

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

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Smart Metering Systems plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



**Smart Metering Systems plc**

(Incorporated in Scotland under the Companies Act 2006 with registered number SC367563)



# Smart Metering Systems plc

(Incorporated in Scotland under the Companies Act 2006 with registered number SC367563)

## Participating in the Annual General Meeting (AGM)

### Where and when will the AGM be held?

At 9am on Thursday 18 May 2023.

At the offices of: The Company  
3rd Floor  
48 St. Vincent Street  
Glasgow G2 5TS

### What is the format of the AGM?

The AGM will be a physical meeting. Shareholders who are unable to or do not wish to attend the AGM in person are encouraged to vote by completing a Proxy Form following the instructions in the 'How do I vote?' section below.

At this AGM, the Chairman will propose to conduct voting on all resolutions by way of a poll, rather than a show of hands. This means that each Shareholder will have one vote for every share held. Shareholders attending and voting in person will be asked to commit a paper poll card at the AGM.

### What health and safety measures will be in place?

The health and safety of our Shareholders, colleagues and the wider community is a primary concern. The AGM arrangements will align to any UK Government guidance and/or requirements in place at the time of the meeting and with health and safety as a priority. All Shareholders attending the AGM will be required to observe the safety and good hygiene measures in place including those that are legally required at the time of the meeting.

We will notify Shareholders of any significant updates to our AGM arrangements as soon as practicable on the Shareholder information page of our website ([www.sms-plc.com](http://www.sms-plc.com)). You should not attend the AGM if you have symptoms of a respiratory infection, such as COVID-19, have a high temperature, feel unwell, or if you, or a close contact, have tested positive for COVID-19.

### How do I vote?

Your vote is important to the Company and, whether or not you intend to attend the AGM in person, we encourage all Shareholders to vote by completing and returning a Proxy Form to our Registrar, Computershare, either in hard copy or online. Details on how to do this are contained in the Proxy Form. Your Proxy Form needs to be lodged so that it reaches Computershare by 9am on 16 May 2023.

### How can I ask a question on AGM business?

We recognise the importance of Shareholders being able to ask questions relating to the business. If you are attending the AGM in person, there will be an opportunity for you to ask your question during the Q&A part of the meeting. Otherwise questions should be directed to [Investors@sms-plc.com](mailto:Investors@sms-plc.com).

### Accessing the 2022 Annual Report and Accounts

The 2022 Annual Report and Accounts are available on our website at [www.sms-plc.com/investors/shareholder-information/](http://www.sms-plc.com/investors/shareholder-information/). A printed copy of the 2022 Annual Report and Accounts will only be sent to you if you have opted to receive a paper copy. By choosing to receive communications electronically, by email and on our website, you will have access to Company information more quickly and reducing the need to print shareholder communications supports our commitment to managing our business' environmental impact and helps us grow our business in a sustainable way. If at any time you would like to change your preference on how you receive documents, please contact our Registrar, Computershare, whose contact details are set out on the Proxy Form.

# Smart Metering Systems plc

(Incorporated in Scotland under the Companies Act 2006 with registered number SC367563)

To: Holders of ordinary shares of Smart Metering Systems plc

Dear Shareholder

## **Smart Metering Systems plc (the 'Company') Annual General Meeting (the 'AGM')**

I am pleased to invite you to attend the 2023 Annual General Meeting of Smart Metering Systems plc which will be held at the offices of the Company at 3rd Floor, 48 St. Vincent Street, Glasgow G2 5TS, at 9am on 18 May 2023.

The notice of AGM (the '**Notice**'), which follows this letter, sets out the business to be considered at the meeting. The Notice contains items of business which are of a technical nature and the purpose of this letter is to explain certain elements of that business to you.

### **Resolutions**

The resolutions which Shareholders are asked to consider are set out in the Notice. These include resolutions for the election or re-election of Directors. There has been only one change to the Board since the last AGM with Gail Blain being appointed our Chief Financial Officer following Gavin Urwin stepping down. The Board believes that each serving Director brings considerable knowledge, skills and experience to the Board (as described in each of their biographies in the Annual Report), makes an effective and valuable contribution to the Board and continues to demonstrate full commitment to their role. The Board considers all of the independent Non-Executive Directors standing for re-election to be independent in accordance with the UK Corporate Governance Code.

The resolutions also include the Board's recommendation of a final dividend payment for the year ended 31 December 2022 bringing the total dividend to 30.25 pence per ordinary share and in line with the Company's stated dividend policy.

