

Chair's Letter to Shareholders



IMI plc
Lakeside
Solihull Parkway
Birmingham Business Park
Birmingham
B37 7XZ

Registered in England and Wales
No. 714275

28 March 2024

Dear Shareholder

Notice of Annual General Meeting

I have pleasure in inviting you to the Annual General Meeting (the 'AGM') of IMI plc (the 'Company'), which will be held at the Crowne Plaza Hotel, Pendigo Way, Marston Green, Birmingham B40 1PS on Thursday 9 May 2024 commencing at 10am. The formal Notice of Meeting is set out on pages 2 to 5 of this circular followed by explanatory notes on pages 6 to 10.

We are holding an "in person" AGM and hope you will be able to join us. A map and directions can be found on page 16. Any changes to the AGM arrangements will be published on our website <https://www.imiplc.com/investors/shareholder-information/annual-general-meetings>, which I encourage you to monitor, in case of any updates.

Voting

Whether or not you propose to attend the AGM, I would encourage you to vote on each of the resolutions set out in the notice of AGM by appointing a proxy to act on your behalf and by giving your voting instructions. Please note that the deadline for the receipt by our Registrars of all proxy appointments is 10am on 7 May 2024. I would strongly encourage you to appoint the Chair of the meeting as your proxy. This will ensure that your vote will be counted if ultimately you are (or any other proxy you might otherwise choose to appoint is) not able to attend the AGM for any reason. If you appoint the Chair of the meeting as your proxy, the Chair will vote in accordance with your instructions. If the Chair is given discretion as to how to vote, the Chair will vote in favour of each of the resolutions in the notice. Appointing a proxy will not prevent you from attending and voting in person on the day if you wish to do so.

As in previous years and in line with best practice, voting will be on a poll. The Board believes that voting on a poll will result in the most accurate reflection of the views of shareholders by ensuring that every vote is recognised, including all proxy votes. On a poll, each shareholder has one vote for every share held.

Recommendation

The directors consider that all the resolutions to be put to the AGM are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The directors unanimously recommend shareholders to vote in favour of the resolutions as they intend to do in respect of their own shareholdings.

Yours faithfully

Lord Smith of Kelvin
Chair

This document is important and requires your immediate attention

If you are in any doubt about its contents or as to the action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in IMI plc, please pass this document and any accompanying documents (except for any personalised forms) 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.

Notice of Meeting

Notice is hereby given that the 62nd AGM of IMI plc will be held at the Crowne Plaza Hotel, Pendigo Way, Marston Green, Birmingham B40 1PS on Thursday, 9 May 2024 at 10am for the following purposes:

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive the report of the directors and the accounts of the Company for the year ended 31 December 2023, together with the report of the auditor of the accounts.
2. That a final dividend at the rate of 19.2p per share be declared for the year ended 31 December 2023 payable on 17 May 2024 to shareholders on the register at the close of business on 5 April 2024.
3. That the Annual Directors' Remuneration Report, which is set out on pages 146 to 167 of the Annual Report for the year ended 31 December 2023, be approved.
4. That the Directors' Remuneration Policy Report, which is set out on pages 138 to 145 of the Annual Report for the year ended 31 December 2023, be approved.
5. That Jackie Callaway be elected as a director of the Company.
6. That Lord Smith of Kelvin be re-elected as a director of the Company.
7. That Thomas Thune Andersen be re-elected as a director of the Company.
8. That Caroline Dowling be re-elected as a director of the Company.
9. That Katie Jackson be re-elected as a director of the Company.
10. That Dr Ajai Puri be re-elected as a director of the Company.
11. That Isobel Sharp be re-elected as a director of the Company.
12. That Daniel Shook be re-elected as a director of the Company.
13. That Roy Twite be re-elected as a director of the Company.
14. That Deloitte LLP be re-appointed as the Company's auditor until the conclusion of the next general meeting of the Company at which accounts are laid before the meeting.
15. That the Audit Committee on behalf of the Board be authorised to determine the auditor's remuneration.
16. That:
 - (a) the directors be authorised in accordance with article 7 of the Company's articles of association and Section 551 of the Companies Act 2006 to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
 - (i) up to a maximum nominal amount of £24,889,100 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Company's articles of association) allotted under paragraph (ii) below in excess of £24,889,100); and
 - (ii) comprising equity securities (as defined in article 8 of the Company's articles of association), up to a maximum nominal amount of £49,805,670 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Company's articles of association in force as at the date of this Notice);
 - (b) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution, or, if earlier, at the close of business on 1 July 2025; and
 - (c) all previous unutilised authorities under Section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to Section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).
17. That, in accordance with Sections 366 and 367 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be and are hereby authorised to:
 - (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
 - (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
 - (c) incur political expenditure not exceeding £50,000 in total;
 during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next AGM of the Company or 1 July 2025, whichever is the earlier, provided that the aggregate amount of any such donations and expenditure referred to in (a), (b) and (c) shall not exceed £50,000 (and may consist of sums in any currency converted into sterling at such rate as the directors may in their absolute discretion determine).
 For the purposes of this resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' shall have the meanings set out in Sections 363 to 365 of the Companies Act 2006.
18. That the rules of the IMI Incentive Plan (the 'IIP') summarised in Appendix 1 of this Notice and produced to the Annual General Meeting and initialled by the Chair for the purpose of identification be approved and the directors of the Company be authorised to:
 - (a) make such modifications to the IIP as they may consider appropriate, to take account of best practice and for the implementation of the IIP, and to adopt the IIP as so modified and to do all such other acts and things as they may consider appropriate to implement the IIP; and
 - (b) establish further plans based on the IIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any ordinary shares made available under such plans are treated as counting against the limits on individual participation and the overall dilution limits applicable to the IIP.
19. That the rules of the IMI Sharesave Plan (the 'Sharesave Plan') summarised in Appendix 2 of this Notice produced to the Annual General Meeting and initialled by the Chair for the purpose of identification be approved for a further ten-year period and the directors of the Company be authorised to:
 - (a) make such modifications to the Sharesave Plan as they may consider appropriate, to take account of any requirements of HM Revenue & Customs and/or best practice and for the implementation of the Sharesave Plan, and to adopt the Sharesave Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the Sharesave Plan; and

- (b) establish further plans based on the Sharesave Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any ordinary shares made available under such plans are treated as counting against the limits on individual participation and the overall dilution limit applicable to the Sharesave Plan.

To consider and, if thought fit, to pass the following resolutions, which will be proposed as special resolutions:

A. That:

- (a) in accordance with article 8 of the Company's articles of association, the directors be given power to allot equity securities for cash as if section 561 of the Companies Act 2006 did not apply;
- (b) the power under paragraph (a) above (other than in connection with a rights issue, as defined in article 8 of the articles of association in force as at the date of this Notice) shall be limited to:
 - (i) the allotment of equity securities having a nominal amount not exceeding in aggregate £7,470,477; and
 - (ii) the allotment of equity securities (otherwise than under paragraph (i) above) up to an aggregate amount equal to 20% of any allotment of equity securities from time to time under paragraph (i) 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;
- (c) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2025.

