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## 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 the accompanying proxy form 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.

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The Annual General Meeting will be held at 10am on Thursday 5 May 2016  
at the Hilton Birmingham Metropole Hotel, National Exhibition Centre, Birmingham.



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

23 March 2016

*To shareholders and, for information only,  
to participants in the IMI employees' share schemes*

Registered in England and Wales  
No. 714275

Dear Shareholder

## **Notice of Annual General Meeting**

I have pleasure in inviting you to the Annual General Meeting of IMI plc (the 'Company'), which will be held at the Hilton Birmingham Metropole Hotel, National Exhibition Centre, Birmingham on Thursday 5 May 2016 commencing at 10am. The formal Notice of Meeting is set out on pages 5 to 9 of this letter and a summary of the business of the meeting is set out below.

### **Approval of the Annual Report and Accounts and the Directors' Remuneration Report (ordinary resolutions 1 and 2)**

Ordinary resolution 1 provides for the Annual Report and Accounts for the year ended 31 December 2015 ('Annual Report 2015'), to be approved and adopted.

The Directors' Remuneration Report, included in the 2015 Annual Report on pages 59 to 71, will also be put to shareholders for approval at the Annual General Meeting (ordinary resolution 2). This vote is advisory, and the directors' entitlement to remuneration is not conditional on it. No changes to the Directors' Remuneration Policy approved by shareholders at last year's Annual General Meeting are proposed.

### **Dividend (ordinary resolution 3)**

The directors are recommending the payment of a final dividend of 24.5p per share on the ordinary shares in respect of the year ended 31 December 2015 which, if approved by shareholders, will be payable on 20 May 2016 to shareholders on the register at the close of business on 8 April 2016.

### **Election and re-election of directors (ordinary resolutions 4 to 12)**

In accordance with the UK Corporate Governance Code, which recommends that all directors of FTSE 350 companies seek election by shareholders on an annual basis, the directors currently in office will all retire and seek election or re-election at the Annual General Meeting. A separate resolution will be proposed for each director. All of the current executive directors are standing for re-election.

Isobel Sharp will be seeking election as a director by the shareholders for the first time at the Annual General Meeting. Isobel was appointed on 1 September 2015 as a non-executive director. Isobel has extensive accounting, audit and corporate governance experience. Most recently she was with Deloitte serving as the firm's Senior Technical Partner until 2012. Prior to moving to London in 1989, she was a Director at The Institute of Chartered Accountants of Scotland and an Assistant Director at KPMG, where she started her career. She has served as President of The Institute of Chartered Accountants of Scotland and on the UK Accounting Standards Board and the Financial Reporting Review Panel. Isobel is currently a non-executive director and Audit Chair at Winton Capital Group Ltd, a non-executive director and Chair of the Remuneration Committee at UK Green Investment Bank plc and a non-executive member of the Audit Advisory Board at The Scottish Parliament Corporate Body. She is also a Visiting Professor in corporate governance and auditing at Edinburgh University and a member of the University's Business School International Advisory Board. The Board regards Isobel as an independent director in terms of the UK Corporate Governance Code and recommends the election of Isobel, as it believes that her considerable experience, as described above, will be of great benefit to the Board and the Company.

In proposing the re-election of all other non-executive directors, I, as Chairman confirm that, following formal performance evaluations, each of them continues 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 evaluation process can be found on page 51 of the 2015 Annual Report.

Biographical details of all directors can be found on pages 46 and 47 of the 2015 Annual Report.

## Chairman's Letter to Shareholders

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### **Auditor (ordinary resolutions 13 and 14)**

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, Ernst & Young LLP, on behalf of the Board, who now recommend its re-appointment. Resolutions 13 and 14, respectively, propose the re-appointment of Ernst & Young 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 15)**

Authority was granted to the directors at the Annual General Meeting of the Company held on 7 May 2015 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 shares in the Company for a period expiring at the conclusion of the Annual General Meeting to be held in 2016 or, if earlier, on 1 July 2016. The directors consider it appropriate to renew this authority at the forthcoming Annual General Meeting and to authorise the directors under section 551 of the CA 2006 to allot ordinary shares or grant rights to subscribe for or convert any security into shares in the Company for a period expiring at the conclusion of the Annual General Meeting to be held in 2017 or, if earlier, on 1 July 2017.