I strongly encourage you to exercise your right to vote and to submit your proxy as early as possible.

### **Recommendation**

The Directors consider that all of the resolutions to be considered at the AGM are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions. The Directors intend to vote in favour of all resolutions in respect of their own beneficial holdings.

The results of the votes on the proposed resolutions will be announced in the normal way as soon as practicable after the conclusion of the AGM.

Yours sincerely

**Miriam Greenwood**

**Chairman & Non-Executive Director**

6 April 2023

Registered office:  
2nd Floor  
48 St. Vincent Street  
Glasgow  
G2 5TS  
(Registered number SC367563)

## Notice of Annual General Meeting

### Smart Metering Systems plc (Company number: SC367563)

NOTICE IS HEREBY GIVEN THAT the ANNUAL GENERAL MEETING of Smart Metering Systems plc (the 'Company') will be held at Smart Metering Systems plc, 3rd Floor, 48 St. Vincent Street, Glasgow G2 5TS, on 18 May 2023 at 9am for the purpose of conducting the business set out in the resolutions below.

**Resolutions 1 to 12 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the resolution.**

**Resolutions 13, 14 and 15 are proposed as special resolutions. For each of these to be passed, at least three-quarters of the votes cast must be in favour of the resolution.**

**The Board recommends unanimously that you vote in favour of all resolutions as the Directors intend to do in respect of their own holdings.**

#### Ordinary business

To consider and, if thought fit, pass resolutions 1 to 12, which will be proposed as ordinary resolutions.

#### Annual Report and Accounts

1. To receive the reports of the Directors and auditors and the audited financial statements of the Company for the year ended 31 December 2022.

#### Election and re-election of the Directors

2. To re-elect Miriam Greenwood, as a Director of the Company.
3. To re-elect Graeme Bissett, as a Director of the Company.
4. To re-elect Jamie Richards, as a Director of the Company.
5. To re-elect Ruth Leak, as a Director of the Company.
6. To re-elect Timothy Mortlock, as a Director of the Company.
7. To elect Gail Blain, as a Director of the Company.

#### Directors' Annual report on remuneration

8. To approve the Directors' Remuneration Report contained in the Company's Annual Report and Accounts.  
(Advisory vote only)

#### Re-appointment of the auditors

9. To re-appoint Ernst & Young LLP as auditor of the Company from the conclusion of this meeting until the completion of the Company's Annual General Meeting in 2024.

#### Remuneration of auditors

10. To authorise the Directors of the Company to set the auditor's remuneration.

#### Dividend

11. To approve an aggregate dividend of 30.25 pence per ordinary share for the full financial year 2022.

#### Special business

To consider and, if thought fit, pass resolutions 12, 13, 14 and 15 which will be proposed as follows:

#### Directors' general authorities to allot shares

##### As an ordinary resolution

12. THAT the Directors be and they are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £444,756, provided that this authority will expire on conclusion of the Company's AGM in 2024, but the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the Directors may allot shares and grant such rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

## As a special resolution

### General disapplication of pre-emption rights

13. THAT, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by resolution 12 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, provided that any such authority to be limited:
- (A) to the allotment of equity securities or sale of treasury shares up to a nominal amount of £133,427 (which is approximately 10% of the existing issued share capital as at the Latest Practicable Date); and
  - (B) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (A) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,
- such authority to expire at the end of the AGM of the Company in 2024 (or, if earlier, at the close of business on 18 August 2024 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.
14. THAT, subject to resolution 12 being passed, the Board be authorised in addition to any authority granted under resolution 13, to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:
- (A) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £133,427 (which is approximately 10% of the existing issued share capital as at the Latest Practicable Date) such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and
  - (B) limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (A) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,
- such authority to expire at the end of the AGM of the Company in 2024 (or, if earlier, at the close of business on 18 August 2024 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

## Notice Period for EGMs

15. To amend the notice period for general meetings, other than an annual general meeting of the Company, from 21 days' clear notice to 14 days' clear notice.

To transact such other ordinary business as may be properly transacted at the AGM.

BY ORDER OF THE BOARD

For and on behalf of Smart Metering Systems plc

**Craig McGinn**

Group Company Secretary

Date: 6 April 2023

Registered office of the Company:  
Smart Metering Systems plc  
2nd Floor  
48 St. Vincent Street  
Glasgow G2 5TS

## Explanatory notes

### Resolution 1 (ordinary resolution)

#### Accounts and Reports

For each financial year, the Directors must present the Annual Report to Shareholders at the AGM. Copies of the Annual Report have been sent to all Shareholders and are obtainable from the registered office of the Company and the Company's website, [www.sms-plc.com](http://www.sms-plc.com).