B. That:

- (a) in addition to any authority granted under special resolution A, the directors be given power:
 - (i) subject to the passing of ordinary resolution 16, to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under section 551 of that Act; and
 - (ii) to allot equity securities as defined in section 560(3) of that Act (sale of treasury shares) for cash,in either case as if section 561 of that Act did not apply to the allotment or sale, but this power shall be limited to:
 - (A) the allotment of equity securities up to a maximum nominal amount of £7,470,477, 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 an acquisition or other 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) the allotment of equity securities (otherwise than under paragraph (A) above) up to an aggregate nominal amount equal to 20% of any allotment of equity securities 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;

- (b) this power shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2025; and
 - (c) the Company may, before this power expires, make an offer or enter into an agreement, which would or might require equity securities to be allotted after it expires and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.
- C. That, in accordance with section 701 of the Companies Act 2006, the Company is generally and unconditionally authorised to make market purchases (within the meaning of Section 693 of the Companies Act 2006) of ordinary shares of 28 4/7p each in the capital of the Company ('ordinary shares') on such terms and in such manner as the directors of the Company may from time to time determine provided that:
- (a) the maximum aggregate number of ordinary shares that may be purchased under this authority is 26,146,669;
 - (b) the minimum price which may be paid shall be 28 4/7p per ordinary share (exclusive of expenses, if any, payable by the Company in connection with the purchase);
 - (c) the maximum price (exclusive of expenses, if any, payable by the Company in connection with the purchase) which may be paid for an ordinary share purchased under this authority shall not be more than the higher of:
 - (i) 105% of the average of the middle market prices shown in the quotations for ordinary shares in the London Stock Exchange Daily Official List for the five business days before the day on which that ordinary Share is purchased; and
 - (ii) the amount equal to the higher price of the last independent trade of an ordinary share and the highest current independent bid on the trading venue where the purchase is carried out;
 - (d) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2025 unless renewed before that time save that the Company may make a contract or contracts to purchase ordinary shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority, and may make a purchase of ordinary shares in pursuance of any such contract; and
 - (e) all existing authorities for the Company to make market purchases of ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has or have not yet been executed.
- D. That, in accordance with the Company's articles of association, a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice.
- E. That, with effect from the conclusion of the Annual General Meeting, the articles of association produced to the meeting and initialled by the Chair 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

Louise Waldek
Company Secretary
28 March 2024

Registered Office: Lakeside, Solihull Parkway, Birmingham
Business Park, Birmingham B37 7XZ www.imiplc.com

Additional Information

1. A member may appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A member 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 member. A proxy need not be a member of the Company but must attend the AGM to represent you. A proxy could be the Chair, another director of the Company or another person who has agreed to represent you.
2. To be valid, any proxy form or other instrument appointing a proxy and power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority must be received by post or (during normal business hours only) by hand by Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not later than 10am on 7 May 2024 (or, in the event of any adjournment, 48 hours (excluding any non-working days) before the time of the adjourned meeting). Completion and return of the form of proxy will not prevent a member from attending and voting at the meeting instead of the proxy if they so wish. Amended instructions must also be received by Equiniti by the deadline for receipt of proxy forms. A member must inform Equiniti in writing of any termination of the authority of a proxy.
3. As an alternative to completing and returning the printed form of proxy, a member may submit your proxy appointment electronically by accessing www.sharevote.co.uk where full details of the procedure are given. For security purposes, members will need their voting ID, task ID and shareholder reference number as printed on the form of proxy in order to validate the submission of their proxy appointment on-line. Any such proxy appointment must be received not later than 10am on 7 May 2024 (or, in the event of any adjournment, 48 hours (excluding any non-working days) before the time of the adjourned meeting). To appoint more than one proxy electronically, please contact Equiniti on +44 (0)371 384 2040. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales)).
4. If a member has more than one holding registered in their name they should receive no more than one copy of the Annual Report and one form of proxy which will be valid in respect of all his/her shareholdings. A form of proxy is enclosed. To request additional forms of proxy please contact Equiniti on +44 (0)371 384 2040. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales)).
5. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 ('CA 2006') to enjoy information rights (a 'Nominated Person') may, under an agreement between them and the shareholder by whom they were nominated, have the right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of rights of shareholders in relation to the appointment of proxies in notes 1, 2 and 3 above to this Notice of AGM does not apply to Nominated Persons. The rights described in these sections can only be exercised by the shareholders of the Company. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
7. The Company specifies that only those shareholders registered in the register of members of the Company as at 6.30pm on 7 May 2024 (or, in the event of any adjournment, at 6.30pm on the date which is two days (excluding any non-working days) before the time of the adjourned meeting) shall be entitled to attend (in person or by proxy) or vote at the meeting or any adjourned meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members made after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 9 May 2024 and any adjournment(s) thereof by using the procedure described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions as described in the CREST manual (available at www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or relates to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt for proxy appointments specified in the Notice of AGM. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take, (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10am on 7 May 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.

9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided that they do not do so in relation to the same shares.
10. As at 18 March 2024 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 275,115,528 ordinary shares, carrying one vote each of which 13,648,836 are held in treasury. Therefore, the total exercisable voting rights in the Company as at 18 March 2024 are 261,466,692.
11. Copies of the service contracts of executive directors, letters of appointment for non-executive directors, directors' deeds of indemnity and a copy of the existing Company's articles of association are available for inspection at the Company's registered office on each business day during normal business hours and will also be available at the place of the AGM from at least 15 minutes prior to the meeting and until the conclusion of the meeting. The rules of the IIP and the Sharesave Plan, a copy of the Company's proposed new articles of association and a copy of the Company's existing articles of association marked to show the changes proposed by special resolution E will also be available for inspection:
 - (a) at the place of the AGM for at least 15 minutes prior to the meeting and until the conclusion of the meeting and
 - (b) on the national storage mechanism from the date of this Notice.
12. It is possible that, pursuant to requests made by members of the Company under Section 527 of the CA 2006, the Company may be required to publish on its website a statement setting out any matter relating to:
 - (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM;
 - or
 - (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the CA 2006. Where the Company is requested to place a statement on a website under Section 527 of the CA 2006 it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the CA 2006 to publish on its website.
13. A member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with Section 319A of the CA 2006. The Company must answer any such question but no such answer need be given if:
 - (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Shareholders are reminded that unacceptable behaviour will not be tolerated at the meeting and will be dealt with appropriately by the Chair.
14. A copy of this Notice of AGM and other information required by Section 311A of the CA 2006 can be found at www.imiplc.com.
15. Members who have general queries about the meeting should address such questions, in the first instance, to the Company's Registrars, Equiniti 0371 384 2040 (from overseas +44 (0)371 384 2040. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales)). Members may not use any electronic address provided in this Notice of AGM or any related documents to communicate with the Company for any purposes other than those expressly stated.
16. Voting at the meeting on all resolutions will be conducted by way of a poll rather than a show of hands. The Company considers this to be a more transparent method of voting as member votes will be counted according to the number of shares held. As soon as practicable following the meeting, the results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions proposed at the meeting will be announced via a Regulatory Information Service and also placed on the Company's website.

Explanatory notes to the resolutions in the Notice of Annual General Meeting

The Annual Report and Accounts (ordinary resolution 1)

The directors are required to present to shareholders at the AGM the Annual Report and Accounts for the year ended 31 December 2023 ('Annual Report 2023'), together with the Directors' and Auditor's reports on the Annual Report 2023, and this is provided for in ordinary resolution 1.

