



**STRUCTURAL  
MONITORING  
SYSTEMS**  
p l c

(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:**

27 November 2009 at 2.00 pm WST

### **VENUE:**

Unit 5/ 15 Walters Drive  
Osborne Park  
Western Australia

**These documents should be read in their entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.**

**NOTICE OF ANNUAL GENERAL MEETING**  
**STRUCTURAL MONITORING SYSTEMS PLC**  
**REGISTERED NO 04834265**

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**NOTICE IS HEREBY GIVEN** that the 2009 Annual General Meeting ("**Meeting**") of members of Structural Monitoring Systems Plc ("the **Company**") will be held at Unit 5, 15 Walters Drive, Osborne Park, Western Australia on Friday 27 November 2009 at 2.00 pm WST.

The accompanying Proxy Form forms part of this Notice of Annual General Meeting ("**Notice**").

An Explanatory Statement containing information in relation to the following Resolutions accompanies this Notice.

**A G E N D A**

**BUSINESS**

**Receipt of Financial Report, Directors' Report and Auditor's Report**

To receive the Financial Report of the Company for the year ended 30 June 2009 together with the Directors' Report in relation to that financial year and the Auditor's Report on the financial 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**

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

**Sir John Walker**

*"That Sir John Walker who retires by rotation in accordance with Article 25.2 of the Company's Articles of Association and, being eligible, offers himself for re-appointment, be re-appointed as a director of the Company".*

**Note:** Information about Sir John Walker is set out in the Structural Monitoring Systems Plc 2009 Annual Report.

**RESOLUTION 2: RE-APPOINTMENT OF AUDITORS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That PKF (UK) LLP be re-appointed as auditors of the Company to hold office from the conclusion of the Annual General Meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid before the Company. The Directors are hereby authorised to fix the remuneration of the Company's auditors."*

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*For the purposes of the Resolutions, the following definitions apply:*

*"Articles of Association" means the Company's articles of association, as amended from time to time;*

*"Company" means Structural Monitoring Systems plc, registered in England with Company No. 04834265;*

*"Directors" means the directors of the Company;*

*"Meeting" or "Annual General Meeting" means the 2009 annual general meeting of the Company to be held on 27 November 2009;*

*"Resolutions" means resolutions 1 to 2 set out in the Notice to be proposed at the Annual General Meeting; and*

*"WST" means Australian Western Standard Time.*

**PROXIES**

Shareholders are advised that:

- Each shareholder has a right to appoint a proxy;
- The proxy need not be a member of the Company;
- A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified then each proxy may exercise one half of the votes.

The Company specifies the following address and facsimile number for the purposes of receipt of proxy appointments:

Postal Address:       Structural Monitoring Systems Plc  
                            PO Box 2067  
                            Churchlands WA 6018

Facsimile:            +61 08 9204 4866

The instrument appointing the proxy must be received by the Company at the address specified above or by facsimile at least 48 hours before the time notified for the meeting (that is, by 2.00 pm on 25 November 2009).

Shares held at close of business on 25 November 2009 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time.

**BY ORDER OF THE BOARD**



**Colin R McDonald**  
**COMPANY SECRETARY**  
Dated: 20 October 2009

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**EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the purposes of the ASX Listing Rules. The purpose of this Explanatory Statement is to provide Shareholders with all the information known to the Company that is 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.

**RESOLUTION 1 – RE-APPOINTMENT OF DIRECTOR**

Resolution 1 seeks approval for the re-appointment of Sir John Walker as Director with effect from the end of the Meeting.

Article 25.2 of the Articles of Association provides that at each annual general meeting of the Company one-third of the Directors 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.

Sir John Walker retires from office in accordance with this requirement and submits himself for re-appointment.

**RESOLUTION 2 – RE-APPOINTMENT OF AUDITORS**

Resolution 2 seeks shareholder approval for the re-appointment of PKF (UK) LLP as the Company's auditors and for the Directors to fix their remuneration.

Section 489 of the Companies Act 2006 (the “2006 Act”) requires a specific resolution appointing or re-appointing a company’s auditors to be passed at every annual general meeting of the company at which accounts are laid. Resolution 2, therefore, proposes the re-appointment of PKF (UK) LLP as the Company’s auditors until conclusion of the next annual general meeting.

In accordance with section 492 of the 2006 Act, the remuneration of auditors appointed by a company in general meeting is to be fixed by the company in general meeting by ordinary resolution or in a manner that the company in general meeting determines. Resolution 2 authorises the directors of the Company to fix the remuneration of the auditors in accordance with this requirement.

