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## **STRUCTURAL MONITORING SYSTEMS PLC**

*(Registered in England and Wales with company number 4834265)*

### **Notice of General Meeting**

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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in doubt about the contents of this document or about the action you should take you should immediately consult your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in the Company, 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.

A notice of a General Meeting of the Company to be held at 5/15 Walters Drive, Osborne Park WA 6017, Australia on 30 June 2010 at 11 a.m is set out at the end of this document.

Shareholders are requested to complete and return the enclosed Form of Proxy to Structural Monitoring Systems plc as soon as possible, but in any event, so as to arrive no later than 5p.m. on 28 June 2010, whether or not they propose to be present at the General Meeting.

## DEFINITIONS

In this document and in the accompanying Form of Proxy, the following words and expressions shall, except where the context requires otherwise, have the following meanings:

“2010 Deferred Shares”	the deferred shares of 0.45 pence each in the Company arising on sub-division of the Existing Ordinary Shares;
“Admission”	the admission of the New Ordinary Shares to trading on ASX becoming effective in accordance with the Listing Rules;
“ASX”	the Australian Stock Exchange Limited;
“Board” or “Directors”	the board of directors of the Company;
“CDIs”	CHESS Depository Interests, details of which are set out below under the heading “CDIs”;
“certificated” or “in certificated form”	the description of a share or other security which is not in uncertificated form (that is, not in CHESS);
“Company”	Structural Monitoring Systems plc;
“CHESS”	the Clearing House Electronic Subregister System;
“Existing Ordinary Shares”	the existing ordinary shares of 0.5 pence each on issue at the date of this circular;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting;
“Listing Rules”	the Listing Rules of ASX and any other rules of ASX which are applicable to the Company while the Company is admitted to the Official List of ASX, each as amended and replaced from time to time, except to the extent of any express written waiver by ASX;
“New Ordinary Shares”	the new ordinary shares of 0.05 pence each in the Company arising on sub-division of the Existing Ordinary Shares;
“Official List of ASX”	the official list of entities that ASX has admitted and not removed;
“Placement”	the placement of 48,279,875 ordinary fully paid shares to clients of Mac Equity Partners Pty Ltd on 7 May 2010, together with the proposed issue of one option for every one share issued, exercisable at 0.85 cents on or before the date three years after the issue of the options.;
“Record Date”	close of business on 9 July 2010 (or such other time and date as the Directors may determine); and
“uncertificated” or “in uncertificated form”	shares being held in uncertificated form in CHESS and title to which may be transferred by means of CHESS.

**STRUCTURAL MONITORING SYSTEMS PLC**  
*(Registered in England and Wales with company number 4834265)*

*Directors:*

Mark Vellacott  
Professor Malcolm R Richmond  
Robin John Dean  
Sam Michael Wright

*Registered Office:*

Inkerman House  
4 Elwick Road  
Ashford  
Kent TN23 1PF  
United Kingdom

*Company Secretary*

Colin McDonald

*Australian Office:*

Unit 5  
15 Walters Drive  
Osborne Park WA 6017  
Australia

14 June 2010

*To shareholders (“Shareholders”) of ordinary shares of 0.5 pence in the Company*

**NOTICE OF GENERAL MEETING**

Dear Shareholder,

**1 INTRODUCTION**

I am writing to you with details of the general meeting which we propose to hold on 30 June 2010 at 11 a.m. (“EGM”). The formal notice of meeting is attached to this document.

The business to be proposed and considered at the EGM is summarised below.

**2 REORGANISATION OF THE SHARE CAPITAL**

- 2.1 The par value of the Company’s Existing Ordinary Shares is 0.5 pence, which is the minimum price at which the ordinary shares can be issued. We are proposing to undertake a re-organisation of the Company’s share capital. The proposal, which would be implemented by resolution 1 (as set out in the attached notice) if passed, would involve splitting each Existing Ordinary Share into one new ordinary share of 0.05 pence (“**New Ordinary Share**”) and one deferred share of 0.45 pence (“**2010 Deferred Share**”) and each unissued ordinary share into 10 New Ordinary Shares.
- 2.2 The rights of the 2010 Deferred Shares will be very limited (they do not carry voting rights and carry no rights to dividends and only have rights to return of capital after very substantial sums have first been paid to the holders of the New Ordinary Shares). As such, most of the value in the issued shares is vested in the New Ordinary Shares and not the 2010 Deferred Shares. Only the New Ordinary Shares will be listed on the Official List of ASX, in place of the Existing Ordinary Shares and application for the New Ordinary Shares to be admitted to trading in place of the Existing Ordinary Shares with effect from the passing of resolution 1 (as set out in the attached notice) will be made to ASX. The terms of issue of the 2010 Deferred Shares enable the Company to acquire them for nominal consideration and for the Company to transfer such shares on behalf of the holders.
- 2.3 The practical effect of this change, if implemented, will be that each Shareholder will receive the same number of New Ordinary Shares as they hold Existing Ordinary Shares, without any diminution in rights or value. The 2010 Deferred Shares can be purchased back from Shareholders for nominal consideration to facilitate tidying up the share capital in due course.