Final dividend (ordinary resolution 2)

Ordinary resolution 2 follows the directors' recommendation for the declaration of a final dividend in respect of 2023 of 19.2p per share payable on 17 May 2024 to shareholders on the register on 5 April 2024. The level of dividend proposed is aligned with the dividend policy announced with the interim results in July 2023.

The Annual Directors' Remuneration Report and the Directors' Remuneration Policy Report (ordinary resolutions 3 and 4)

The Annual Directors' Remuneration Report and the Directors' Remuneration Policy Report, included in the 2023 Annual Report on pages 138 to 167, will be put to shareholders for approval at the Annual General Meeting (ordinary resolutions 3 and 4).

The vote on the Directors' Remuneration Report (resolution 3) is advisory, and the directors' entitlement to remuneration is not conditional on it.

The vote on the Directors' Remuneration Policy (resolution 4) is binding and if approved, remuneration payments may only be made to directors where consistent with the policy. If the policy is not approved, the Company will be compelled to continue to operate under the 2021 remuneration policy until a new policy is formulated and given shareholder approval at general meeting.

Election and Re-election of directors (ordinary resolutions 5 to 13)

In accordance with the provisions of the 2018 UK Corporate Governance Code (the 'Code') and the Company's articles of association, the Directors are subject to election or annual re-election by shareholders.

Resolution 5 relates to the election by shareholders for the first time of Jackie Callaway, who was appointed to the Board as an independent non-executive Director on 1 July 2023.

Resolutions 6 to 13 relate to the re-election of the other Directors who wish to continue to serve beyond the AGM.

Specific reasons why the contribution of the directors is, and continues to be, important to the Company's long term sustainable success are: (i) following formal performance evaluations for those serving in 2023, each director evaluated is considered to make an effective and valuable contribution to the Board and the Committees on which they sit and each continues to demonstrate commitment to their role (details of the Board performance review can be found on pages 121 and 122 of the Annual Report 2023), (ii) all directors continue to demonstrate a level of expertise and experience that the Chair considers important to the future needs of the Board. In particular this relates to strategy input, sector expertise, corporate governance experience and/or experience of international markets, and (iii) each director has demonstrated an ability to effectively contribute to the Company both at, and outside of, Board meetings.

Summary information on each director's contribution and the importance of that contribution to the Company's long term success is set out below. Further biographical details of all directors and information on their Committee memberships.

As we announced on 30 January 2024, Jamie Pike will join the IMI Board as Chair with effect from 1 January 2025. He will stand for election by shareholders at the 2025 AGM. Further information on the Chair succession is on page 128 of the Annual Report 2023.

On 29 February 2024 we announced that Isobel Sharp will retire from the Board on 31 August 2024, following nine years of service. Jackie Callaway, non-executive director and existing member of the Audit Committee, will assume the role of Audit Committee Chair with effect from 1 September 2024.

Jackie Callaway, non-executive Director

Jackie Callaway was appointed to the Board on 1 July 2023 and brings extensive experience from over 30 years of working in finance, across multinational manufacturing and supply chain businesses.

Jackie is currently Chief Financial Officer of Coats Group plc.

Jackie's strong finance track record and experience across multinational manufacturing and supply chain businesses make her a valuable addition to the Board.

Lord Smith of Kelvin, Chair

Lord Smith was appointed to the Board on 7 May 2015 and has significant UK and international board experience with an extensive knowledge of both engineering and manufacturing, a strong track record in private equity, mergers and acquisitions and specialist capability in finance.

Extensive international business, sector and board level experience enables Lord Smith's valuable leadership of the Board and drives his commitment to robust corporate governance. As announced on 30 January 2024 Lord Smith of Kelvin will retire from the Board on 31 December 2024.

Thomas Thune Andersen, Senior Independent Director

Thomas Thune Andersen was appointed to the Board on 1 July 2018 and is an experienced business leader in sectors including oil, energy, marine and critical infrastructure, has broad experience as a non-executive director of various public companies and has special interest in ESG matters in particular corporate governance and climate change issues.

Thomas is currently Chair of Lloyds Register Group, Member of the Danish Committee for Good Corporate Governance, non-executive director of BW Group Ltd and Chair of VRK Holdings A/S.

Thomas brings a wealth of international business and board level experience to his role as Senior Independent Director. He draws on his broad knowledge and personal interest in sustainability and culture when performing his designated employee engagement and ESG activities, supporting the formulation and delivery of our ESG strategy.

Caroline Dowling, non-executive Director

Caroline Dowling was appointed to the Board on 1 January 2020 and has a successful executive career in the technology sector with an industry-leading Fortune Global 500 company with operations in 30 countries. Caroline has senior executive leadership roles across international operations including supporting complex supply chains.

Caroline is currently non-executive Director of DCC plc, non-executive Director of Tyndall National Institute, non-executive Director of CRH plc and a Director of UNICEF Ireland.

Caroline brings substantial, global board level experience and expertise in digital, technology and supply chain management. Her passion for social and humanitarian matters provides a valuable insight to ESG considerations. Her experience serving on remuneration committees enables her to chair the Remuneration Committee effectively.

Katie Jackson, non-executive Director

Katie Jackson was appointed to the Board on 1 July 2018 and has extensive experience at international executive level across the Energy sector and excellent corporate finance experience including mergers and acquisitions.

Katie is currently President, National Grid Ventures. She is also Chair of POWERful Women.

Drawing on her broad, international business and executive experience, Katie shares valuable insights on strategy, M&A and emerging markets. She is passionate about improving diversity and has been the Chair of POWERful Women, a cross-industry initiative working to increase the representation of women at the top of the UK energy industry, since May 2022.

Dr Ajai Puri, non-executive Director

Dr Ajai Puri was appointed to the Board on 1 March 2021 and is experienced in international business, expert in innovation, science and technology and marketing. He holds a PhD in Food Science and has significant experience in research and development, innovation, consumer marketing and general management.

Ajai is currently Audit Committee Chair and Senior Independent Director of Britannia Industries Limited, India, non-executive Director of Fresh Del Monte and non-executive Director of Olam International Limited where he is a member of the Audit, Capital and Investment, Corporate Responsibility and Sustainability Committee.

Ajai brings significant global business and board level experience, as well as expertise in driving innovation and developing new business to support delivery of the Group's strategy.

Isobel Sharp, non-executive Director

Isobel Sharp was appointed to the Board on 1 September 2015 and has governance and transactions experience including time as a member of the UK Accounting Standards Board and the Reporting Review Panel and has worked with many international businesses on strategy, risk and sustainability matters.

Isobel is currently Audit Committee Chair and Senior Independent Director of Balanced Commercial Property Trust Limited, Independent non-executive committee member of Baillie Gifford & Co and member of the International Advisory Board at Edinburgh University Business School.

Isobel contributes her extensive financial experience and a strong understanding of the audit, governance, control and regulatory landscape to chair effectively the Audit Committee.

As announced on 29 February 2024, Isobel will retire from the Board on 31 August 2024, following nine years of service.

