



**STRUCTURAL
MONITORING
SYSTEMS** plc

18 November 2024

Dear Shareholder

STRUCTURAL MONITORING SYSTEMS PLC – ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting ("Meeting") of members of Structural Monitoring Systems Plc ("the Company") will be held at Level 13, Collins Arch, 447 Collins Street, Melbourne VIC 3000, on Wednesday, 18 December 2024 at 11.00am AEDT.

The Notice of Meeting will not be mailed to members unless there is a relevant hard copy election in place. Instead, it is available for you to view and download from this website link - <https://structuralmonitoring.systems/asx-updates/>

The Company strongly encourages all members to vote by directed proxy if they are not attending the meeting in person. To vote by proxy, please complete and sign the CDI Voting Instruction Form enclosed with this Notice as soon as possible in accordance with the instructions on the proxy form.

If the above arrangements with respect to the Meeting change, members will be updated via the ASX Market Announcements Platform and also via the Company's website at <https://structuralmonitoring.systems/>

The Notice and the accompanying Explanatory Memorandum should be read in its entirety. If a shareholder is in doubt as to how to vote, that shareholder should seek advice from an accountant, solicitor or other professional adviser prior to voting.

This announcement is authorised by the Board.

Yours sincerely,

Sam Wright
Director & Company Secretary
Structural Monitoring Systems PLC

For personal use only



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Dear Shareholders

I want to take the opportunity to summarise the motions proposed for our Annual General Meeting to be held on Wednesday, 18 December 2024. I am doing that because there quite a few of them, and expressed in the language to meet ASX requirements they can look a bit complex. Also, because of our CDI structure, my experience is that the vast majority of votes are cast ahead of the AGM, so there is limited value in leaving this summary until then.

Resolution 1. Re-appointment of Auditors

Straightforward requirement and the Board unanimously recommends Shareholders vote in favour of this Resolution.

Resolution 2. Re-appointment of Director – Brian Wall

Straightforward requirement and the Board unanimously recommends Shareholders vote in favour of this Resolution.

Resolutions 3 to 5 – Placement and SPP

There are a number of resolutions that are required to ratify the recent capital raise, and the attaching options to be issued to directors and shareholders who participate in the SPP and Shortfall Offers. Regardless of your views on the merits of the raise (and I am happy to discuss this in detail at the AGM) it has occurred (or as of this time is continuing in relation to the SPP) and the Board unanimously recommends Shareholders vote in favour of these Resolutions.

Resolutions 6A, 6B, 6C & 7

The Company had a class of listed options known as “SMNO” (SMNO Options) which expired on 6 April 2024 (Expiry Date). There were a total of 14,044,849 SMNO Options on the Expiry Date.

The Company intends to undertake an offer of 14,044,849 Options to those previous SMNO Option holders on the basis of one new Option for each SMNO Option at the Record Date.

Resolutions 6A to 6C seeks approval for the issue of New Options under the Option Offer to related parties who are Eligible Option Holders so as to enable them to participate.

Resolution 7 seeks approval for the issue of New Options under the Option Offer to unrelated parties, being Eligible Options Holders.

Resolutions 8A, 8B & 8C

The Company has agreed, subject to obtaining Security Holder approval, to issue incentive securities to Directors. I would note that none of these relate to my own compensation, which has remained flat at AUD320,000 per annum since I joined the company in July 2022.

The board had previously (in 2022) approved a retirement package for former AEM CEO (and now SMS Director) Brian Wall of 75,000 CDIs. Although this proposition was withdrawn before the 2023 AGM, the Board is of the view that some of the opposition may have been conflated with concerns regarding a proposal to compensate Mr Love with CDIs in lieu of fees and a personal loan to the company as part of the October 2023 Capital Raise (which was also withdrawn, and is not resubmitted) and therefore respectfully re-submits Mr Wall's entitlement for separate consideration

In addition, the Board is recommending the issue of 50,000 CDIs to each of the three directors (other than the Chairman) for their contribution to the companies FY 2024 performance (which included a doubling of revenues and a final, and first, profitable quarter) and for their flexibility in payment terms for their entitlements to Directors Fees.

Therefore recommendation 8A is to issue Mr Wall a total of 125,000 CDIs

Recommendation 8B and 8C is to issue Mr Loechteken and Mr Wright a total of 50,000 CDIs each.

Resolution 9

Seeks approval to issue up to 10% of the issued capital of the company under ASX Listing Rule 7.1A. The primary purpose for which CDIs may be issued pursuant to Resolution 9 is to pursue possible further investment opportunities which may arise, for working capital to utilise within the group for operations and project development and expansion.

During the last 12 months the Company has not issued any Equity Securities under the 10% Placement Facility. The Board unanimously recommends that Security Holders vote in favour of this Resolution.

Thank you for your continued support of Structural Monitoring Systems Plc.

Yours sincerely,



Ross Love

Chair & Chief Executive Officer



**STRUCTURAL
MONITORING
SYSTEMS** plc

(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:
Wednesday, 18 December 2024 at 11.00 am AEDT

VENUE:
Level 13, Collins Arch, 447 Collins Street, Melbourne VIC 3000

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 CDIs 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.

For personal use only

NOTICE IS HEREBY GIVEN that an Annual General Meeting ("**Meeting**") of members of Structural Monitoring Systems Plc ("**the Company**") will be held at Level 13, Collins Arch, 447 Collins Street, Melbourne VIC 3000, on Wednesday, 18 December 2024 at 11.00amAEDT.

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 Monday, 16 December 2024 at 5.00pm AEDT, 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. Legal title is held by our CDI Depository, CHESS Depository Nominees Pty Ltd (**CDN**). 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 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 regarding the business of the Annual General Meeting. A CDI holder may also attend the Annual General Meeting, however, because CDI holders are not Shareholders, they cannot vote the shares underlying the CDI's 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 2024 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 Gerald Edelman 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. The Directors are hereby authorised to fix the remuneration of the Company's auditors."

RESOLUTION 2: RE-APPOINTMENT OF DIRECTOR – BRIAN WALL

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

"That Brian Wall 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".