- 2.4 For the purposes of Listing Rule 7.20:
- (a) the proposed reorganisation of share capital will double the number of shares on issue but will make no change to the number of shares listed on the ASX and will have no effect on the amount unpaid on the Company's securities as all of its issued shares are fully paid;
  - (b) no fractional entitlements will arise from the reorganisation; and
  - (c) there are no convertible securities of the Company on issue.
- 2.5 For the purposes of Listing Rule 7.22 the Company notes that the number of options of the Company on issue and their exercise price will not be affected by the reorganisation and no benefit arising from the reorganisation will be received by the holders of options that is not received by the holders of ordinary shares in the Company.

### **3 ADMISSION TO ASX**

The reorganisation of the share capital is conditional upon the New Ordinary Shares being admitted to ASX. Application for such Admission will be made so as to enable the New Ordinary Shares to be admitted to trading on ASX on a deferred settlement basis the next business day after the meeting. It is expected that Admission will become effective at 8.00 am on 2 July 2010. The reorganisation of the share capital will be effective upon Admission.

### **4 CDIs**

- 4.1 In order that the Company's securities can be listed and traded on ASX all of its issued shares are held by CHES Depository Nominees Pty Ltd on trust for the shareholders of the Company and a CDI is issued to the relevant shareholder for each share. The New Ordinary Shares will similarly be held by CHES Depository Nominees Pty Ltd in trust and a new CDI will be issued for each New Ordinary Share. Accordingly, each reference in this notice to the listing on the ASX of New Ordinary Shares, Existing Ordinary Shares and shares is a reference to CDIs issued with respect to those shares and each reference to "Shareholder" is a reference to the holders of those CDIs with a beneficial interest in the shares, unless the context requires otherwise.
- 4.2 In order that certain options issued by the Company can be listed and traded on ASX all of its issued options are held by CHES Depository Nominees Pty Ltd on trust for the optionholders of the Company and a CDI is issued to the relevant optionholder for each option. Accordingly, each reference in this notice to the listing of options on the ASX is a reference to CDI's issued with respect to those options and each reference to "optionholder" is a reference to the holders of those CDI's with a beneficial interest in the options, unless the context requires otherwise

### **5 SETTLEMENT**

- 5.1 If you hold a holder statement in respect of your CDIs for your Existing Ordinary Shares in the Company, your holder statement will no longer be valid from the time that the proposed reorganisation of the share capital becomes effective. You will be sent a new holder statement evidencing the New Ordinary Shares and 2010 Deferred Shares to which you are entitled under the reorganisation of the share capital on the Record Date of 9 July 2010. Such holder statements are expected to be dispatched no later than 14 July 2010. Upon receipt of the new holder statement, you should destroy any old holder statement. Pending the dispatch of the new holder statements, transfers of certificated New Ordinary Shares and 2010 Deferred Shares will be certified against the Company's share register.
- 5.2 You should expect to have your CHES account credited with the CDI's for the New Ordinary Shares and 2010 Deferred Shares to which you are entitled on implementation of the reorganisation of the share capital as soon as practicable after the reorganisation of the share capital becomes effective.

### **6 AUTHORITY TO ALLOT SHARE CAPITAL AND WAIVER OF PRE-EMPTION RIGHTS**

The Board will be renewing its authority to allot relevant securities:

- (a) up to an aggregate nominal amount of £50 million (approx. AUD 82.9 million); and
- (b) as if statutory pre-emption rights did not apply to any such allotment,

to provide the Company with sufficient capacity to allot further shares over the coming year, including in connection with the Placement, subject always to the Listing Rules. The authorities will expire upon the earlier of 5 years from the date of the EGM and the date of cessation of the Company's listing on ASX. The level of authority has been set deliberately high for so long as the Company's ASX listing is maintained, as Shareholders will still have protection in the form of Rule 7 of the Listing Rules (requiring shareholder approval for issues of shares exceeding 15% of the issued share capital at the time).