Daniel Shook, Finance Director

Daniel Shook was appointed to the Board on 1 January 2015 and has extensive financial management experience, extensive knowledge of complex process manufacturing across a range of industrial sectors and strong international perspective, having worked in a number of key geographies during his time with two leading global businesses.

Daniel contributes his considerable global, financial and business development experience from large multinational companies to drive strong financial leadership and support the growth of the Group.

As announced on 29 February 2024, Daniel assumed executive responsibility for sustainability matters with effect from 4 March 2024.

Roy Twite, Chief Executive

Roy Twite was appointed to the Board on 1 February 2007 and Chief Executive in 2019.

Roy has proven organisational and engineering expertise, management capability having run all of IMI's sectors and extensive knowledge of end-markets and customer base.

Roy is currently non-executive Director of Halma plc.

Drawing on his general management and operational experience, Roy brings clear strategic leadership, passion for and a deep understanding of the engineering sector, the Group's sectors and stakeholders to lead and inspire the Group.

Auditor (ordinary resolutions 14 and 15)

The Company is required to appoint an external auditor at each general meeting at which accounts are laid before its shareholders to hold office until the conclusion of the next such meeting.

The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditor, Deloitte LLP, on behalf of the Board, who now recommend the re-appointment.

Resolutions 14 and 15, respectively, propose the re-appointment of Deloitte LLP as the Company's auditor and authorise the Audit Committee on behalf of the Board to set its remuneration.

Authority to allot securities (ordinary resolution 16)

Authority was granted to the directors at the AGM of the Company held on 4 May 2023 under Section 551 of the Companies Act 2006 ('CA 2006') to allot ordinary shares or grant rights to subscribe for or convert any security into ordinary shares in the Company. The directors consider it appropriate to renew this authority at the forthcoming AGM, in line with the latest institutional shareholder guidelines, for a period expiring at the conclusion of the AGM to be held in 2025 or, if earlier, on 1 July 2025.

Paragraph (a)(i) of ordinary resolution 16 will allow the directors to allot ordinary shares up to a maximum nominal amount of £24,889,100, representing approximately one third (33.33%) of the Company's existing issued share capital (excluding shares held in treasury), calculated as at 18 March 2024 (being the latest practicable date prior to publication of this Notice). In accordance with institutional guidelines issued by The Investment Association in February 2023, paragraph (a)(ii) of ordinary resolution 16 will allow the directors to allot, including the ordinary shares referred to in paragraph (a)(i) of ordinary resolution 16, additional ordinary shares in connection with a rights issue or other pre-emptive offer to ordinary shareholders up to a maximum nominal amount of £49,805,670, representing approximately two thirds (66.67%) of the Company's existing issued share capital (excluding shares held in treasury), calculated as at 18 March 2024.

The proposed new authority will expire at the conclusion of the 2025 AGM of the Company or, if earlier, on 1 July 2025. It is the current intention to renew this authority annually. The directors have no present intention of exercising this authority. However, if they do exercise it, they intend to follow best practice as regards its use, as recommended by The Investment Association.

As at 18 March 2024, the Company's issued share capital amounted to £78,604,437 comprising 275,115,528 ordinary shares of 28 4/7p each and the Company held 13,648,836 ordinary shares in treasury, representing approximately 4.96% of the Company's issued share capital.

Explanatory notes to the resolutions in the Notice of Annual General Meeting continued

Authority to make political donations and incur political expenditure (ordinary resolution 17)

Subject to limited exceptions, the Companies Act 2006 imposes restrictions on companies making political donations to any political party or other political organisation or to any independent election candidate or incurring political expenditure unless they have been authorised to do so at a general meeting.

The resolution in this connection passed at last year's AGM is due for renewal.

Neither the Company nor any of its subsidiaries has any intention of making any political donation or incurring any political expenditure under the terms of the proposed resolution.

However, the CA 2006 defines 'political party', 'political organisation', 'political donation' and 'political expenditure' widely and grey areas remain which lead many UK public limited companies to seek shareholder approval for what may inadvertently amount to a political donation.

Accordingly, in line with best practice, the Company wishes to ensure that neither it nor its subsidiaries risks any breach of the CA 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred.

The proposed authority will expire at the conclusion of the 2025 AGM of the Company or, if earlier, on 1 July 2025.

Approval of the IMI Incentive Plan Rules (ordinary resolution 18)

The purpose of this ordinary resolution is to seek shareholders' approval for the adoption of the new IMI Incentive Plan Rules, to replace the existing IMI Incentive Plan, which expires on 6 May 2025. The IIP will be used to grant equity incentive awards to the Company's executive directors and senior management team.

Approval of the Sharesave Rules (ordinary resolution 19)

The purpose of this ordinary resolution is to seek shareholders' approval for the extension of the IMI Sharesave Plan (Sharesave Rules) until the Company's AGM in 2034. The current version of the Sharesave Rules was approved by shareholders on 7 May 2015 and will, unless shareholders approve its extension, expire on 6 May 2025. The updated Sharesave Rules include minor changes in order to keep the plan in line with legislation and market practice.

General authority to disapply pre-emption rights (special resolution A)

At the 2023 AGM, a special resolution was passed, under sections 570 and 573 of the Companies Act 2006, empowering the directors to allot equity securities for cash without first being required to offer such shares to existing shareholders. This authority is set to expire at the forthcoming AGM. Special resolution A will seek to renew and enhance this authority in line with the latest institutional shareholder guidelines, including the revised Statement of Principles published by the Pre-Emption Group in November 2022 (the '2022 Statement of Principles').

If approved, this resolution, which follows the Pre-Emption Group's template resolution, will authorise the directors, in accordance with the Company's articles of association and the 2022 Statement of Principles, to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares and/or sell treasury shares for cash:

1. for general corporate purposes (under paragraph (b)(i) of the resolution), up to a maximum nominal amount of £7,470,477 (representing approximately 10% of the issued share capital of the Company (excluding shares held in treasury) as at 18 March 2024 (being the latest practicable date prior to publication of this Notice)); and
2. for the purposes of making a follow-on offer to existing shareholders (under paragraph (b)(ii) of the resolution and as described in the 2022 Statement of Principles), up to an additional aggregate amount equal to 20% of any allotment under paragraph (b)(i) of the resolution. The maximum additional nominal amount that could be issued under paragraph (b)(ii) of the resolution (based on the authority under paragraph (b)(i) being used in full) is £1,494,095 (representing approximately 2% of the issued share capital of the Company (excluding shares held in treasury) as at 18 March 2024).

The total maximum nominal amount of equity securities to which special resolution A relates is £8,964,572 (representing approximately 12% of the issued share capital of the Company (excluding shares held in treasury) as at 18 March 2024).

The directors confirm that, should they exercise this authority, they intend to follow best practice as regards its use, including: (i) following the shareholder protections in Part 2B of the 2022 Statement of Principles; and (ii) in respect of any follow-on offer, following the expected features set out in paragraph 3 of Part 2B of the 2022 Statement of Principles.

Special resolution A will be proposed as a special resolution to grant this authority until the conclusion of the next AGM or, if earlier, the close of business on 1 July 2025.