RESOLUTIONS 3A AND 3B: RATIFICATION OF SECURITIES ISSUED UNDER PLACEMENT

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:

Resolution 3A *"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given to ratify the previous issue of 9,615,385 CDIs issued on 11 November 2024 under the Placement on the terms and conditions set out in the Explanatory Statement."*

Resolution 3B *"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given to ratify the previous issue of 7,211,538 Placement Options issued on 10 December 2024 under the Placement on the terms and conditions set out in the Explanatory Statement."*

The Company will disregard any votes cast in favour of each resolution by or on behalf of each of the Placement Participants, any person who participated in the issue of the securities or an associate or 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 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.

RESOLUTIONS 4A AND 4B: RATIFICATION OF OPTIONS ISSUED UNDER SECURITY PURCHASE PLAN AND SHORTFALL OFFER AND CDIS ISSUED UNDER SHORTFALL OFFER

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:

Resolution 4A *"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given to ratify the previous issue of 2,884,615 SPP Options and Shortfall Options issued between 10 December 2024 and 15 December 2024 under the Security Purchase Plan or the Shortfall Offer on the terms and conditions set out in the Explanatory Statement."*

Resolution 4B *"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given to ratify the issue of up to 3,846,154 CDI issued on 15 December 2024 under the Shortfall Offer on the terms and conditions set out in the Explanatory Statement."*

The Company will disregard any votes cast in favour of each resolution by or on behalf of each of the subscribers who received the options under the Security Purchase Plan (being Eligible CDI Holders), or any person who received Shortfall Options or Shortfall CDIs under the Shortfall Offer, any person who participated in the issue of the securities or an associate or 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 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.

RESOLUTIONS 5A AND 5B: ISSUE OF SECURITIES TO HEINRICH LOECHTEKEN UNDER DIRECTOR PLACEMENT

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:

Resolution 5A: *"That, for the purposes of ASX Listing Rule 7.2 (Exception 14), ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 320,000 CDIs in the Company under the Director Placement to Heinrich Loechteken (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Resolution 5B: *"That, for the purposes of ASX Listing Rule 7.2 (Exception 14), ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 240,000 Director Options in the Company under the Director Placement to Heinrich Loechteken (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, Heinrich Loechteken, 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 Security Holder), or any associates of the above named 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 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.

RESOLUTIONS 6A, 6B AND 6C: ISSUE OF OPTIONS TO DIRECTORS UNDER OPTION OFFER

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:

Resolution 6A: *"That, for the purposes of ASX Listing Rule 7.2 (Exception 14), ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 62,500 options in the Company under the Option Offer to Heinrich Loechteken (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Resolution 6B: *"That, for the purposes of ASX Listing Rule 7.2 (Exception 14), ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 1,472 options in the*

Company under the Option Offer to Brian Wall (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Resolution 6C: *"That, for the purposes of ASX Listing Rule 7.2 (Exception 14), ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 73,992 options in the Company under the Option Offer to Sam Wright (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, each of Heinrich Loechteken (in respect of Resolution 6A), Brian Wall (in respect of Resolution 6B), Sam Wright (in respect of Resolution 6C), 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 Security Holder), or any associates of the above named 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 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 7: ISSUE OF OPTIONS TO UNRELATED PARTIES UNDER OPTION OFFER

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 7.1 and for all other purposes, approval is given for the Directors to issue 13,906,885 options in the Company to unrelated party subscribers under the Option Offer (or their nominees) on the terms and conditions set out in the Explanatory Statement."

The Company will disregard any votes cast in favour of the resolution by or on behalf of each of the potential subscribers under the Option Offer, being Eligible Option Holders, any person who is expected to participate in, or 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 or 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 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.

RESOLUTIONS 8A, 8B AND 8C: ISSUE OF INCENTIVE SECURITIES TO BRIAN WALL, HEINRICH LOECHTEKEN AND 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:

Resolution 8A: *"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 125,000 CDIs in the Company to Brian Wall (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Resolution 8B: *"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 50,000 CDIs in the Company to Heinrich Loechteken (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Resolution 8C: *"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 50,000 CDIs in the Company to Sam Wright (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, Brian Wall (in respect of Resolution 8A), Heinrich Loechteken (in respect of Resolution 8B), Sam Wright (in respect of Resolution 8C), 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 Security Holder), or any associates of Brian Wall, Heinrich Loechteken and Sam Wright. 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.

SPECIAL BUSINESS

RESOLUTION 9: ADDITIONAL PLACEMENT CAPACITY

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

"That for the purposes of ASX Listing Rule 7.1A, the directors are authorised to issue new CDIs, totalling up to 10% of the issued capital of the Company at the time of issue, calculated over the period prescribed under ASX Listing Rule 7.1A.2, and otherwise 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 who is expected to participate in, or 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 or 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 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.

BY ORDER OF THE BOARD

Sam Wright
Director & Company Secretary
Dated: 15 November 2024

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Security Holders 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 Security Holders 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 2024 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 Security Holder approval for the re-appointment of Gerald Edelman LLP as the Company's auditors and for the Directors to fix their remuneration.

The UK Companies 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), UK Companies Act). Resolution 1, therefore, proposes the re-appointment of Gerald Edelman LLP as the Company's auditors until the conclusion of the next "accounts meeting" of the Company.

In accordance with section 492 of the UK Companies 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.

Board recommendation

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

3. RESOLUTION 2: RE-APPOINTMENT OF DIRECTOR – Brian Wall

Resolution 2 seeks approval for the re-appointment of Mr Brian Wall 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 Wall was appointed a Director at the 2022 annual general meeting held on 15 November 2022. Mr Wall will retire from office at the Meeting in accordance with the above requirements and submits himself for re-appointment 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.

Mr Wall has not held directorships of any other ASX listed companies in the last 3 years.

Board recommendation

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

4. RESOLUTIONS 3A AND 3B: RATIFICATION OF SECURITIES ISSUED UNDER PLACEMENT

4.1 General

The Company conducted a placement of 9,615,385 CDIs at an issue price of \$0.52 per CDI to professional and institutional investors (**Placement Participant**) on 11 November 2024 to raise up to \$5 million (before costs) (**Placement**).

As part of the Placement, each Placement Participant was entitled to apply for free attaching Options exercisable at \$0.78 per CDI and expiring on 30 November 2027 (**Placement Options**), on a basis of 3 Placement Options for every 4 CDIs issued under the Placement. Accordingly, the Company issued 7,211,538 Placement Options on 10 December 2024 to such eligible Placement Participants.

The Placement was lead managed by Bell Potter Securities Limited (**Bell Potter**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue securities during any 12-month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12-month period, without security holder approval.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1 if security holders subsequently approve it and the issue did not breach Listing Rule 7.1.