## 7 RATIFICATION AND APPROVAL OF PREVIOUS ISSUE OF SECURITIES

7.1 On 7 May 2010, the Company issued 48,279,875 fully paid ordinary shares to CHESSE Depository Nominees Pty Ltd to hold on behalf of clients of Mac Equity Partners Pty Ltd in order to fund working capital requirements as part of the Placement.<sup>1</sup>

7.2 ASX Listing Rule 7.4 provides that an issue of equity securities without approval of shareholders under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if:

- a. the issue of securities did not breach Listing Rule 7.1; and
- b. holders of ordinary securities subsequently approve the issue.

7.3 Broadly speaking, ASX Listing Rule 7.1 prevents a listed company from issuing securities in excess of 15% of its issued capital at any point in time unless shareholder approval is obtained.

7.4 The effect of resolution 3 is that the Company will be able to refresh its 15% issuing capacity under Listing Rule 7.1 with effect from the date of the general meeting.

7.5 In compliance with ASX Listing Rule 7.5, the following information is provided

- a. ASX Listing Rule 7.5.1: The number of securities issued.
  - 48,279,875 ordinary shares
- b. ASX Listing Rule 7.5.2: Issue Price of Securities
  - The shares were issued at 0.83 cents (being the par value of 0.5 pence) per share
- c. ASX Listing Rule 7.5.3: Terms of Securities

The ordinary shares issued rank equally in all respects with all other Existing Ordinary Shares.

d. ASX Listing Rule 7.5.4: Name of allottees	Shares
GEBA Pty Ltd <GEBA Family A/c>	12,048,192
Brett Graeme WALKER	1,204,819
Charles William THOMAS	1,204,819
Exit Out Pty Ltd <The Discretionary A/c>	6,024,096
Foley Pty Ltd <the Great Western Trust>	3,500,000
Peter Vassileff <Pitch Investments>	6,100,000
Silktree Investments Pty Ltd <Vassileff Super Fund>	2,500,000
Anthony Maslin & Marite Norris <Maslin Family>	2,409,639
Southam Investments 2003 Pty Ltd <Warwickshire Investment>	1,204,819
Azalea Family Holdings Pty Ltd <No 2 A/c>	2,409,639
Mac Equity Partners Pty Ltd	7,264,213
522 Investments Pty Ltd	2,409,639

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- e. ASX Listing Rule 7.5.5: Intended use of the funds raised

The funds raised are required for general working capital purposes and to enable the Company to complete several outstanding orders for its products.

- f. ASX Listing Rule 7.5.6: Voting exclusion statement

The Company will disregard any votes cast on Resolution 3 by any person who participated in the Placement. However, the Company will not disregard a vote if:

1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

## **8 ISSUE OF OPTIONS AS PART OF PLACEMENT**

As part of the capital raising that occurred on 7 May 2010, the Company will, subject to shareholder approval, issue 48,279,875 options to acquire ordinary shares, exercisable at 0.085 cents exercisable on or before a date three years from the issue of the options. The options will be issued for nil consideration on the basis of one option for every one share issued on 7 May 2010. ASX listing will be sought for these options. The options will be issued no later than the date being three months after the date of the general meeting at which approval to issue the options is granted. The persons to whom the options issued are those persons listed at paragraph 7.5(d) of this notice. This information is provided for the purposes of Listing Rule 7.3 and for all other purposes.

The Company will disregard any votes cast on Resolution 4 by any person who participated in the Placement. However, the Company will not disregard a vote if:

1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

## **9 ISSUE OF OPTIONS AS PART CONSIDERATION FOR CAPITAL RAISING FEE**

Mac Equity Partners Pty Ltd was given a mandate to raise capital for the Company, resulting in the placement of 48,279,875 Existing Ordinary Shares at 0.83 cents (0.5 pence) with a free attaching option (see paragraph 8 above). As part of the consideration for the fee involved in the capital raising, it is proposed that 5,000,000 options, exercisable at 0.085 cents on or before the date three years from the date of issue of the options, be allotted to Mac Equity Partners Pty Ltd. The options will be issued no later than the date being three months after the date of the general meeting at which approval to issue the options is granted. This information is provided for the purposes of Listing Rule 7.3 and for all other purposes.