Additional authority to disapply pre-emption rights (special resolution B)

Special resolution B requests further shareholder approval, by way of a separate special resolution in line with the best practice guidance issued by the Pre-Emption Group, for the directors to allot equity securities and/or sell treasury shares for cash without first being required to offer such securities to existing shareholders. The proposed resolution, which follows the Pre-Emption Group's template resolution and reflects the 2022 Statement of Principles, will expire on 1 July 2025 or at the conclusion of the AGM in 2025, whichever is the earlier.

The authority granted by this resolution, if passed, will be limited to the allotment of equity securities and the sale of treasury shares for cash:

1. under paragraph (A) of the resolution, up to an aggregate nominal value of £7,470,477 (representing approximately 10% of the issued share capital of the Company (excluding shares held in treasury) as at 18 March 2024 (being the latest practicable date prior to publication of this Notice)), to be used only in connection with an acquisition or other capital investment of a kind contemplated by the 2022 Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding 12 month period and is disclosed in the announcement of the allotment; and
2. under paragraph (B) of the resolution, up to an additional aggregate amount equal to 20% of any allotment under paragraph (A) of the resolution, for the purposes of making a follow-on offer to existing shareholders as described in the 2022 Statement of Principles. The maximum additional nominal amount that could be issued under paragraph (B) of the resolution (based on the authority under paragraph (A) being used in full) is £1,494,095 (representing approximately 2% of the issued share capital of the Company (excluding shares held in treasury) as at 18 March 2024).

The total maximum nominal amount of equity securities to which special resolution B relates is £8,964,572 (representing approximately 12% of the issued share capital of the Company (excluding shares held in treasury) as at 18 March 2024).

The directors confirm that, should they exercise this authority, they intend to follow best practice as regards its use, including: (i) following the shareholder protections in Part 2B of the 2022 Statement of Principles; and (ii) in respect of any follow-on offer, following the expected features set out in paragraph 3 of Part 2B of the 2022 Statement of Principles.

The authority granted by this resolution would be in addition to the general authority to disapply pre-emption rights under special resolution A.

Purchase by the Company of its own shares (special resolution C)

Renewal of the authority for the Company to purchase its own shares will be sought at the AGM. The resolution is to authorise the Company to buy back up to 26,146,669 ordinary shares.

The resolution specifies the maximum number of ordinary shares which may be purchased, representing nearly 10% of the Company's issued ordinary share capital as at 18 March 2024 (excluding shares held in treasury) and the maximum and minimum prices at which they may be bought, exclusive of expenses, reflecting the requirements of the CA 2006 and the Listing Rules. The directors have no present intention of exercising the authority to purchase the Company's ordinary shares and would only exercise this authority if they were satisfied that any purchase is in the interests of shareholders and will result in an increase in earnings per share of the ordinary share capital in issue after the purchase.

The directors would also give careful consideration to the gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits. This authority will expire at the conclusion of the 2025 AGM of the Company or, if earlier, on 1 July 2025. It is the current intention to renew this authority annually.

The CA 2006 enables certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under employee share schemes.

Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

Accordingly, if the directors exercise this authority to purchase shares, the Company will have the option of holding those shares in treasury. Following a purchase of own shares by the Company, the directors may consider holding them in treasury.

The total number of ordinary shares in respect of which there are options or warrants or awards that are outstanding under the Company's share schemes and which are to subscribe for ordinary shares or which could result in the subscription of ordinary shares as at 18 March 2024 (being the latest practicable date prior to publication of this Notice) was 392,947. The proportion of issued ordinary share capital (excluding treasury shares) that the options represented on this date was approximately 0.15% and the proportion of issued ordinary share capital (excluding treasury shares) that they will represent if the full authority to purchase shares (existing and being sought) is used is approximately 0.19%.

Explanatory notes to the resolutions in the Notice of Annual General Meeting continued

Notice of general meetings (special resolution D)

The CA 2006 provides that the notice period required for general meetings of the Company is 21 clear days. However, shareholders may approve a shorter notice period, which cannot however be less than 14 clear days for general meetings, other than annual general meetings that must be held on at least 21 clear days' notice. It is proposed to seek renewal of the authority that was granted to the directors at previous AGMs to call general meetings other than an annual general meeting on not less than 14 clear days' notice. The authority granted by this resolution, if passed, will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The flexibility offered by this resolution will be used where, taking into account the circumstances (and noting the guidance issued by ISS), the directors consider this appropriate in relation to the business of the meeting and in the interests of the Company and shareholders as a whole.

New Articles of Association (special resolution E)

It is proposed to adopt new articles of association (the 'New Articles') in order to update the existing articles of association (the 'Existing Articles'), primarily to reflect developments in market practice and technology since the Existing Articles were adopted in 2016. The principal changes introduced in the New Articles are summarised below. Other changes which are of a minor, technical, procedural or clarifying nature have not been noted. A copy of the New Articles and a copy of the Existing Articles, marked to show all the changes proposed by special resolution E are available for inspection as noted on page 5.

Hybrid general meetings

The New Articles include provisions enabling the holding of "combined physical and electronic general meetings" (which are often referred to as "hybrid general meetings"). A "combined physical and electronic general meeting" is a general meeting (including an AGM) held at a physical venue with additional facilities for shareholders to attend the meeting by electronic means. The New Articles are intended to allow (but not to require) the Company to embrace new technology as it develops and to make additional arrangements for shareholder participation in general meetings. The New Articles are in line with best practice and do not permit the holding of "virtual only" general meetings.

Arrangements for general meetings

The New Articles include updated provisions, in line with market practice, clarifying that the chair may adjourn a general meeting in circumstances where the facilities available are not sufficient to allow the meeting to be conducted as planned. The New Articles also clarify, in line with market practice, that the chair may take appropriate action to facilitate the conduct of the meeting, proportionate discussion on the business of the meeting and the maintenance of good order. The New Articles include updated provisions allowing the directors to put in place appropriate physical or electronic arrangements or restrictions to ensure the health, safety and security of people attending general meetings.

Retirement of directors

The New Articles provide, in line with common practice, that at each AGM every director who held office on the date seven days before the date of notice of the AGM shall retire from office, but is eligible for re-election. All of the Company's directors are subject to annual re-election by shareholders, in accordance with the UK Corporate Governance Code.

Vacation of office of directors

The New Articles include updated wording, in line with relevant legislation, regarding the circumstances in which a director must vacate office where the director has become physically or mentally ill, subject to a resolution of the Board. The updated wording applies the same test to both physical and mental illness of whether in the opinion of a medical practitioner the director is rendered incapable by illness of acting as a director for more than three months.

Professional advice for directors

The New Articles clarify, in line with market practice, that, subject to any guidelines and procedures established by the Board, directors may be paid their expenses in obtaining professional advice in connection with the affairs of the Company or the discharge of their duties as directors.

Shareholder communications

The New Articles provide, in line with market practice, that a member ceases to be entitled to receive communications from the Company if, on two consecutive occasions, notices, documents or information have been sent or supplied to that member and returned undelivered. A member becomes entitled to receive communications again when that member has supplied the Company or its registrar with updated contact details.

Untraced members

The New Articles clarify, in line with market practice, that, if the Company exercises its power of sale in respect of any share of an "untraced member" any dividend (and any other moneys) payable on the share at the time the share is sold will be forfeited. (An "untraced member" would be someone who has not claimed or cashed a dividend payment over a period of at least twelve years and from whom the Company has received no communication during that period of twelve years and whom the Company has tried to trace.)