Security Holder ratification of the prior issue of CDIs and Placement Options under the Placement is now being sought for the purposes of ASX Listing Rule 7.4.

4.2 Technical information required by ASX Listing Rules 7.4 and 14.1A

For the purposes of ASX Listing Rules 7.4 and 14.1A the following is disclosed:

Resolution 3A

If Resolution 3A is passed, 9,615,385 CDIs issued by the Company 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 Security Holder approval over the 12 month period following the date of the issue of those Equity Securities.

If Resolution 3A is not passed, 9,615,385 CDIs issued by the Company will be included in the Company's placement capacity in accordance with the ASX Listing Rules, thereby reducing the number of Equity Securities the Company can issue without Security Holder approval over the 12-month period following the date of the issue of those Equity Securities.

Resolution 3B

If Resolution 3B is passed, 7,211,538 Placement Options issued by the Company 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 Security Holder approval over the 12 month period following the date of the issue of those Equity Securities.

If Resolution 3B is not passed, 7,211,538 Placement Options issued by the Company will be included in the Company's placement capacity in accordance with the ASX Listing Rules, thereby reducing the number of Equity Securities the Company can issue without Security Holder approval over the 12 month period following the date of the issue of those Equity Securities.

The Directors believe that it is in the best interests of the Company that the Company maintains its ability to issue up to 15% of the issued capital of the Company.

The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.

In particular, the Directors note that, if this approval is not obtained at the Meeting, the Company may be required to incur additional costs and delays if the Directors subsequently propose to issue securities which do not fall under an exception in ASX Listing Rule 7.2 to the 15% rule in Listing Rule 7.1 and/or the Company does not have any remaining capacity under its 15% placement capacity.

4.3 Technical information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the following information is provided to the Security Holders:

	Resolution 3A	Resolution 3B
Recipients	Unrelated institutional and sophisticated investors who were identified by the Directors with the assistance of Bell Potter, who lead managed the Placement.	None of the recipients are related parties under the Listing Rules and the Corporations Act.

	Resolution 3A	Resolution 3B
Number and class of securities issued	9,615,385 CDIs	7,211,538 Options
Summary of Material Terms	9,615,385 CDIs issued at \$0.52 per CDI	7,211,538 Options exercisable at \$0.78 and expiring on 30 November 2027 Please refer to Schedule 1 for further details.
Issue date	11 November 2024	10 December 2024
Issue price	CDI issued at \$0.52 per CDI.	Free attaching Options with nil consideration.
Use of funds raised	Funds raised were applied towards (i) continued product development and manufacturing capacity expansion for opportunities in Avionics, including digital audio, radio, and loudspeaker, (ii) expanded product development and business development capacity in CVM technology, and (iii) general working capital and costs of the Offers.	
Voting exclusion statement	A voting exclusion statement is included in this Notice in respect of these Resolutions.	

4.4 Recommendation

The Directors unanimously recommend that Security Holders vote in favour of Resolutions 3A and 3B.

5. RESOLUTIONS 4A AND 4B: RATIFICATION OF OPTIONS ISSUED UNDER SECURITY PURCHASE PLAN AND SHORTFALL OFFER AND CDIS ISSUED UNDER SHORTFALL OFFER

5.1 General

In addition to the Placement, the Company conducted a security purchase plan to eligible CDI holders who held CDIs in the Company at 7pm on 4 November 2024 and with a registered address in Australia or New Zealand (**Eligible CDI Holder**) to raise approximately \$2 million (**Security Purchase Plan**).

Pursuant to the Security Purchase Plan, the Company will issue up to 3,846,154 CDIs at an issue price of \$0.52 per CDI, on 10 December 2024. Furthermore, similar to the Placement, each Eligible CDI Holder was entitled to apply for 3 free attaching Options exercisable at \$0.78 per Option and expiring on 30 November 2024 (**SPP Option**) for every 4 CDIs subscribed for under the Security Purchase Plan. The Company will issue up to 2,884,615 SPP Options on 10 December 2024.

In addition to the offers made under the Security Purchase Plan, the Company will offer any shortfall CDIs (**Shortfall CDIs**) and SPP Options (**Shortfall Options**) not subscribed for under the Share Purchase Plan to investors at their discretion.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue securities during any 12-month period in excess of 15% of the

number of ordinary shares on issue at the commencement of that 12-month period, without security holder approval. Whilst the offer of CDIs under the Security Purchase Plan is exempt under ASX Listing Rule 7.2 (Exception 5) from the calculation under ASX Listing Rule 7.1, the offer of SPP Options, Shortfall CDIs and Shortfall Options is not exempt from the calculation under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with security holder approval for the purposes of ASX Listing Rule 7.1 if security holders subsequently approve it and the issue did not breach Listing Rule 7.1. The issue of the CDIs under the Security Purchase Plan were made in accordance with Exception 5 of ASX Listing Rule 7.2. Accordingly, the issue of the 3,846,154 CDIs did not count towards the Company's 15% placement capacity. However, the 2,884,615 SPP Options, any Shortfall CDIs or Shortfall Options issued will not fall under any exception under ASX Listing Rules.

Security Holder ratification of the prior issue of SPP Options, Shortfall Options and Shortfall CDIs is now being sought for the purposes of ASX Listing Rule 7.4.

5.2 Technical information required by ASX Listing Rules 7.4 and 14.1A

For the purposes of ASX Listing Rules 7.4 and 14.1A the following is disclosed:

Resolution 4A

If Resolution 4A is passed, up to 2,884,615 SPP Options and Shortfall Options issued by the Company 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 Security Holder approval over the 12 month period following the date of the issue of those Equity Securities.

If Resolution 4A is not passed, up to 2,884,615 SPP Options and Shortfall Options issued by the Company will be included in the Company's placement capacity in accordance with the ASX Listing Rules, thereby reducing the number of Equity Securities the Company can issue without Security Holder approval over the 12 month period following the date of the issue of those Equity Securities.

Resolution 4B

If Resolution 4B is passed, up to 3,846,154 Shortfall CDIs issued by the Company 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 Security Holder approval over the 12 month period following the date of the issue of those Equity Securities.

If Resolution 4B is not passed, up to 3,846,154 Shortfall CDIs issued by the Company will be included in the Company's placement capacity in accordance with the ASX Listing Rules, thereby reducing the number of Equity Securities the Company can issue without Security Holder approval over the 12 month period following the date of the issue of those Equity Securities.