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**GLOSSARY/ APPENDIX A**

<b>“Articles of Association”</b>	The Company's articles of association, as amended from time to time
<b>“ASX”</b>	Australian Stock Exchange Limited (ACN 008 624 691)
<b>“ASX Listing Rules” or “Listing Rules”</b>	The official Listing Rules of ASX as amended from time to time
<b>“2006 Act”</b>	Companies Act 2006 (as amended from time to time)
<b>“Director”</b>	A director of Structural Monitoring Systems
<b>“Meeting” or “Annual General Meeting”</b>	The 2009 annual general meeting of the Company to be held on 27 November 2009
<b>“Notice of Meeting”</b>	The notice convening the Meeting, which accompanies this Explanatory Statement
<b>“Resolutions”</b>	The proposed resolutions set out in the Notice of Meeting
<b>“Share”</b>	A fully paid ordinary share of 0.5 pence each in the capital of the Company
<b>“Shareholder”</b>	The registered holder of one or more Shares
<b>“Structural Monitoring Systems” 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

NOTICE OF ANNUAL GENERAL MEETING

STRUCTURAL MONITORING SYSTEMS PLC

REGISTERED NO 04834265

Structural Monitoring Systems plc

PROXY FORM

The Company Secretary  
Structural Monitoring Systems plc  
PO Box 2067  
CHURCHLANDS WA 6018

I/We .....  
(PRINT NAME)

of .....  
(PRINT ADDRESS)

being a Shareholder/Shareholders of Structural Monitoring Systems plc hereby appoint as my/our proxy

The Chairman of the meeting (mark with an X) OR

.....  
(PRINT NAME OF PROXY)

of .....  
(PRINT ADDRESS OF PROXY)

or failing the person named, or if no person is named, the Chairman of the meeting as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Structural Monitoring Systems plc to be held at Unit 5, 15 Walters Drive, Osborne Park, Western Australia, on Friday 27 November 2009 at 2.00 pm (Perth, Western Australia time) and at any adjournment of that Meeting.

**Voting directions to your proxy – please mark  to indicate your instructions**

The proxy is to vote for or against the resolutions referred to in the notice convening the Extraordinary General Meeting, as follows:

		<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1	Re-election of Sir John Walker as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Appointing a second Proxy** (Please read the voting and proxy notes overleaf)

If 2 proxies are appointed, the percentage of your voting rights this proxy is authorised to exercise is [        ]% or the number of shares for this proxy is [        ].

Signed: \_\_\_\_\_  
Director/Sole Director and Sole Secretary

(Affix Common Seal  
if required)

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Individual or Securityholder 1

\_\_\_\_\_  
Securityholder 2

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Securityholder 3

\_\_\_\_\_  
Securityholder 4

Dated: \_\_\_\_\_

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**Structural Monitoring Systems plc**  
**(Company Number 4834265 and ARBN 106 307 322)**

**VOTING AND PROXY NOTES**

**1. Voting Entitlement**

The board has determined that the persons who will be eligible to attend and vote at the meeting are those persons who are registered members of the Company at 2.00 pm (Perth, Western Australia time) on 25 November 2009. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

**2. Appointment of Proxy**

A member entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's voting rights, each proxy may exercise half the votes.

If your proxy is the Chairman of the Meeting, a cross should be placed in the box. If the person you are naming is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank or your named proxy is unable to attend, the Chairman of the Meeting will be your proxy to vote your shares. A proxy need not be a Shareholder of Structural Monitoring Systems plc. If you are appointing a second proxy, you may copy this form or obtain an additional Proxy Form by telephoning Structural Monitoring Systems plc on +61 (0) 8 9204 4844.

**3. Authorised Signature(s)**

In order for your Proxy to be valid, you must sign this form as follows in the spaces provided:

Joint Holding:           Where the holding is in more than one name, all of the holders must sign.

Power of Attorney:    To sign as Power of Attorney, please forward the Power of Attorney for noting (unless already noted). Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies:            A Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

**4. Lodgment of Proxy**

To be effective proxy forms, duly completed must be received not less than 48 hours prior to the time for holding the meeting. Proxy forms should be sent to the postal address of Structural Monitoring Systems plc at PO Box 2067, Churchlands, WA 6018 or faxed to the Company on +61 (0) 8 9204 4866.