Capitalisation of reserves – employees' share schemes

The New Articles include an updated provision, in line with market practice, that clarifies the approach the Company would take with respect to a capitalisation of reserves in the context of the grant of awards over shares with a subscription price less than their nominal value under any of the employees' share schemes operated by the Company or an events based adjustment under the rules of the relevant scheme to awards already granted. The updated provision is intended to allow the Company to operate the schemes lawfully in respect of any awards granted under the share schemes by permitting the Company to capitalise reserves, to meet its obligation in respect of those awards and where necessary, to maintain the economic position of the outstanding awards at the same level after the event giving rise to the adjustment as it was before that event.

Appendix 1:

Summary of the main provisions of the IMI Incentive Plan (the 'IIP')

1. Administration

The IIP will be administered by the Remuneration Committee of the Board of Directors of the Company (the 'Committee') which consists entirely of non-executive directors.

2. Eligibility

Employees (including executive directors) of the Company or of any of its subsidiaries will be eligible to participate in the IIP.

3. Nature of plan and form of awards

Overview

The IIP is an 'umbrella' or 'omnibus' arrangement which, to give the Committee maximum flexibility, allows various types of award to be granted.

Annual grants

It is intended that the IIP will be used annually to grant 'Performance Share Awards' in respect of ordinary shares to the executive directors and other members of senior management. Performance Share Awards must be granted subject to performance conditions.

Performance Share Awards may be granted in the form of:

- nil (or nominal) cost options to acquire ordinary shares; or
- contingent rights to receive ordinary shares; or
- cash-based awards.

Other awards

The IIP also gives the Company the ability to grant:

- 'Restricted Stock Unit Awards' (or 'RSU Awards'), which may be granted in the same form as Performance Share Awards; and
- 'Share Options', which may be granted either as options over ordinary shares or as cash-based awards. The exercise price of any Share Option must be equal to the market value of an ordinary share at the time of grant.

It is also intended that the IIP will be used annually to grant Deferred Bonus Awards to the executive directors and other members of senior management. Deferred Bonus Awards are the share awards used for mandatory bonus deferral into shares where the relevant individual is yet to reach their share ownership guideline. Deferred Bonus Awards may be granted in the same form as Performance Share Awards.

It is currently intended that RSU Awards and Share Options will only be granted in response to specific business requirements. RSU Awards and Share Options may only be granted to executive directors of the Company to effect the buy-out of pre-existing incentive awards in connection with the recruitment of an executive director of the Company and only then in a manner consistent with the Company's shareholder approved Directors' Remuneration Policy.

4. Individual limits

Plan rules

The IIP contains an overarching individual limit which provides that the maximum number of ordinary shares that may be awarded to a participant in any financial year under all forms of award may not exceed 400 per cent of basic salary.

This limit may, however, be exceeded in circumstances where the Committee grants an RSU Award and/or a Share Option in a manner consistent with the Company's shareholder approved Directors' Remuneration Policy to effect the buy-out of pre-existing incentive awards in connection with the recruitment of an executive director of the Company.

Intended approach

Subject to shareholder approval of the proposed new Directors' Remuneration Policy set out on pages 138 to 145 of the Annual Report for the year ended 31 December 2023, it is currently intended that the value of ordinary shares awarded under Performance Share Awards each year will not exceed 250 per cent of basic salary.

5. Source of ordinary shares and dilution limit

Awards may be satisfied by newly issued ordinary shares, ordinary shares purchased in the market by an employees' trust (which is the Company's standard practice in respect of executive incentive awards) or by the transfer of ordinary shares held in treasury.

The number of new ordinary shares issued or remaining capable of being issued pursuant to awards under the IIP and all of the Company's other employee share schemes in any period of 10 years will not exceed 10 per cent of the ordinary share capital of the Company in issue from time to time.

The number of new ordinary shares issued or remaining capable of being issued pursuant to awards under the IIP and the Company's other executive share schemes in any period of 10 years will not exceed 5 per cent of the ordinary share capital of the Company in issue from time to time.

If awards are to be satisfied by a transfer of existing ordinary shares, the percentage limit stated above will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the percentage limits will apply to awards satisfied by the transfer of ordinary shares held in treasury.

6. Grant of share awards

Awards may only be granted:

- during the period of six weeks beginning with the dealing day following the announcement of the Company's results for any period;
- within 28 days of a person first joining the Company's group; or subject to any relevant restrictions on dealings in ordinary shares, on any other day which the Committee determines that exceptional circumstances exist.

No awards may be made more than ten years after the approval of the IIP by shareholders. No payment will be required for the grant of an award.

Appendix 1: Summary of the main provisions of the IMI Incentive Plan (the 'IIP') continued

7. Performance conditions

As noted in section 3 above, Performance Share Awards will always be subject to performance conditions. The performance conditions applied to Performance Share Awards granted to executive directors of the Company will be determined and applied in accordance with the Company's shareholder approved Directors' Remuneration Policy. Details of the performance conditions currently imposed on the Company's long-term incentive awards can be found on page 166 of the Annual Report for the year ended 31 December 2023.

Notwithstanding the above, the Committee may reduce (including, for the avoidance of doubt, to zero) the number of ordinary shares which would otherwise vest pursuant to a Performance Share Award to ensure that the vesting outcome is appropriate in light of any relevant environmental, social and governance matters.

In addition to the ESG underpin described above, the Committee also has the discretion to adjust the number of ordinary shares which would otherwise vest to ensure that the vesting outcome is appropriate in light of the underlying business performance of the Company's group, individual performance and/or wider circumstances.

The Committee may amend a performance condition if it reasonably considers that the existing condition should be amended to ensure that the revised criteria will then be a fairer measure of performance, the amended performance condition will afford a more effective incentive to the awardholder and the amended performance condition shall be no more or less demanding to satisfy than the original performance condition was when first set.

8. Vesting of awards and post-vesting holding periods

Performance Share Awards will normally vest on the third anniversary of grant, subject to the satisfaction of the performance conditions. After vesting, a holding period of two years applies to awards granted to executive directors of the Company subject to the sale of shares as required to meet any tax liabilities that arise on the acquisition of the shares.

Deferred Bonus Awards will normally vest on the third anniversary of grant.

RSU Awards and Share Options will vest at such time(s) as the Committee may specify on grant, subject to the satisfaction of any performance conditions.

Performance Share Awards and/or RSU Awards may also be made conditional on the participant complying with any non-compete undertakings and/or other restrictions that the Committee may specify.

9. Leaving employment

If a participant leaves the Company's group any Performance Share Award, RSU Award or Share Option they hold will normally lapse.