Paragraph (a)(i) of resolution 15 will allow the directors to allot ordinary shares up to a maximum nominal amount of £25,896,027, representing approximately one third (33.33%) of the Company's existing issued share capital (excluding shares held in treasury), calculated as at 11 March 2016 (being the latest practicable date prior to publication of this Notice). In accordance with institutional guidelines issued by The Investment Association (and previously the Association of British Insurers), paragraph (a)(ii) of resolution 15 will allow the directors to allot, including the ordinary shares referred to in paragraph (a)(i) of resolution 15, additional ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £51,799,824 representing approximately two thirds (66.67%) of the Company's existing issued share capital (excluding shares held in treasury), calculated as at 11 March 2016.

The proposed new authority will expire at the conclusion of the 2017 Annual General Meeting of the Company or, if earlier, on 1 July 2017. 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 11 March 2016, the Company's issued share capital amounted to £81,766,947 comprising 286,184,314 ordinary shares of 28 4/7p each and the Company held 14,248,836 ordinary shares in treasury, representing approximately 5% of the Company's issued share capital.

Resolution 15 will be proposed as an ordinary resolution.

### **Authority to make political donations and incur political expenditure (ordinary resolution 16)**

The CA 2006 prohibits the Company and its subsidiaries from making political donations of more than £5,000 in any 12 month period or from incurring political expenditure, unless they have been authorised by the Company's shareholders. The resolution in this connection passed at last year's Annual General Meeting 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 2017 Annual General Meeting of the Company or, if earlier, on 1 July 2017.

### **Authority to allot equity securities for cash (special resolution A)**

It is proposed to seek renewal of the authority that was granted to the directors at the 2015 Annual General Meeting to allot equity securities for cash without first being required to offer such securities to existing shareholders (such securities could be new shares or shares held in treasury, as further explained below). If approved, this resolution will authorise the directors in accordance with sections 570 and 573 of the CA 2006 to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares for cash up to a nominal value of £4,088,347 which includes the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. This amount represents just under 5% of the total ordinary share capital in issue at 11 March 2016 (being the latest practicable date prior to publication of this Notice). The authority will expire at the conclusion of the 2017 Annual General Meeting of the Company or, if earlier, on 1 July 2017. It is the current intention to renew this authority annually.

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The directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three-year period without prior consultation with the shareholders and the Investment Committees of The Investment Association and the Pensions and Lifetime Savings Association (formerly known as the National Association of Pension Funds).

Resolution A will be proposed as a special resolution.

### **Purchase by the Company of its own shares (special resolution B)**

Renewal of the authority for the Company to purchase its own shares will be sought at the Annual General Meeting. If approved, the new authority gives power to effect market purchases of ordinary shares up to a maximum aggregate number of 40,790,321, which represents just under 15% of the total share capital (excluding shares held in treasury) as at 11 March 2016 (being the latest practicable date prior to publication of this Notice). Should the Company's issued share capital as at the date of the Annual General Meeting be lower than the issued share capital as at 11 March 2016 (being the latest practicable date prior to publication of this Notice) the directors will limit the Company's use of this authority to under 15% of the total ordinary share capital (excluding shares held in treasury) as at the date of the Annual General Meeting.

The price paid for the shares will not be less than the nominal value of 28 4/7p per share nor more than the higher of 105% of the average of the middle market prices of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day of purchase and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (in each case, exclusive of expenses). The directors believe it would be advantageous to have the flexibility this authority will provide. However, the directors 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 would expire at the conclusion of the 2017 Annual General Meeting of the Company or, if earlier, on 1 July 2017. 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 11 March 2016 (being the latest practicable date prior to publication of this Notice) was 377,180. The proportion of issued ordinary share capital (excluding treasury shares) that the options represented on this date was approximately 0.14% 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 0.20%.

Resolution B will be proposed as a special resolution.