The Directors believe that it is in the best interests of the Company that the Company maintains its ability to issue up to 15% of the issued capital of the Company.

The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.

In particular, the Directors note that, if this approval is not obtained at the Meeting, the Company may be required to incur additional costs and delays if the Directors subsequently propose to issue securities which do not fall under an exception in ASX Listing Rule 7.2 to the 15% rule in Listing

Rule 7.1 and/or the Company does not have any remaining capacity under its 15% placement capacity.

5.3 Technical information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the following information is provided to Security Holders:

	Resolution 4A	Resolution 4B
Recipients	The SPP Options and Shortfall Options were issued to Eligible CDI Holders who elected to participate in the Security Purchase Plan or to persons otherwise determined by the Directors at their discretion.	The Shortfall CDIs were issued to persons determined by the Directors at their discretion.
Number and class of securities issued	Up to 2,884,615 SPP Options and Shortfall Options	Up to 3,846,154 Shortfall CDIs
Summary of Material Terms	Up to 2,884,615 SPP Options and Shortfall Options exercisable at \$0.78 and expiring on 30 November 2027. The SPP Options and Shortfall Options are in the same class as, and rank equally with, the Placement Options. Please refer to Schedule 1 for further details.	Up to 3,846,154 CDIs issued at \$0.52 per CDI
Issue date	10 December 2024 for SPP Options and 15 December 2024 for Shortfall Options	15 December 2024 for Shortfall CDIs
Issue price	Free attaching Options with nil consideration.	\$0.52 per CDI
Use of funds raised	The SPP Options and Shortfall Options were free attaching options as part of the Security Purchase Plan. However, funds raised pursuant to the issue of CDIs under the Security Purchase Plan were applied towards (i) continued product development and manufacturing capacity expansion for opportunities in Avionics, including digital audio, radio, and loudspeaker, (ii) expanded product development and business development capacity in CVM technology, and (iii) general working capital and costs of the Offers.	Funds raised were applied towards (i) continued product development and manufacturing capacity expansion for opportunities in Avionics, including digital audio, radio, and loudspeaker, (ii) expanded product development and business development capacity in CVM technology, and (iii) general working capital and costs of the Offers.

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	Resolution 4A	Resolution 4B
Voting exclusion statement	A voting exclusion statement is included in this Notice in respect of this Resolution.	A voting exclusion statement is included in this Notice in respect of this Resolution.

5.4 Recommendation

The Directors unanimously recommend that Security Holders vote in favour of Resolutions 4A and 4B.

6. RESOLUTIONS 5A AND 5B: ISSUE OF SECURITIES TO HEINRICH LOECHTEKEN UNDER DIRECTOR PLACEMENT

6.1 General

Heinrich Loechteken, a Director of the Company, wishes to subscribe for 320,000 CDIs at an issue price of \$0.52 per CDI (**Director Placement**). Mr Loechteken is entitled to apply for a maximum of 240,000 free attaching Options exercisable at \$0.78 per Option and expiring on 30 November 2024 (**Director Option**), being 3 Options for every 4 CDIs subscribed for under the Director Placement.

6.2 ASX Listing Rule 10.11

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

- (a) (ASX Listing Rule 10.11.1) a related party;
- (b) (ASX Listing Rule 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;
- (c) (ASX Listing Rule 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;
- (d) (ASX Listing Rule 10.11.4) an associate of a person referred to in 10.11.1 to 10.11.3; or
- (e) (ASX Listing Rule 10.11.5) A person whose relationship with the Company or a person referred to in clause 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its Security Holders,

unless it obtains the approval of its Security Holders.

The issue of CDIs and Director Options to Mr Loechteken falls within ASX Listing Rule 10.11.1 (as he is a Director of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires Security Holder approval.

6.3 Technical Information required by ASX Listing Rule 14.1A

Each of Resolutions 5A and 5B seeks the required Security Holder approval to the issue under and for the purposes of ASX Listing Rule 10.11.

For each of Resolutions 5A and 5B, if the Resolution is passed, the Company will be able to proceed with the issue of CDIs and Director Options, respectively.

For each of Resolutions 5A and 5B, if the Resolution is not passed, the Company will not be able to proceed with the issue and the CDIs and SPP Options will not be issued and any application monies from Mr Loechteken pursuant to the Director Placement will be refunded.

6.4 Technical Information required by ASX Listing Rule 10.13

For Security Holders to approve the issue of the securities under and for the purposes of ASX Listing Rule 10.11, the following information is provided to Security Holders in accordance with ASX Listing Rule 10.13:

- (a) 320,000 CDIs (Resolution 5A) and 240,000 Director Options (Resolution 5B) will be issued to Mr Heinrich Loechteken or his nominee.
- (b) Mr Loechteken is a Director and is therefore a related party (ASX Listing Rule 10.11.1 or ASX Listing Rule 10.11.2, in relation to each of their nominees).
- (c) The number of securities the Company will issue is:
 - (i) (Resolution 5A): 320,000 CDIs; and
 - (ii) (Resolution 5B): 240,000 Director Options.
- (d) The Director Options will have an exercise price of \$0.78 and an expiry date of 30 November 2027. The full terms of the Director Options are set out in **Schedule 1**.
- (e) The CDIs and Director Options will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (f) CDIs will be issued for \$0.52 per CDI. The Director Options will be issued for nil consideration.
- (g) Funds raised under the Director Placement would be applied towards (i) continued product development and manufacturing capacity expansion for opportunities in Avionics, including digital audio, radio, and loudspeaker, (ii) expanded product development and business development capacity in CVM technology, and (iii) general working capital.
- (h) The issue of the securities is to Mr Loechteken in his capacity as an investor and is not intended to remunerate or incentivise him in his capacity as a Director.
- (i) The CDIs and Director Options are not being issued pursuant to any agreement.
- (j) A voting exclusion statement applies to each of these Resolutions.

6.4.1 Board recommendation

The Directors (with Heinrich Loechteken abstaining in respect of both Resolutions) recommends that the Security Holders vote in favour of these Resolutions.

7. RESOLUTIONS 6A, 6B, 6C AND 7: ISSUE OF OPTIONS TO DIRECTORS AND UNRELATED PARTIES UNDER OPTION OFFER

7.1 General

The Company had a class of listed options known as “SMNO” (**SMNO Options**) with an exercise price of \$1.20 and which expired on 6 April 2024 (**Expiry Date**). There were a total of 14,044,849 SMNO Options on the Expiry Date.