The Company will disregard any votes cast on Resolution 5 by Mac Equity Partners Pty Ltd or any of its associates. However, the Company will not disregard a vote if:

1. it is cast by Mac Equity Partners Pty Ltd as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

## **10 AMENDMENT TO ARTICLES OF ASSOCIATION**

- 10.1 In addition to implementing the reorganisation of the share capital, resolution 7 (as set out in the attached notice) will, if passed, amend the Company's Articles of Association ("**the Articles**") to set out the new par value of the shares in the Company.
- 10.2 Further, the final phase of the UK Companies Act 2006 was implemented on 1 October 2009. One of the key changes effective from that date which is proposed to be dealt with at the general meeting is in relation to the authorised share capital and unissued shares of a company. The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital. The Company is proposing changes to its Memorandum and Articles to reflect this. Resolution 7 deletes all provisions of the Company's Memorandum, which are deemed to form part of the Articles, relating to authorised share capital. The Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006.
- 10.3 A copy of the Articles of the Company showing the amendments proposed above will be available for inspection at the registered office [,as well as the Australian office,] of the Company during normal business hours on any weekday up to the date of the general meeting.

## **11 GENERAL MEETING**

- 11.1 In order to give effect to the matters detailed above, the resolutions set out in the attached notice need to be approved by Shareholders in general meeting.
- 11.2 You will therefore find set out at the end of this document a notice convening the Extraordinary General Meeting to be held at 5/15 Walters Drive, Osborne Park WA 6017 at 11 a.m on 30 June 2010 at which the resolutions set out in the notice of meeting will be proposed.

## **12 ACTION TO BE TAKEN**

A Form of Proxy is enclosed for use by Shareholders at the EGM. If you are a Shareholder, you are requested to complete, sign and return the Form of Proxy, whether or not you intend to be present at the meeting, and return it to PO Box 2067, Churchlands WA 6018 or by fax to +61 8 9204 4866. The completion and return of a Form of Proxy will not prevent you from attending the meeting and voting in person should you subsequently wish to do so.

## **13 RECOMMENDATION**

- 13.1 The Directors consider that the proposed resolutions are in the best interests of the Company and its Shareholders as a whole.
- 13.2 Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions being proposed at the EGM, as they intend to do or procure to be done in respect of their own and their connected persons' beneficial holdings in the Company.

Yours faithfully

Colin McDonald  
*Company Secretary*

**STRUCTURAL MONITORING SYSTEMS PLC**  
*(Registered in England and Wales with company number 4834265)*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of members of Structural Monitoring Systems plc (“**Company**”) will be held at 5/15 Walters Drive, Osborne Park WA 6017 on 30 June 2010 at 11 a.m. at for the transaction of the following business:

To consider and, if thought fit, to pass the resolutions set out below of which resolutions 1, 2, 3, 4 and 5 will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions:

**ORDINARY RESOLUTIONS**

**1. THAT,**

- (a) each ordinary share of 0.5 pence each comprised in the authorised share capital of the Company and on issue at the time of passing this resolution be divided into one ordinary share of 0.05 pence (“**Ordinary Share**”) and one deferred share (“**2010 Deferred Share**”) of 0.45 pence, each having the rights set out in paragraph (c) below;
- (b) each ordinary share of 0.5 pence each comprised in the authorised share capital of the Company and not on issue at the time of the passing of this resolution be divided into ten ordinary shares of 0.05 pence, having the same rights, set out in paragraph (c) below, as the 2010 Deferred Shares;
- (c) the following rights and restrictions shall be attached to the 2010 Deferred Shares:

(i) As regards income

The holders of the 2010 Deferred Shares shall not be entitled to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year or any other income or right to participate therein.

(ii) As regards capital

On a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption on purchase by the Company of any of its shares) the holders of the 2010 Deferred Shares shall be entitled to receive the amount paid up on their shares after there shall have been distributed (in cash or in specie) to the holders of the Ordinary Shares the amount of £100,000,000 in respect of each Ordinary Share held by them respectively. For this purpose distributions in currency other than sterling shall be treated as converted into sterling, and the value for any distribution in specie shall be ascertained in sterling, in each case in such manner as the Directors of the Company may approve. The 2010 Deferred Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

(iii) As regards voting

The holders of 2010 Deferred Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat.