### Resolutions 2 to 7 (ordinary resolution)

#### Election of Directors

Each of Miriam Greenwood, Graeme Bissett, Jamie Richards, Ruth Leak and Timothy Mortlock are being put forward to the Shareholders for re-election.

Gail Blain is being put forward to the Shareholders for election.

Miriam Greenwood has served as a Director of the Company since 2014 but as Ms Greenwood was determined by the Company to be independent at the point of her initial election, has not served a term concurrent with the current executive Directors and as the Company has a policy of having each Director stand for re-election annually, the Board have assessed Ms Greenwood as continuing to be independent. The Board also consider it beneficial for Ms Greenwood to remain as Chair during a year when the CEO and CFO have been in post for less than a year.

### Resolution 8 (ordinary resolution)

#### Directors' Remuneration Report

This resolution is to approve the Directors' Remuneration Report, set out in the Annual Report and Accounts for the financial year ended 31 December 2022, which sets out the Company's policy towards, and gives details of Directors' remuneration and other relevant information.

The Shareholders approved the Remuneration Policy of the Company at the AGM in May 2022, and the Directors are of the view that the Remuneration Report is in line with that Remuneration Policy.

This is an advisory vote only.

### Resolutions 9 and 10 (ordinary resolutions)

#### Re-appointment of auditor and approving its remuneration

It is proposed that Ernst & Young LLP be re-appointed as auditor of the Company to hold office from the conclusion of the AGM until the conclusion of the Company's AGM in 2024. As usual, remuneration is to be fixed by the Directors.

### Resolution 11 (ordinary resolutions)

#### Final dividend

In line with the Company's stated dividend policy it is proposed to approve a final dividend of 7.5625 pence, giving an aggregate dividend of 30.25 pence per ordinary share for the full financial year 2022, 22.6875 pence already having been paid as interim dividends.

### Resolution 12 (ordinary resolution)

#### Directors' authority to allot

It is proposed to renew the Directors' authority to allot (or grant the right to subscribe for) shares up to an aggregate nominal amount of £444,756. This figure is approximately one-third of the issued ordinary share capital of the Company as at 31 March 2023 (being the latest practicable date before the date of the Notice of AGM (the '**Latest Practicable Date**')) (£1,334,268.08 being the nominal value of the issued ordinary share capital at that date) (this is consistent with previous years and is within the limits of the standard authority which the Investment Association recommends is sought by AIM companies). This resolution (as was passed at last year's Annual General Meeting) renews the authority until the AGM in 2024. The Board has historically sought Shareholder approval for this at each AGM and it is the Board's intention to seek similar renewal at future Annual General Meetings.

## Resolution 13 & 14 (special resolution)

### Disapplication of pre-emption rights

The Pre-emption Group's Statement of Principles, as updated in November 2022, supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 10% of the issued ordinary capital (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Resolution 13 allows the Directors to allot shares and sell treasury shares for cash on a non-pre-emptive basis, i.e. without first having to offer them to existing Shareholders in proportion to their holdings, up to a nominal value of £133,427. This aggregate nominal amount represents approximately 10% of the total issued ordinary share capital of the Company as at 31 March 2023, being the latest practicable date prior to publication of the Notice. On that date the Company did not hold any shares in treasury.

The Pre-emption Group's Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and sales of treasury shares for cash representing no more than an additional 10% of issued ordinary share capital (exclusive of treasury shares), to be used in connection with an acquisition or specified capital investment (or refinancing, if such refinancing occurs within six months of the original transaction) [of a kind contemplated by the Pre-emption Group's Statement of Principles most recently published by the Pre-emption Group, as updated in November 2022.

The purpose of resolution 14 is to authorise the Directors to allot new shares pursuant to the allotment authority given by resolution 12, or sell treasury shares for cash up to a further nominal amount of £133,427 equivalent to 10% of the total issued ordinary share capital of the Company as at 31 March 2023, only in connection with an acquisition or specified capital investment which is announced contemporaneously with an allotment or sale, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment or sale. If the authority given in resolution 14 is used, the Company will publish details of the allotment or sale in the next Annual Report and Accounts.

Unless renewed, the authority sought at the AGM will expire at the conclusion of the Annual General Meeting in 2024.