The Company intends to undertake an offer of 14,044,849 Options to those previous SMNO Option holders, with a registered address in Australia or New Zealand as at 5.00pm (AEDT) on the day immediately preceding the Expiry Date (**Record Date**) (**Eligible Option Holders**), on the basis of one new Option for each SMNO Option at the Record Date, with an exercise price of \$0.78 and an expiry date of 30 November 2027 and otherwise on the term set out in **Schedule 1** to this notice of meeting (**New Option**).

In this way, a placement of Options will occur to such Eligible Option Holders (**Option Offer**), subject to this approval.

Resolutions 6A to 6C seeks approval under ASX Listing Rule 10.11 for the issue of New Options under the Option Offer to related parties who are Eligible Option Holders so as to enable them to participate.

Resolution 7 seeks approval under ASX Listing Rule 7.1 for the issue of New Options under the Option Offer to unrelated parties, being Eligible Options Holders.

7.2 Resolutions 6A to 6C: Issue of New Options under Option Offer to Directors

7.2.1 Background

Resolutions 6A to 6C seek approval so that Heinrich Loechteken, Brian Wall and Sam Wright, who are Directors of the Company and thereby related parties, may participate in the Option Offer on the same terms as unrelated parties the subject of Resolution 7.

Specifically, Resolution 6A seeks approval so that the Company may issue up to 62,500 New Options to Heinrich Loechteken (or his nominee), Resolution 6B seeks approval so that the Company may issue up to 1,472 New Options to Brian Wall (or his nominee), and Resolution 6C seeks approval so that the Company may issue up to 73,992 New Options to Sam Wright (or his nominee).

7.2.2 ASX Listing Rule 10.11

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

- (a) (ASX Listing Rule 10.11.1) a related party;
- (b) (ASX Listing Rule 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;
- (c) (ASX Listing Rule 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;
- (d) (ASX Listing Rule 10.11.4) an associate of a person referred to in 10.11.1 to 10.11.3; or

- (e) (ASX Listing Rule 10.11.5) A person whose relationship with the Company or a person referred to in clause 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its Security Holders,

unless it obtains the approval of its Security Holders.

The issue of New Options falls within ASX Listing Rule 10.11.1 (as each of Heinrich Loechteken, Brian Wall and Sam Wright is a Director of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires Security Holder approval.

7.2.3 *Technical Information required by ASX Listing Rule 14.1A*

Each of Resolutions 6A to 6C seeks the required Security Holder approval to the issue under and for the purposes of ASX Listing Rule 10.11.

For each of Resolutions 6A to 6C, if the Resolution is passed, the Company will be able to proceed with the issue of New Options.

For each of Resolutions 6A to 6C, if the Resolution is not passed, the Company will not be able to proceed with the issue and the New Options will not be issued.

7.2.4 *Technical Information required by ASX Listing Rule 10.13*

For Security Holders to approve the issue of the securities under and for the purposes of ASX Listing Rule 10.11, the following information is provided to Security Holders in accordance with ASX Listing Rule 10.13:

- (a) The New Options will be issued to Heinrich Loechteken or his nominee (Resolution 6A), Brian Wall or his nominee (Resolution 6B) and Sam Wright or his nominee (Resolution 6C).
- (b) Each of Heinrich Loechteken, Brian Wall and Sam Wright is a Director and is therefore a related party (ASX Listing Rule 10.11.1) (or ASX Listing Rule 10.11.2, in relation to each of their nominees).
- (c) The number of securities the Company will issue is:
 - (i) (Resolution 6A): 62,500 New Options to Heinrich Loechteken;
 - (ii) (Resolution 6B): 1,472 New Options to Brian Wall; and
 - (iii) (Resolution 6C): 73,992 New Options to Sam Wright.
- (d) The New Options will have an exercise price of \$0.78 and an expiry date of 30 November 2027. The full terms of the New Options are set out in **Schedule 1**.
- (e) The securities will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (f) The Options will be issued for nil consideration.
- (g) The purpose of the issue of the securities is to reward such applicable Eligible Option Holders for their support for the Company and to further align their long term interests with that of the Company.
- (h) The issue of the securities respectively affects Heinrich Loechteken, Brian Wall and Sam Wright in their capacity as an investor and is not intended to remunerate or incentivise them in their capacity as a Director.

- (i) The New Options are not being issued pursuant to any agreement.
- (j) A voting exclusion statement applies to each of these Resolutions.

7.2.5 *Board recommendation*

In each case, the Directors of the Company independent of the Director in question have resolved that the issue of the securities the subject of the respective Resolution is on reasonable arms length terms for the Company as the Director in question will be issued with New Options under the Option Offer on the same terms as Options under the Option Offer to be issued to unrelated parties and with the Option Offer being conducted on arm's length terms.

The Directors (with Ross Love abstaining in relation to Resolution 6A, Heinrich Loechteken abstaining in relation to Resolution 6B, Brian Wall abstaining in relation to Resolution 6C and Sam Wright abstaining in relation to Resolution 6C) recommends that the Security Holders vote in favour of these Resolutions.

7.3 **Resolution 7 – Issue of New Options under Option Offer to unrelated parties**

7.3.1 *Background*

This Resolution is seeking Security Holder approval under ASX Listing Rule 7.1 to the issue of New Options under the Option Offer.

Broadly speaking, and subject to a number of exceptions, ASX 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.

The issue does not fall within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's Security Holders under ASX Listing Rule 7.1.

This Resolution seeks the required approval to the issue under and for the purposes of ASX Listing Rule 7.1.

If this Resolution is passed, the Company will be able to proceed with the issue. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Security Holder approval under ASX Listing Rule 7.1. If this Resolution is not passed, the Company will not be able to proceed with the issue and the issue will not occur.