(iv) Variation

The rights attached to the 2010 Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or pari passu with or subsequent to such shares. In addition neither the passing by the Company of any resolution for the cancellation of the 2010 Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the 2010 Deferred Shares and accordingly the 2010 Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable legislation without sanction on the part of the holders of the 2010 Deferred Shares.

(v) Repurchase

Notwithstanding any provision of the articles of association of the Company, the Company shall have the power and authority at any time to purchase all or any of the 2010 Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders for an aggregate consideration of £1 and, pending such transfer and/or purchase, to retain the certificate(s) if any, for such shares.

(vi) Transfer

The Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the 2010 Deferred Shares a transfer/cancellation of the 2010 Deferred Shares and/or an agreement to transfer/cancel the same, without making any payment (including any fractional payments of less than £1 which may be payable in connection with a repurchase of shares pursuant to resolution 1(c)(v) above) to the holders of the 2010 Deferred Shares to such person or persons as the Company may determine and, pending such transfer and/or cancellation and/or purchase, to retain the certificate(s) if any, for such shares.

(vii) Cancellation

The Company may, at its option and subject to compliance with the provisions of applicable legislation, at any time after the passing of this resolution cancel such shares by way of reduction of capital for no consideration.

(viii) Certificates

Notwithstanding any other provision of the articles of association of the Company, and unless specifically required by the provisions of applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the 2010 Deferred Shares.

2 **THAT**, subject to and conditional upon the passing of resolution 7 set out in this Notice convening the meeting to which this resolution is to be put, in substitution for all existing authorities under the following section to the extent unutilised, the directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**2006 Act**”) to exercise all powers of the Company to allot relevant securities (within the meaning of the 2006 Act) to such persons at such time and on such terms as the directors think proper (including in connection with the Placement up to an aggregate nominal amount of £50 million for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of five years from the date of this resolution being passed and cessation of the Company’s listing on ASX, but so that the Company may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the directors may allot relevant securities in pursuance of that offer or agreement.

3 **THAT**, for the purposes of Listing Rule 7.4 of the Listing Rules of ASX and for all other purposes, the issue of 48,279,875 ordinary shares in the Company on 7 May 2010 be approved, confirmed and ratified in all respects.

4 **THAT**, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX and for all other purposes, the issue of 48,279,875 options to subscribe for ordinary shares in the Company be approved, confirmed and ratified in all respects.

5 **THAT** for the purposes of Listing Rule 7.1 of the Listing Rules of ASX and for all other purposes, the issue to Mac Equity Partners Pty Ltd of 5,000,000 options to subscribe for ordinary shares in the Company is approved.

### **SPECIAL RESOLUTIONS**

6 **THAT**, subject to and conditional upon the passing of resolutions 2 and 7 set out in this Notice convening the meeting to which this resolution is to be put, the Directors be and they are empowered, to issue equity securities (as defined in section 560 of the 2006 Act) for cash pursuant to the authority given by resolution 2 as if section 561(1) of the 2006 Act did not apply to any such issue provided:

(a) the issue of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their holdings of such ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and with legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in, any territory; and otherwise that pursuant to (a) above up to an aggregate nominal amount of £50 million; and [

(b) this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire on the earlier of five years from the date of this resolution being passed and cessation of the Company’s listing on ASX. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

- 7 **THAT**, subject to and conditional upon the passing of resolution 1 set out in this Notice the Articles of Association produced to the meeting which are initialled by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

**BY ORDER OF THE BOARD**



**Colin R McDonald**  
**COMPANY SECRETARY**  
Dated: 14 June 2010

Registered office:  
Unit 5, 15 Walters Drive  
OSBORNE PARK WA 6017

Notes:

1. Any shareholder who is entitled to vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any joint holders. For these purposes, seniority shall be determined by the order of the names appearing in the register of members in respect of the joint holding.
3. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation

# 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 Wednesday 30 June 2010 at 11.00 am (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:

### ORDINARY RESOLUTIONS

**Resolution 1** – (increase in authorised share capital)

For	Against	Withheld
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Resolution 2** – (general power to allot shares)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Resolution 3** - (ratification of issue of shares)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Resolution 4** – (issue of options)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Resolution 5** - (issue of options to Mac Equity Partners)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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### SPECIAL RESOLUTIONS

**Resolution 6** - (disapplication of pre-emption rights)

For	Against	Withheld
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Resolution 7** - (adopt new Articles of Association)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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