There are currently no specific projects in relation to which the Company intends to use funds raised under Resolution 13 or Resolution 14 however the Company considers that there may be circumstances in which this method of capital raising would be beneficial to the Company in order to raise capital as envisaged by the Pre-emption Group.

## Resolution 15 (special resolution)

### General Meeting Notice period

To amend the notice period for general meetings, other than an annual general meeting of the Company, from 21 clear days' notice to 14 clear days' notice. The Company will only use the shorter notice period where it is merited by the purpose of the meeting.



## Voting information for Shareholders

### 1. Voting

All Shareholders who wish to attend and vote at the meeting must be entered on the Company's register of members no later than 8pm on 16 May 2023 (being 48 hours (disregarding any day that is not a working day) prior to the time fixed for the meeting) or, in the case of an adjournment, not later than 48 hours prior to the time of the adjourned meeting. Changes to entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

In the case of joint holders, where more than one of the joint holders purports to vote or appoint a proxy, only the vote or appointment by the most senior holder (being the holder whose name appears first in the Company's register of members) shall be accepted.

The Chairman will propose to conduct voting on all resolutions by way of a poll, rather than a show of hands. This means that each Shareholder will have one vote for every share held. Shareholders attending and voting in person will be asked to commit a paper poll card at the AGM.

### 2. Proxy

Shareholders entitled to attend and vote at the meeting may appoint a proxy or proxies to exercise all or any of their rights to attend and to speak and to vote on their behalf. A proxy need not be a member of the Company. Investors who hold their shares through a nominee may wish to attend the meeting as a proxy, or to arrange for someone else to do so for them, in which case they should discuss this with their nominee or stockbroker. Proxies may vote on a poll or on a show of hands on any resolution. A Shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. Shareholders are invited to complete and return the enclosed Proxy Form. To appoint more than one proxy you may photocopy the Proxy Form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. Completion of the Proxy Form will not prevent a Shareholder from attending and voting at the meeting if subsequently he/she finds they are able to do so. To be valid, completed Proxy Forms must be received at the offices of the Company's registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by not later than 9am on 16 May 2023 (being 48 hours (disregarding any day that is not a working day) prior to the time fixed for the meeting) or, in the case of an adjournment, not later than 48 hours prior to the time of the adjourned meeting.

### 3. CREST proxy voting service

To appoint a proxy, or to give or amend an instruction to a previously appointed proxy, via the CREST system, the CREST message must be received by Computershare Investor Services plc (agent ID: 3RA50) by 9am on 16 May 2023 (being 48 hours prior to the time fixed for the meeting) or, in the case of an adjournment, not later than 48 hours (disregarding any day that is not a working day) prior to the time of the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your Proxy Form must be received by the Company's registrars no later than 9am on 16 May 2023 (being 48 hours (disregarding any day that is not a working day) prior to the time fixed for the meeting) or, in the case of an adjournment, not later than 48 hours (disregarding any day that is not a working day) prior to the time of the adjourned meeting.

### 4. Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard copy Proxy Form and would like to change the instructions and require another hard copy Proxy Form for this purpose, please contact the Company's registrars at the address set out in note 2 above. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

## 5. Termination of proxy appointments

In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrars at the address set out in note 2 above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrars no later than 9am on 16 May 2023 (being 48 hours (disregarding any day that is not a working day) prior to the time fixed for the meeting) or, in the case of an adjournment, not later than 48 hours (disregarding any day that is not a working day) prior to the time of the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the immediately following sentence, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

## 6. Corporate Shareholders

In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that: (i) if a corporate Shareholder has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that Shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate Shareholder attends the meeting but the corporate Shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure.

## 7. CREST

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those holders of ordinary shares registered in the register of members of the Company at 8pm on 16 May 2023 or, in the case of an adjournment, not later than 48 hours (disregarding any day that is not a working day) prior to the time of the adjourned meeting shall be entitled to attend and vote at the AGM in respect of such number of shares registered in their name at that time. Changes to entries in the register of members after 9am on 16 May 2023 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## 8. Service contracts

Copies of the Directors' service contracts will be available for inspection at the registered office of the Company during normal business hours, from the date of this Notice until the date of the meeting, and at the place of the meeting for a period of 15 minutes prior to the meeting and during the continuance thereof.





**Smart Metering Systems plc**

2nd Floor

48 St. Vincent Street

Glasgow G2 5TS

**[www.sms-plc.com](http://www.sms-plc.com)**