7.3.2 *Technical Information required under ASX Listing Rule 7.3*

For Security Holders to approve the issue of securities under and for the purposes of ASX Listing Rule 7.1, the following information is provided to Security Holders in accordance with ASX Listing Rule 7.3:

- (a) The New Options the subject of this Resolution will be issued to the subscribers of the Option Offer being Eligible Option Holders who are unrelated parties and who subscribe. None of these parties will be a related party of the Company.
- (b) The number of securities to issue is up to 13,906,885 New Options to unrelated parties.
- (c) The New Options will have an exercise price of \$0.78 and an expiry date of 30 November 2027. The full terms of the New Options are set out in **Schedule 1**.
- (d) The New Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

- (e) The New Options will be issued for nil consideration.
- (f) The purpose of the issue of the securities is to reward such applicable Eligible Option Holders for their continued support in the Company and to further align their long term interests with that of the Company.
- (g) The New Options are not being issued pursuant to any agreement
- (h) A voting exclusion statement applies to this Resolution.

7.3.3 Board recommendation

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

8. RESOLUTIONS 8A, 8B AND 8C: ISSUE OF INCENTIVE SECURITIES TO BRIAN WALL, HEINRICH LOECHTEKEN AND SAM WRIGHT

8.1 General

The Company has agreed, subject to obtaining Security Holder approval, to issue 125,000 CDIs to Mr Brian Wall (or his nominees) and 50,000 CDIs to each of Mr Heinrich Loechteken and Mr Sam Wright (or each of their nominees) on the terms and conditions set out below (**Incentive CDIs**). The reason that Brian Wall is receiving an additional 75,000 CDIs is to account for the resolution withdrawn from last years' AGM in respect of the grant of 75,000 CDIs to Brian Wall.

8.2 ASX Listing Rule 10.11

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

- (a) (ASX Listing Rule 10.11.1) a related party;
- (b) (ASX Listing Rule 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;
- (c) (ASX Listing Rule 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;
- (d) (ASX Listing Rule 10.11.4) an associate of a person referred to in 10.11.1 to 10.11.3; or
- (e) A person whose relationship with the Company or a person referred to in clause 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its Security Holders,

unless it obtains the approval of its Security Holders.

The issue of the Incentive CDIs to each of Mr Brian Wall, Mr Heinrich Loechteken and Mr Sam Wright falls within ASX Listing Rule 10.11.1 (or ASX Listing Rule 10.11.4, in relation to each of their nominees), and does not fall within any of exceptions under ASX Listing Rule 10.12. It therefore requires Security Holder approval.

8.3 Technical Information required by ASX Listing Rule 14.1A

Resolution 8A

If Resolution 8A is passed, the Company will be able to proceed with the issue of the 125,000 Incentive CDIs to Mr Wall no later than 1 month 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 ASX Listing Rule 7.1 is not required for the issue of the 125,000 Incentive CDIs (because approval is being obtained under ASX Listing Rule 10.11), the issue of the 125,000 Incentive CDIs will not use up any of the Company's 15% annual placement capacity.

If Resolution 8A is not passed, the Company will not be able to proceed with the issue of the 125,000 Incentive CDIs to Mr Wall and may be required to seek other cash-based methods of remuneration.

Resolution 8B

If Resolution 8B is passed, the Company will be able to proceed with the issue of the 50,000 Incentive CDIs to Mr Loechteken no later than 1 month 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 ASX Listing Rule 7.1 is not required for the issue of the 50,000 Incentive CDIs (because approval is being obtained under ASX Listing Rule 10.11), the issue of the 50,000 Incentive CDIs will not use up any of the Company's 15% annual placement capacity.

If Resolution 8B is not passed, the Company will not be able to proceed with the issue of the 50,000 Incentive CDIs to Mr Loechteken and may be required to seek other cash-based methods of remuneration.

Resolution 8C

If Resolution 8C is passed, the Company will be able to proceed with the issue of the 50,000 Incentive CDIs to Mr Wright no later than 1 month 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 ASX Listing Rule 7.1 is not required for the issue of the 50,000 Incentive CDIs (because approval is being obtained under ASX Listing Rule 10.11), the issue of the 50,000 Incentive CDIs will not use up any of the Company's 15% annual placement capacity.

If Resolution 8C is not passed, the Company will not be able to proceed with the issue of the 50,000 Incentive CDIs to Mr Wright and may be required to seek other cash-based methods of remuneration.

8.4 Technical Information required by ASX Listing Rule 10.13

Resolution 8A

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 125,000 Incentive CDIs to Mr Wall:

- (a) the related party to whom the 125,000 Incentive CDIs will be issued is Mr Brian Wall (or his nominee), who falls within the category set out in ASX Listing Rule 10.11.1 by virtue of Mr Wall being a Director (or ASX Listing Rule 10.11.2, in relation to his nominee);
- (b) 125,000 Incentive CDIs are proposed to be issued to Mr Brian Wall (or his nominee);
- (c) Mr Wall's total remuneration package is \$75,000 per annum (including superannuation);
- (d) the 125,000 Incentive CDIs will be issued on the same terms and conditions as the Company's existing CDIs. The Company values the 125,000 Incentive CDIs at \$73,750, based on the closing price of \$0.59 per CDI on 14 October 2024;
- (e) the 125,000 Incentive CDIs will be issued to Mr Wall (or his nominee) no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or

modification of the ASX Listing Rules) and it is anticipated the 125,000 Incentive CDIs will be issued on one date;

- (f) the issue price of the 125,000 Incentive CDIs will be nil, as such no funds will be raised from the issue of the 125,000 Incentive CDIs, however, noting that:
 - (A) the issue of the 125,000 Incentive CDIs will align the interests of Mr Wall with those of Security Holders. Further, the issue of the 125,000 Incentive CDIs is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend greater proportion of its cash reserves on its operations than it would if alternative cash forms for remunerations were given to Mr Wall; and
 - (B) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the 125,000 Incentive CDIs on the terms proposed; and
- (g) a voting exclusion applies to this Resolution. Please refer to Resolutions 8A, 8B and 8C in the Notice.

