

ASX ANNOUNCEMENT

ASX: SMN

21 September 2022

**STRUCTURAL
MONITORING
SYSTEMS**
plc



Update on Proposed Requisition

Structural Monitoring Systems Plc (“SMS” or “The Company”) (ASX:SMN) advises shareholders that the Company is undertaking the necessary steps to convene an Extraordinary General Meeting (EGM) in compliance with the Companies Act 2006 (UK) and that a Notice of Meeting will be dispatched to CDI holders shortly. SMS expects the EGM to be held on or around the week commencing 31 October, subject to the Notice of Meeting being reviewed by the regulators.

The EGM is being held in response to the valid Notice of Requisition the company received from CHESS Nominees Pty Ltd on behalf of Drake Private Investments LLC (Drake) on 5 September 2022 requesting the Company call a meeting of shareholders pursuant to section 168 of the Companies Act 2006 (UK) (Proposed Requisition).

In ongoing discussions with Drake, the Company requested that the resolutions be considered at the Annual General Meeting (AGM) which, as previously announced, will be held in Perth on 11 November 2022. This was proposed by the Board in an attempt to reduce the duplication of costs required to hold two meetings within a very short time frame. This request was denied by Drake.

The board of directors of SMS oppose the resolutions proposed by Drake as not in the best interests of the Company and its shareholders for the following reasons:

- Company policy when considering new directors is to review its preferred board matrix and nominate and support directors that provide skills needed by the Company. The directors proposed by Drake do not provide skills needed by the Company and their nomination does not provide any specific benefit to shareholders. As such, the Board does not support their nomination;
- As a shareholder, Drake has consistently failed to support the Company when needed. As such, the Board is not confident that Drake nominees will act in the best interest of the Company (as opposed to the best interest of Drake); and
- Board composition has changed significantly over the past year. We firmly believe that the Company needs a period of stability and focus and ask that the Board be given the opportunity to continue to act as a unified team focused on the important task of running the Company and building on the recent momentum gathered in commercializing its CVM™ technology.

It is for these reasons that we believe shareholders should vote against the five resolutions proposed by Drake at the forthcoming EGM.

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While this matter is an unwanted distraction from our ongoing focus on the implementation of the CVM™ strategy, we are pleased that this matter, which has already come at significant cost to the Company, will soon be behind us and that we can continue with the important task of running SMS and adding value to your shareholding.

If the Drake resolutions are successful, the remaining directors will work with the new directors in good faith to advance the interests of the Company.

Thank you again for your ongoing support.

This ASX release has been approved for release by Ross Love on behalf of the Board of Directors.

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