate in any return of capital.
3. The Performance Rights vest upon the satisfaction of the relevant performance hurdle within 3 years of the issue of the Performance Rights and at the election of the holder.
4. The Performance Rights lapse if the performance hurdle is not satisfied or the election to convert is not given by the holder within 3 years of the issue of the Performance Rights except as otherwise provided for in the terms and conditions of the Plan.
5. Upon vesting, 1 ordinary share will be issued for every 1 Performance Right on the payment of the par value of the ordinary share, being £0.0005 pence per Share by the holder. The Shares will rank equally in all respects with the existing Shares on issue.
6. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the vesting date, the number of Performance Rights, the share price relevant to the performance hurdle and any exercise price may be reconstructed in accordance with the terms and conditions of the Plan.

## **SCHEDULE 2 – TERMS OF THE PLAN**

### **1. Purpose**

The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer any of Options, Performance Rights or Shares to assist with reward, retention, motivation and recruitment of eligible participants.

### **2. Eligible Participants**

Eligible participants are a full or part-time employee, or a Director of the Company or a subsidiary, relevant contractors, casual employees and prospective parties in these capacities ("Eligible Participants").

### **3. Offers**

Subject to any necessary Shareholder approval, the Board may offer Options, Performance Rights or Shares to Eligible Participants for nil consideration.

### **4. Expiry Date**

The expiry date of any Options, or Performance Rights, will be determined by the Board.

### **5. Vesting Condition and Lapse**

An Option or Performance Right may only be exercised after it has vested and before its expiry date. The Board may determine the conditions upon the vesting of the Options or Performance Rights at its discretion. By way of example, the Board may impose share price and/or continuous service vesting hurdles.

An Option or Performance Right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or retirement) and upon misconduct by a participant.

### **6. Shares Issue on Vesting**

Each Option or Performance Right entitles the holder to one fully paid ordinary share on vesting.

### **7. Transferability and Quotation**

An Option or Performance Right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the Options or Performance Rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on vesting of the Options or Performance Rights.

### **8. No Voting or Dividend Rights**

The Options or Performance Rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the Options or Performance Rights are vested and the underlying Shares have been issued.

### **9. No Participation Rights**

The Options or Performance Rights do not entitle the holder to participate in the issue of securities unless the Options or Performance Rights are vested and Shares have been issued before the record date for determining entitlements.

**10. Limitation on Number of Securities**

Securities to be issued under the Employee Incentive Plan when aggregated with the number of Shares issued during the previous 5 years under any EIP of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit.

**11. Administration of the Employee Incentive Plan**

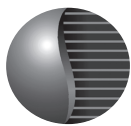
The EIP will be administered under the directions of the Board, and the Board may determine procedures for the administration of the EIP as it considers appropriate.

**12. Operation**

The operation of the EIP is subject to the Listing Rules and the *Corporations Act*.

**13. Application of Subdivision 83A-C of the Income Tax Assessment Act 1996 (Cth)**

Subdivision 83A-C (deferred inclusion of gain in assessable income) of the *Income Tax Assessment Act 1997 (Cth)* applies to the EIP, and holders of securities issued under the EIP may agree to a restriction period for the disposal or transfer of the securities including any underlying securities.



**STRUCTURAL**  
MONITORING  
SYSTEMS  
plc  
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SMN

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
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## Need assistance?



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**Online:**  
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## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **12:00pm (WST) Monday, 18 January 2021**.

# 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 Monday, 18 January 2021 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](http://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: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**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.



I 9999999999

I ND

## CDI Voting Instruction Form

Please mark ☒ to indicate your directions

### STEP 1

#### CHESS Depositary Nominees will vote as directed

##### Voting Instructions to CHESS Depositary Nominees Pty Ltd

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Please mark box 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:

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

**B** ☐ **OR** ☐ **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 virtually on Thursday, 21 January 2021 at 12:00pm (WST) 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 Director - R. Michael Reveley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-appointment of Director - Sam Wright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of Performance Rights in lieu of accrued fees to William Rouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Issue of Performance Rights in lieu of accrued fees to R Michael Reveley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Issue of Performance Rights in lieu of accrued fees to Terry Walsh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Issue of Performance Rights pursuant to Employment Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		For	Against	Abstain
8	Issue of Performance Rights in lieu of accrued fees to Stephen Forman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Issue of Performance Rights pursuant to Employment Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Issue of Performance Rights in lieu of accrued fees to Sam Wright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Issue of Shares to William Rouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Issue of Shares to Terry Walsh	<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 / /

SMN

2 7 1 5 5 5 A



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