Resolution 8B

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 50,000 Incentive CDIs to Mr Loechteken:

- (a) the related party to whom the 50,000 Incentive CDIs will be issued is Mr Heinrich Loechteken (or his nominee), who falls within the category set out in ASX Listing Rule 10.11.1 by virtue of Mr Loechteken being a Director (or ASX Listing Rule 10.11.2, in relation to his nominee);
- (b) 50,000 Incentive CDIs are proposed to be issued to Mr Heinrich Loechteken (or his nominee);
- (c) Mr Loechteken's total remuneration package is \$75,000 per annum (including superannuation);
- (d) the 50,000 Incentive CDIs will be issued on the same terms and conditions as the Company's existing CDIs. The Company values the 50,000 Incentive CDIs at \$44,250, based on the closing price of \$0.59 per CDI on 14 October 2024;
- (e) the 50,000 Incentive CDIs will be issued to Mr Loechteken (or his nominee) no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the 50,000 Incentive CDIs will be issued on one date;
- (f) the issue price of the 50,000 Incentive CDIs will be nil, as such no funds will be raised from the issue of the 50,000 Incentive CDIs, however, noting that:
 - (A) the issue of the 50,000 Incentive CDIs will align the interests of Mr Loechteken with those of Security Holders. Further, the issue of the 50,000 Incentive CDIs is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend greater proportion of its cash reserves on its operations than it would if alternative cash forms for remunerations were given to Mr Loechteken; and
 - (B) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the 50,000 Incentive CDIs on the terms proposed; and

- (g) a voting exclusion applies to this Resolution. Please refer to Resolutions 8A, 8B and 8C in the Notice.

Resolution 8C

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 50,000 Incentive CDIs to Mr Wright:

- (a) the related party to whom the 50,000 Incentive CDIs will be issued is Mr Sam Wright (or his nominee), who falls within the category set out in ASX Listing Rule 10.11.1 by virtue of Mr Wright being a Director (or ASX Listing Rule 10.11.2, in relation to his nominee);
- (b) 50,000 Incentive CDIs are proposed to be issued to Mr Sam Wright (or his nominee);
- (c) Mr Wright's total remuneration package is \$45,000 (as a non-executive Director) and \$75,000 (as company secretary) per annum (including superannuation);
- (d) the 50,000 Incentive CDIs will be issued on the same terms and conditions as the Company's existing CDIs. The Company values the 50,000 Incentive CDIs at \$44,250, based on the closing price of \$0.59 per CDI on 14 October 2024;
- (e) the 50,000 Incentive CDIs will be issued to Mr Wright (or his nominee) no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the 50,000 Incentive CDIs will be issued on one date;
- (f) the issue price of the 50,000 Incentive CDIs will be nil, as such no funds will be raised from the issue of the 50,000 Incentive CDIs, however, noting that:
- (A) the issue of the 50,000 Incentive CDIs will align the interests of Mr W Wright all with those of Security Holders. Further, the issue of the 50,000 Incentive CDIs is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend greater proportion of its cash reserves on its operations than it would if alternative cash forms for remunerations were given to Mr Wright; and
 - (B) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the 50,000 Incentive CDIs on the terms proposed; and
- (g) a voting exclusion applies to this Resolution. Please refer to Resolutions 8A, 8B and 8C in the Notice.

8.5 Board recommendation

The Directors, other than Mr. Brian Wall (who abstains in relation to Resolution 8A), Mr Heinrich Loechteken (who abstains in relation to Resolution 8B) and Mr Sam Wright (who abstain in relation to Resolution 8C) recommends that Shareholders vote in favour of this Resolution.

9. RESOLUTION 9: ADDITIONAL PLACEMENT CAPACITY

9.1 ASX Listing Rule 7.1A

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

Under ASX 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 13 November 2024, the Company was not included in the S&P/ASX 300 Index and the Company’s market capitalisation was approximately \$71.6 million. As such, the Company is an eligible entity for these purposes.

Resolution 9 seeks Security Holder approval by way of a special resolution for the Company to have the 10% Placement Facility provided for in ASX Listing Rule 7.1A to issue Equity Securities without Security Holder approval.

For note, a special resolution is a resolution requiring at least 75% of votes cast by Security Holders present and eligible to vote at the meeting in favour of the resolution.

9.2 Disclosures provided for ASX Listing Rule 14.1A

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

- (a) If Resolution 9 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Security Holder approval.
- (b) If Resolution 9 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Security Holder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Security Holder approval set out in ASX Listing Rule 7.1.

9.3 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 ASX 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 Securities on issue at the commencement of the relevant period:
- plus the number of fully paid Ordinary Securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;

- plus the number of fully paid Ordinary Securities issued in the relevant period on the conversion of convertible securities within ASX 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 ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of fully paid Ordinary Securities issued in the relevant period under an agreement to issue securities within ASX 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 ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of any other fully paid Ordinary Securities issued in the relevant period with approval under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of partly paid Ordinary Securities that became fully paid in the relevant period;
- less the number of fully paid Ordinary Securities cancelled in the relevant period.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX 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 ASX 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 ASX Listing Rule 7.1A.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.3 upon issue of any shares.

9.4 **Technical information required by ASX Listing Rule 7.3A**

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

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

If Security Holder approval is granted for Resolution 9, then that approval will cease to be valid on the earlier of:

- i. the date that is 12 months from the date of the Meeting; or
- ii. the time and date of the Company's next annual general meeting; or

- iii. the time and date Security Holder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX 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 VWAP for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i. the date of which the price at which the Equity Securities are to be issued is agreed; or
- ii. 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 9 is to pursue possible further investment opportunities which may arise, for working capital to utilise within the group for operations and project development and expansion.

(d) Risk of Economic and Voting Dilution

Provided that Security Holder approval is granted for Resolution 9, Security Holders 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 9 under ASX 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 Security Holders 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 ASX Listing Rule 7.1A.2 as at 13 November 2024.

Variable “A” in ASX Listing Rule 7.1A.2		Dilution		
		\$0.244 50% decrease in Issue Price	\$0.487 Issue Price	\$0.974 100% increase in Issue Price
Current Variable A 146,974,437 CDIs	10% dilution	14,697,444	14,697,444	14,697,444
	Funds raised	\$3,578,828	\$7,157,655	\$14,315,310
50% increase in current Variable A 220,461,656 CDIs	10% dilution	22,046,166	22,046,166	22,046,166

	Funds raised	\$5,368,241	\$10,736,483	\$21,472,965
100% increase In current Variable A 293,948,874 CDIs	10% dilution	29,394,887	29,394,887	29,394,887
	Funds raised	\$7,157,655	\$14,315,310	\$28,630,620

The table is prepared on the following assumptions:

- (i) the Company issues the maximum number of Equity Securities available under ASX Listing Rule 7.1A;
- (ii) the table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1; and
- (iii) The issue price is \$0. 487 (based on the closing price on 13 November 2024).

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 ASX Listing Rule 7.1 that are approved at a future Security Holders' 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 issue pursuant to the 10% Placement Facility under ASX 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 Security Holders 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 Security Holders and/or new Security Holders 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 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 2023 Annual General Meeting. No existing Security Holder's votes will therefore be excluded under the voting for this Resolution at the Meeting.