However, if the reason for leaving is death, injury, ill-health, disability, redundancy, retirement, the sale of the employing business or Company, or otherwise at the discretion of the Committee, then:

- Performance Share Awards shall vest on the date on which they would have vested had the cessation not occurred subject to the performance conditions being satisfied and, unless the Committee determines otherwise, taking into account a time pro-rata reduction to reflect the period of time between grant and cessation relative to three years. The Committee may, alternatively, allow Performance Share Awards to vest on cessation subject, unless the Committee determines otherwise, to the satisfaction of the performance conditions and taking into account a time pro-rata reduction as described above;
- RSU Awards shall vest subject to the same terms of Performance Share Awards described above (except that any time pro-rata reduction will reflect the length of the relevant vesting period); and
- Share Options shall vest on the date of cessation subject, unless the Committee determines otherwise, to the satisfaction of any performance conditions and taking into account a time pro-rata reduction to reflect the period of time between grant and cessation relative to the length of the vesting period.

As to Deferred Bonus Awards, if a participant leaves the Company's group their Deferred Bonus Award will vest in full on cessation other than where they are dismissed for cause in which case it shall lapse.

10. Malus and Clawback

The IIP contains malus and clawback provisions which the Committee may operate if:

- the Company has misstated its financial results for any reason;
- there has been an error or miscalculation as to the number of ordinary shares placed under or received pursuant to an award;
- the awardholder commits an act (or acts) amounting to gross misconduct;
- the Company or any member of its group has suffered serious reputational damage;
- circumstances of corporate failure have arisen

or in such other circumstances as it sees fit.

If the Committee decides to exercise the malus and clawback provisions it may then:

- reduce the amount of any future annual bonus; and/or
- reduce the number of ordinary shares under any share award; and/or
- require the awardholder to make a payment to the Company.

The Committee may also reduce the number of ordinary shares under an award granted under the IIP to give effect to any other malus and/or clawback provision contained in any other incentive plan operated by the Company's group.

The Committee may also operate these provisions in the event of the breach of any non-compete or other restrictions to which a Performance Share Award or RSU Award is subject.

11. Corporate events

In the event of a takeover or winding up of the Company, awards shall vest early on the following basis:

- Performance Share Awards shall vest subject, unless the Committee determines otherwise, to the satisfaction of the performance conditions and taking into account a time pro-rata reduction to reflect the period of time between grant and the relevant event relative to three years;
- Deferred Bonus Awards shall vest in full; and
- RSU Awards and Share Options shall vest in full subject, unless the Committee determines otherwise, to the satisfaction of any performance conditions.

In the event of a demerger, delisting, special dividend or other event which, in the opinion of the Committee, may affect the current or future value of an award the Committee may allow awards to vest on the basis described above.

On an internal reorganisation, replacement awards would normally be offered.

12. Dividend equivalents

An award may be made on terms that the participant will be entitled to receive additional ordinary shares with a value equal to the aggregate dividends in respect of which the record date occurred between the award date and the date of vesting on the vested number of ordinary shares as if the participant had been the legal owner of such ordinary shares during that time. The calculation of the number of ordinary shares to be so received may assume the reinvestment of dividends.

Alternatively, the Committee may decide to deliver the dividend equivalent in cash.

13. Adjustment of share awards

If there is any variation of the Company's ordinary share capital, or in the event of a demerger or payment of a special dividend or similar event which would otherwise materially affect the value of a share award, the Committee may adjust the number of ordinary shares subject to share awards and the exercise price (if any).

14. Rights attaching to ordinary shares and transferability

Ordinary shares allotted or transferred under the IIP will rank alongside shares of the same class then in issue. The Company will apply to the Financial Conduct Authority for the listing of any newly issued ordinary shares.

Awards are not transferable (except on death) and are not pensionable benefits.

15. Amendment

The Committee may amend the IIP in any respect. However, the provisions governing eligibility, equity dilution, individual participation limits, the basis for determining the rights of participants to acquire ordinary shares or to receive cash and the adjustments that may be made following a variation of capital cannot be altered to the advantage of existing or new participants without the prior approval of shareholders in general meeting. There is an exception for minor amendments to benefit the administration of the IIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the IIP or for any member of the Company's group.

16. Overseas plans

The Committee may at any time (and without further reference to shareholders) establish further plans based on the IIP, provided that any ordinary shares made available under such plans are treated as counting against the limits on individual participation and the overall dilution limits applicable to the IIP.

This summary does not form part of the rules of the IIP and should not be taken as affecting the interpretation of their detailed terms and conditions. The Committee reserves the right up to the time of the Annual General Meeting to make such amendments and additions to the rules of the IIP as may be necessary to take account of comments of the Financial Conduct Authority acting in its capacity as the UK Listing Authority and/or as it otherwise sees fit provided that such amendments do not conflict in any material respect with this summary.

Appendix 2:

Summary of the main provisions of the IMI Sharesave Plan (the 'Sharesave Plan')

1. Administration

The Sharesave Plan is administered by the Remuneration Committee of the Board of Directors of the Company (the 'Committee') which consists entirely of non-executive directors.

The Sharesave Plan is registered with HM Revenue and Customs and is intended to be a tax-advantaged Schedule 3 SAYE option scheme for the purposes of UK tax legislation.

2. Eligibility

Any UK based employee (including any full-time director) of the Company or other participating subsidiary who has been employed for a qualifying period of such length as the Committee may determine from time to time (but not exceeding five years) and any other employee who is nominated by the Committee is eligible to participate in the Sharesave Plan.

3. Issue of invitations

Invitations to apply for options will normally be issued within a period of 42 days following the announcement of the Company's results for any period. No options may be granted more than ten years after the approval of the Sharesave Plan by shareholders.

4. Exercise price

The exercise price of any Sharesave Plan option will be determined by the Committee before options are granted on any occasion. It must not be less than the higher of:

- 80 per cent of the market value of an ordinary share when invitations are issued to participants; and
- in the case of options to subscribe for new ordinary shares, the nominal value of an ordinary share.

5. Monthly savings

Any employee who applies for an option under the Sharesave Plan must enter into a HMRC approved 'save as you earn' contract (the 'Savings Contract'). The employee agrees to enter a Savings Contract for a period of three or five years and make monthly savings contributions of a fixed amount, currently of not less than £10 or more than £500, over three or five years. Upon expiry of the Savings Contract, the employee will be entitled to receive a tax free bonus in addition to repayment of the savings contributions. The employee may elect to apply the proceeds of the Savings Contract to exercise the option and acquire ordinary shares. Alternatively, the employee may choose to withdraw the proceeds of the Savings Contract.

6. Exercise of options

Options under the Sharesave Plan will normally be exercised only during the period of six months from the maturity of the Savings Contract.

7. Leaving employment

If a participant leaves the Company's group his option will normally lapse.

Early exercise is, however, permitted following death or cessation of employment by reason of injury, disability, redundancy, retirement, a TUPE business transfer, the employer company ceasing to be an 'Associated Company', or where the business or part of the business, which employs the participant is transferred to a company outside of the Company's group.

In such cases, options may be exercised within six months of leaving to the extent that the funds then available in the employee's Savings Contract permit. In the case of death, personal representatives may normally exercise at any time within twelve months of the date of death or, if the death occurs within 6 months after the maturity date of the Sharesave Plan at any time within 12 months following such date.

8. Corporate events

Early exercise of options is permitted in the event of a takeover or voluntary winding-up of the Company.

If the ordinary shares no longer meet the requirements of the legislation following a change of control, the Sharesave Plan provides for options to be exercised up to 20 days following the change of control.

Alternatively, the Company (by agreement with the acquiring company) may offer optionholders the opportunity to release their options in consideration of the grant of options in the acquiring company.