### **Notice of general meetings (special resolution C)**

The CA 2006 provides that the notice period required for general meetings of the Company is 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (Annual General Meetings must always 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 the Annual General Meeting in 2015 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 Annual General Meeting, 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 recommendations of the UK Corporate Governance Code 2014), 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.

Resolution C will be proposed as a special resolution.

# Chairman's Letter to Shareholders

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## Changes to articles of association (special resolution D)

A number of amendments to the Company's articles of association are recommended, principally in order to reflect developments in practice, and to provide clarification and additional flexibility. It is proposed to adopt new articles of association ('New Articles') of the Company in place of the existing articles of association adopted in 2014 ('Current Articles'). The principal changes being proposed in the New Articles are summarised in Appendix 1. Other changes which are of minor, technical or clarifying nature have not been noted. A copy of the New Articles and a copy marked up to show the changes from the Current Articles are available for inspection at the registered office shown at the top of this letter.

Resolution D will be proposed as a special resolution.

## Action to be taken

It is important to the Company that shareholders have the opportunity to vote even if they are unable to attend in person. A proxy form is enclosed for use by shareholders so that they can nominate someone else to attend the meeting and vote on their behalf. One option is to nominate the Chairman of the meeting as proxy to vote on the shareholder's behalf at the meeting in the manner they direct or at his discretion.

Please complete and return the proxy form in accordance with the instructions on the form in order that it may be received by Equiniti as soon as possible and, in any event, not later than 48 hours before the time fixed for the meeting or any adjournment thereof. Completion and return of a proxy form will not prevent you from attending and voting in person at the meeting should you so wish.

We are also pleased to be able to offer our shareholders the opportunity to appoint their proxies electronically using the internet, rather than using the paper proxy form. If you wish to submit your proxy appointment electronically, please visit [www.sharevote.co.uk](http://www.sharevote.co.uk) where full details of the procedure are given. You are advised to read the terms and conditions of use carefully and your instructions must be received not later than 48 hours before the time fixed for the meeting or any adjournment thereof.

## Voting this year

As in previous years and in line with best practice, voting shall be on a poll at the Annual General Meeting, rather than on a show of hands. Poll voting at the meeting will again be conducted using the electronic VoteNow system provided by Equiniti, the Company's Registrar. 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 votes of shareholders who are unable to attend the meeting but who appoint a proxy for the meeting. On a poll, each shareholder has one vote for every share held.

## Recommendation

Your directors consider that all the resolutions to be put to the Annual General Meeting are in the best interests of the Company and its shareholders as a whole. Your 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**  
Chairman

## Notice of Meeting

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Notice is hereby given that the fifty fourth Annual General Meeting of IMI plc will be held at the Hilton Birmingham Metropole Hotel, National Exhibition Centre, Birmingham on 5 May 2016 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. That the Annual Report and Accounts for the year ended 31 December 2015 be approved and adopted.
2. That the Directors' Remuneration Report for the year ended 31 December 2015 be approved.
3. That a final dividend at the rate of 24.5p per share on the ordinary share capital of the Company be declared for the year ended 31 December 2015 payable on 20 May 2016 to shareholders on the register at the close of business on 8 April 2016.
4. That Carl-Peter Forster be re-elected as a director of the Company.
5. That Ross McInnes be re-elected as a director of the Company.
6. That Birgit Nørgaard be re-elected as a director of the Company.
7. That Mark Selway be re-elected as a director of the Company.
8. That Isobel Sharp be elected as a director of the Company.
9. That Daniel Shook be re-elected as a director of the Company.
10. That Lord Smith of Kelvin be re-elected as a director of the Company.
11. That Bob Stack be re-elected as a director of the Company.
12. That Roy Twite be re-elected as a director of the Company.
13. That Ernst & Young LLP be re-appointed as the Company's auditor until the conclusion of the next Annual General Meeting of the Company.
14. That the Audit Committee on behalf of the Board be authorised to determine the auditor's remuneration.
15. That:
  - (a) the directors be authorised to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
    - (i) in accordance with article 7 of the Company's articles of association, up to a maximum nominal amount of £25,896,027 (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 £25,896,027); and
    - (ii) comprising equity securities (as defined in article 8 of the Company's articles of association), up to a maximum nominal amount of £51,799,824 (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);
  - (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 1 July 2017; 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).
16. That, in accordance with section 366 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 £100,000 in total;
  - (b) make political donations to political organisations other than political parties not exceeding £100,000 in total; and
  - (c) incur political expenditure not exceeding £100,000 in total;
 during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next Annual General Meeting of the Company or 1 July 2017, whichever is the earlier, provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000. 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.