9.5 Board Recommendation

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

GLOSSARY

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

"AEDT"	means Australian Eastern Daylight Time.
"Articles of Association" or "Articles"	means the Company's articles of association, as amended from time to time.
"ASX"	means ASX Limited (ACN 008 624 691).
"ASX Listing Rules"	means the official Listing Rules of ASX as amended from time to time.
"Board"	means the Board of Directors of the Company.
"CDI"	means CHESS Depository Interests.
"CDN"	means CHESS Depository Nominees Pty Ltd.
"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"	means a director of Structural Monitoring Systems.
"Director Options"	means the Options exercisable at \$0.78 and expiring on 30 November 2027 issued under the Director Placement.
"Director Placement"	means the Company's security placement of 320,000 CDIs and Director Options to Henrich Loechteken (or his nominee).
"Equity Securities"	has the meaning given to that term in the ASX Listing Rules.
"Explanatory Statement"	means the explanatory statement accompanying this Notice.
"Meeting" or "General Meeting"	means the Annual General Meeting of the Company to be held on Wednesday, 18 December 2024.
"Notice of Meeting" or "Notice"	means the notice convening the Meeting, which accompanies this Explanatory Statement.
"Option"	means an option to acquire one CDI.
"Placement"	means the Company's security placement to sophisticated and professional investors to raise approximately \$5,000,000.
"Placement Option"	means the Options exercisable at \$0.78 and expiring on 30 November 2027 issued under the Placement.
"Prospectus"	means the prospectus of the Company dated 12 November 2024.
"Related Party"	has the meaning given to it in the ASX Listing Rules.
"Resolutions"	means the proposed resolutions set out in the Notice of Meeting.
"Section"	means a section of the Explanatory Statement.

“Security Purchase Plan” or “SPP”	means the Company’s security purchase plan under which Eligible CDI Holders are entitled to apply for new CDIs and SPP Options to raise approximately \$2,00,000.
“Share”	means 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.
“Shortfall CDI”	means CDIS that were offered but not subscribed for under the Security Purchase Plan and were then issued pursuant to the Shortfall Offer
“Shortfall Offer”	means the offer to subscribe for any CDIs and SPP Options not taken up pursuant to the Security Purchase Plan which are to be offered to recipients determined by the Directors at their discretion and otherwise on the same terms on which securities were offered under the Security Purchase Plan
“Shortfall Option”	means SPP Options that were offered but not subscribed for under the Security Purchase Plan and were then issued pursuant to the Shortfall Offer
“SPP Option”	means the Options exercisable at \$0.78 and expiring on 30 November 2027 issued under the Security Purchase Plan.
“Offers”	means the offers the SPP, Placement and Director Placement.
“Ordinary Securities”	has the meaning given to it in the ASX Listing Rules.
“Security Holder”	means the registered holder of one or more CDIs or Shares.
“Shareholder”	the registered holder of one or more Shares.
“Structural Monitoring Systems”, “SMN” or “Company”	means Structural Monitoring Systems plc, registered in England and Wales with Company Number 4834265 (ARBN: 106 307 322).
“UK Companies Act”	means the <i>UK Companies Act 2006</i> .
“VWAP”	means volume weighted average price.
“\$” or “A\$”	means Australian dollars.
“£”	means British pounds.

Schedule 1 Terms and Conditions of Options

The terms of the New Options and the Options issued under the SPP, Placement and Director Placement are:

(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 \$0.78 (**Exercise Price**).

(c) Expiry Date

The Options will expire on 30 November 2027 (**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.

For personal use only



**STRUCTURAL
MONITORING
SYSTEMS** plc

ABN 86 106 307 322

SMN

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

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 (AEDT) on Friday, 13 December 2024.**

CDI Voting Instruction Form

How to Vote on Items of Business

Each CHESSE Depository Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI registered in your name at 7:00pm (AEDT) on Thursday, 12 December 2024 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 CHESSE Depository 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 CHESSE Depository Nominees Pty Ltd enough time to tabulate all CHESSE Depository 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:

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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: 999999

SRN/HIN: I9999999999

PIN: 99999

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



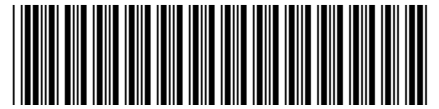
PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



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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 CHES Depositary Nominees Pty Ltd will vote as directed

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Voting Instructions to CHES Depositary Nominees Pty Ltd

At the Annual General Meeting of Structural Monitoring Systems plc to be held at Level 13, Collins Arch, 447 Collins Street, Melbourne, VIC 3000 on Wednesday, 18 December 2024 at 11.00 am (AEDT) and at any adjournment of that meeting, I/We being a holder of CHES Depositary Interests of Structural Monitoring Systems plc, hereby:

Please mark box A OR B with an 'X'

A direct CHES Depositary Nominees Pty Ltd (CDN) to appoint the Chairman of the Meeting to vote on my/our behalf with respect to the Resolutions below in the manner instructed in Step 2 below to attend and vote the shares underlying my/our holding

OR

B direct CDN to appoint the following person to vote on my/our behalf with respect to the Resolutions below in the manner instructed in Step 2 below to attend and vote the shares underlying my/our holding.

If you instruct CDN to direct a Proxy to vote and do not mark either the "FOR", "AGAINST" or "ABSTAIN" box, your vote will not be counted as a vote cast.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing CHES 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		For	Against	Abstain	
1	Re-appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6A	Issue of Options to Directors under Option Offer to Heinrich Loechteken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-appointment of Director – Brian Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6B	Issue of Options to Directors under Option Offer to Brian Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3A	Ratification of CDIs issued under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6C	Issue of Options to Directors under Option Offer to Sam Wright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3B	Ratification of Placement Options issued under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	Issue of Options to Unrelated Parties under Option Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4A	Ratification of Options issued under Security Purchase Plan and Shortfall Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8A	Issue of Incentive Securities to Brian Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4B	Ratification of CDIs issued under Shortfall Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8B	Issue of Incentive Securities to Heinrich Loechteken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5A	Issue of CDIs to Heinrich Loechteken under Director Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8C	Issue of Incentive Securities to Sam Wright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5B	Issue of Director Options to Heinrich Loechteken under Director Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

SMN

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