The Sharesave Plan also provides for options to be exercised up to 20 days before certain corporate events, provided that any such exercise is conditional on the relevant event occurring.

9. Source of ordinary shares and dilution limit

Sharesave Plan options may be satisfied by newly issued ordinary shares (which is the Company's standard practice in relation to sharesave options), ordinary shares purchased in the market by an employees' trust or by the transfer of ordinary shares held in treasury.

The number of new ordinary shares issued or remaining capable of being issued pursuant to awards under the Sharesave Plan and all of the Company's other employee share schemes in any period of 10 years will not exceed 10 per cent of the ordinary share capital of the Company in issue from time to time.

If awards are to be satisfied by a transfer of existing ordinary shares, the percentage limit stated above will not apply.

Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the percentage limits will apply to awards satisfied by the transfer of ordinary shares held in treasury.

10. Rights attaching to ordinary shares and transferability

Ordinary shares allotted or transferred under the Sharesave Plan will rank alongside shares of the same class then in issue. The Company will apply to the Financial Conduct Authority for the listing of any newly issued ordinary shares.

Options are not transferable (except on death) and are not pensionable benefits.

11. Adjustment of options

If there is a variation of the Company's ordinary share capital, the Committee may adjust the number of ordinary shares subject to any option and the exercise price, provided that the market value and exercise price must be substantially the same before and after the variation in capital.

12. Amendment

The Committee may amend the Sharesave Plan in any respect. However, they may not make any alteration to the advantage of existing or new optionholders in respect of provisions relating to (i) eligibility, (ii) overall limitations on the number of shares which may be issued under the Sharesave Plan, (iii) individual limits on the grant of options under the Sharesave Plan, (iv) the basis on which shares may be acquired and (v) the adjustment of options following a variation in share capital without the prior approval by ordinary resolution of Shareholders unless the alteration is necessary to comply with the requirements of Schedule 3, to take account of any change in legislation, to obtain and maintain favourable tax, exchange control or regulatory treatment for existing or new optionholders, any member of the Group or any 'Associated Company', or it is a minor amendment to benefit the administration of the Sharesave Plan.

13. Overseas plans

The Committee may at any time (and without further reference to shareholders) establish further plans based on the Sharesave Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any ordinary shares made available under such plans are treated as counting against the limits on individual participation and the overall dilution limit applicable to the Sharesave Plan.

This summary does not form part of the rules of the Sharesave Plan and should not be taken as affecting the interpretation of their detailed terms and conditions. The Committee reserves the right up to the time of the Annual General Meeting to make such amendments and additions to the rules of the Sharesave Plan as may be necessary to ensure the Sharesave Plan complies with applicable legislation and guidance or to take account of comments of the Financial Conduct Authority acting in its capacity as the UK Listing Authority and/or as it otherwise sees fit provided that such amendments do not conflict in any material respect with this summary.

Directions to the Annual General Meeting

For satellite navigation systems please programme the following postcode B40 1PS

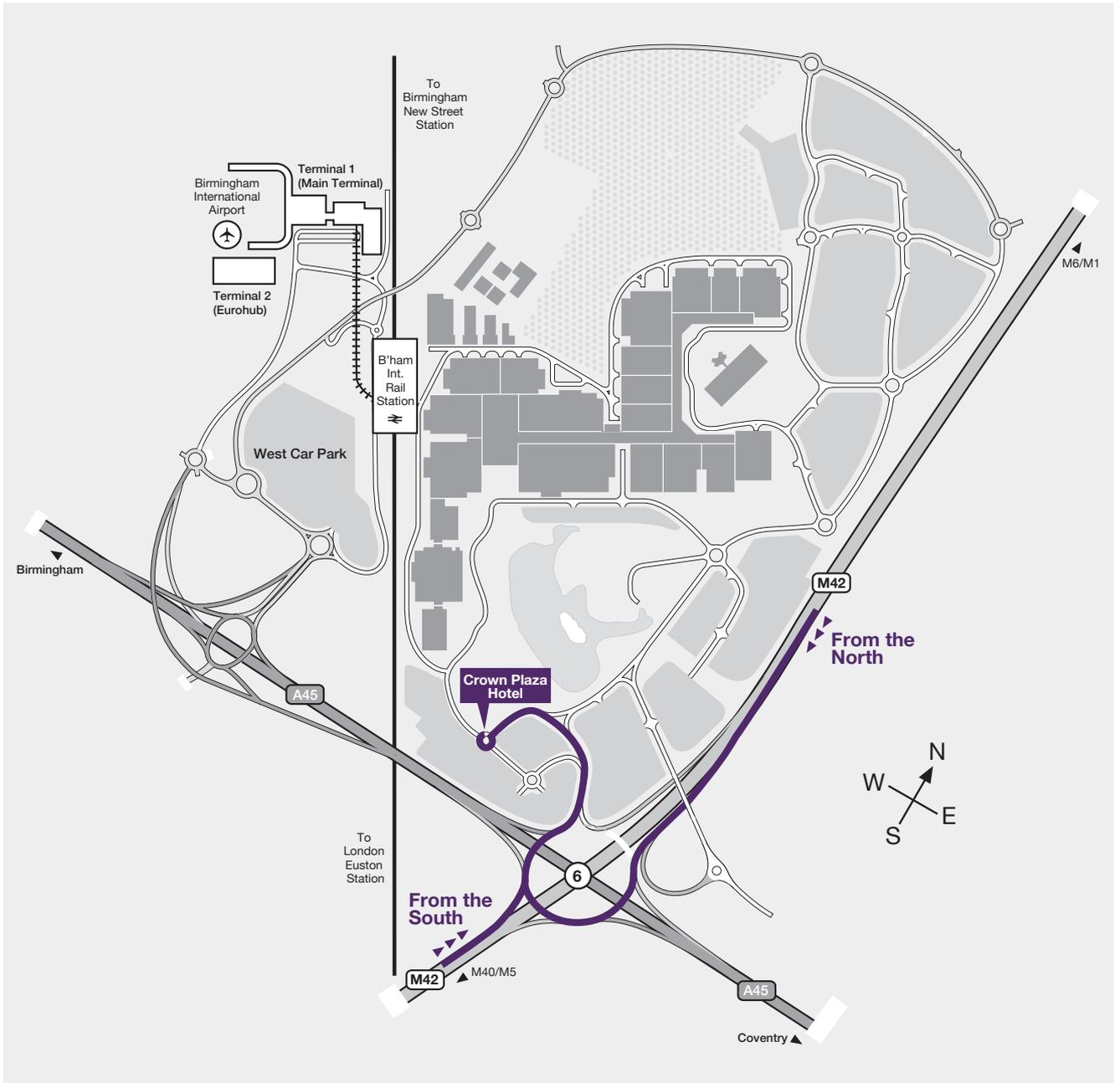
By car:

From the South, take the M40 North and join the M42.

From the North, take the M6 South and join the M42.

From the M42, come off at Junction 6. From the roundabout follow directions for NEC. Take second exit on left, South Way. The hotel's entrance is 50 metres on the right.

Car parking is complimentary. The hotel operates ParkingEye so please ensure that you register your car on registration for the AGM.



This map is not to scale