## Notice of Meeting

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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;
- (b) the power under paragraph (a) above (other than in connection with a rights issue, as defined in article 8 (b) (ii) of the Company's articles of association) shall be limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £4,088,347;
- (c) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2017; and
- (d) all previous unutilised authorities under sections 570 and 573 of the Companies Act 2006 shall cease to have effect.

**B.** That, in accordance with 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 40,790,321;
- (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 stipulated by Article 5(1) of the Buy back and Stabilisation Regulation 2003;

- (d) the authority hereby conferred shall expire on 1 July 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution 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.
- C.** 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.
- D.** To adopt as the articles of association of the Company the new articles for the purposes of identification initialled by the Chairman and produced to the Annual General Meeting, so that the new articles apply in substitution for and to the exclusion of the current articles.

By order of the Board

**John O'Shea**  
Company Secretary  
23 March 2016

Registered Office:  
Lakeside, Solihull Parkway,  
Birmingham Business Park,  
Birmingham B37 7XZ

**www.imiplc.com**



# Notes

## Notes:

1. A member may appoint a proxy to exercise all or any of his/her rights to attend and to speak and vote on his/her behalf at the meeting. A member may appoint more than one proxy in relation to the Annual General Meeting 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.
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 48 hours before the time fixed for the meeting or any adjournment thereof. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting instead of the proxy if you so wish. Amended instructions must also be received by the Company's Registrars by the deadline for receipt of proxy forms. A member must inform the Company's Registrars in writing of any termination of the authority of a proxy.
3. As an alternative to completing and returning the printed form of proxy, you may submit your proxy appointment electronically by accessing [www.sharevote.co.uk](http://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 48 hours before the time fixed for the meeting or any adjournment thereof. If you want to appoint more than one proxy electronically, please contact Equiniti on 0371 384 2916 (from overseas +44 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays)).
4. If a member has more than one holding registered in his/her name he/she 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. If you do not have a form of proxy and believe that you should, or if you require additional forms, please contact Equiniti on 0371 384 2916 (from overseas +44 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays)).
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 him/her and the shareholder by whom he/she was nominated, have the right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she 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 Annual General Meeting 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 6pm on 3 May 2016 (or, in the event of any adjournment, at 6pm on the date which is two 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 Annual General Meeting to be held on 5 May 2016 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](http://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 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 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.

## Notes

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- 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 11 March 2016 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 286,184,314 ordinary shares, carrying one vote each of which 14,248,836 are held in treasury. Therefore, the total exercisable voting rights in the Company as at 11 March 2016 are 271,935,478.
- 11.** Copies of the service contracts of executive directors and letters of appointment for non-executive directors, a copy of the New Articles and the Current Articles 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 Annual General Meeting from at least 15 minutes prior to the meeting and until the conclusion of the meeting.
- 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 Annual General Meeting; 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 Annual General Meeting 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 cause to be answered 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.
- 14.** In accordance with section 311A of the CA 2006, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting, the total voting rights members are entitled to exercise at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice can be found at [www.imiplc.com](http://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 2916 (from overseas +44 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays)). You may not use any electronic address provided in this Notice of Annual General Meeting or any related documents to communicate with the Company for any purposes other than those expressly stated.
- 16.** Under section 338 and section 338A of the CA 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the Company not later than six weeks before the meeting, or, if later, the time at which notice is given of the meeting and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
- 17.** 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.

## Appendix 1

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### Summary of principal changes to the Company's articles of association

It is proposed in special resolution D to adopt new articles of association ('New Articles') of the Company in order to update the current articles of association ('Current Articles'). The substantive changes being proposed are intended to reflect developments in practice, and to provide clarification and additional flexibility.

#### Retirement of directors

In line with the recommendations in the UK Corporate Governance Code and to reflect the Company's established practice, the New Articles provide for the automatic retirement of all of the Company's directors at each Annual General Meeting. As a result all directors will be subject to annual re-election by shareholders. The New Articles also contain a provision to cater for the situation where a director is appointed after the Notice of Annual General Meeting has been sent, because no provision can be made for the election of the director at that Annual General Meeting. The director will be required to retire at the next Annual General Meeting of which notice is first given after his/her appointment as a director.

#### Payment of dividends

The New Articles update the provisions of the Current Articles that relate to the way dividends are paid. The ICSA Registrar's Group issued guidance in 2014 including recommending wording for the articles of association to allow sufficient flexibility for electronic payment of dividends. The New Articles confirm the existing flexibility under the Current Articles to allow the payment of dividends by different methods (including by cheque, bank transfer, electronic and other means). The New Articles additionally permit the Board to decide which payment method is to be used on any particular occasion.

Although it is not the Company's intention to change the current methods of payment at this time, it is important that the Company is able to cater for new developments and changes in practice, including considering the efficiency and cost savings if the Company changed to electronic payment only. The New Articles therefore follow the wording recommended by the ICSA Registrar's Group guidance and make express provision for setting a default method of payment.

The New Articles provide that if the Company sells shares of an untraced shareholder, any dividend or money unclaimed in respect of those shares will be forfeited with immediate effect.

#### Untraced shareholders

The New Articles will provide greater flexibility when the Company is trying to trace shareholders. They replace the requirement to place notices in newspapers with a requirement that the Company must send a final notice to the last registered address of the shareholder and use reasonable steps in the circumstances to trace the shareholders and inform them that the Company intends to sell their shares. This can include engaging a tracing agent to search for shareholders who have not kept their details up-to-date, or by taking any other steps that are considered appropriate.

Under the Current Articles, the Company may sell the shares of shareholders who have been untraced for a period of 12 years 3 months or more and can use the proceeds of that sale for the purposes of its business although the former shareholder remains a creditor of the Company, so they may subsequently claim the proceeds at any time. The New Articles treat the proceeds of such a sale as forfeited by the former shareholder with immediate effect following the sale of the shares.

### Sealing of documents

To bring the Current Articles in line with common practice for listed companies, the New Articles permit the use of a laser seal that can be adopted for the purposes of the share certificates. This will permit the Company to move away from the process of applying an embossed seal to every share certificate produced.

### Destruction of documents

The New Articles update the Current Articles that relate to the destruction of documents. Changes include set time periods during which proxy appointments are to be kept before being destroyed. The duration depends on whether the proxy appointment is used for the purposes of a poll, in which case it is to be kept for one year from the date of use, or if not used, for one month from the end of the meeting to which it relates and at which no poll was demanded.

### Postponement of general meetings

To bring the Current Articles in line with common practice for listed companies, a new article permits the postponement of general meetings after notice has been sent calling the general meeting, at the discretion of the board of directors. In order to postpone a general meeting there must be a power included in the New Articles. Postponement is limited to circumstances where the Board considers it is unreasonable or impractical to hold the general meeting at the appointed time, date or place.

### B shares, C shares and Deferred shares

Articles 129, 130 and 131 in the Current Articles have been deleted from the New Articles. These articles were included for the specific purpose of returning cash to shareholders in 2014 and are no longer although required.

# Directions to the Annual General Meeting

**Travelling north on the M1**, exit west at Junction 19 onto the M6 to Birmingham. Continue to Junction 4 and exit south towards Solihull onto the M42. Leave at Junction 6 and follow the signs to NEC. Then follow signs to hotel.

**Travelling south on the M1**, exit west at Junction 21 onto the M69 towards Coventry. Continue to the Junction with the M6 and exit towards Birmingham. Follow directions on the M6 as above.

**Travelling south on the M6**, exit at Junction 4 and follow signs to NEC.

Free parking is available at the hotel by ensuring that your parking ticket is validated on registration for the Annual General Meeting.

