

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

Registered in England and Wales
No. 714275

26 March 2021

Dear Shareholder

Notice of Annual General Meeting

The Annual General Meeting of IMI plc (the 'Company') will be held at the Company's registered office on 6 May 2021 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 8.

Coronavirus risk

The Company will only admit shareholders to the meeting where that is in accordance with legal restrictions on public gatherings in force at the time. You should follow appropriate health advice and reflect upon whether or not attendance at the meeting in person is prudent in your personal circumstances even if it is legally permissible.

The meeting arrangements may also be adjusted, for example, the meeting may well be limited to a minimal duration, socially distanced and without refreshments.

I hope we can proceed with the business of the meeting but recognise that there is a risk of disruption due to Coronavirus. In the event that we are driven to decide that the meeting ought to be postponed, that will be communicated to shareholders.

Voting

Shareholders are strongly encouraged to vote by proxy as attendance at the meeting to vote in person may not be possible or prudent due to Coronavirus risk. Instructions on proxy voting are included in this circular.

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

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. 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

Chairman

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.

Notice of Meeting

Notice is hereby given that the 59th Annual General Meeting of IMI plc will be held at Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham B37 7XZ on Thursday, 6 May 2021 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 2020, together with the report of the auditor of the accounts.
2. That a final dividend at the rate of 15.0p per share be declared for the year ended 31 December 2020 payable on 14 May 2021 to shareholders on the register at the close of business on 6 April 2021.
3. That the Annual Directors' Remuneration Report, which is set out on pages 93 to 107 of the Annual Report and Accounts for the year ended 31 December 2020, be approved.
4. That the Directors' Remuneration Policy Report, which is set out on pages 85 to 92 of the Annual Report and Accounts for the year ended 31 December 2020, be approved.
5. That Lord Smith of Kelvin be re-elected as a director of the Company.
6. That Thomas Thune Andersen be re-elected as a director of the Company.
7. That Caroline Dowling be re-elected as a director of the Company.
8. That Carl-Peter Forster 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 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 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 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 £25,900,000 (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 £25,900,000); and
 - (ii) comprising equity securities (as defined in article 8 of the Company's articles of association), up to a maximum nominal amount of £51,800,000 (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 2021; 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 Annual General Meeting of the Company or 1 July 2022, 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:
 - (a) the renewed rules of the IMI Employee Share Ownership Plan ("ESOP"), which are summarised in the appendix to the notice of meeting and are produced in draft to this meeting and, for the purpose of identification have been initiated by the chair of the meeting, are hereby approved; and
 - (b) establish further plans based on the renewed ESOP rules but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the renewed ESOP rules.

Notice of Meeting

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

A. That if ordinary resolution 14 is passed (and in substitution for all subsisting authorities to the extent unused), the directors be authorised to allot equity securities (as defined in article 8 of the Company's articles of association) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

- (a) allotment in connection with an offer of securities (but in the case of the authority granted under ordinary resolution 14(a) (ii) by way of rights issue only); and
- (b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £4,090,000

such authority to 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 2022 but, in each case, prior to its expiry the Company may make offers and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offers or agreements as if the authority had not expired.

B. That if ordinary resolution 14 is passed, the Board be authorised, in addition to any authority granted under special resolution A, to allot equity securities (as defined in article 8 of the Company's articles of association) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:

- (a) only for the purposes of financing (or refinancing, if the authority is to be used within six 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) to the allotment of equity securities or sale of treasury shares up to a nominal amount of £4,090,000;

such authority to 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 2022 but, in each case, prior to its expiry the Company may make offers and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offers or agreements as if the authority had not expired.

C. 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 27,200,000;
- (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 venues where the purchase is carried out;
- (d) the authority hereby conferred 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 2022 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 working days' notice.

By order of the Board

John O'Shea

Company Secretary

26 March 2021

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 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 but must attend the Annual General Meeting to represent you. A proxy could be the Chairman, 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 48 hours before the time fixed for the meeting or any adjournment thereof. 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 48 hours before the time fixed for the meeting or any adjournment thereof. 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 in England and Wales)).
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. To request a form of proxy 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 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 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 6.30pm on 4 May 2021 (or, in the event of any adjournment, at 6.30pm 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 6 May 2021 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 Annual General 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

Additional Information

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).

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 16 March 2021 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 286,484,413 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 16 March 2021 are 272,235,577.
11. Copies of the renewed ESOP rules, service contracts of executive directors, letters of appointment for non-executive directors, directors' deeds of indemnity and a copy of the 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 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 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.
14. A copy of this Notice of Annual General Meeting 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 2916 (from overseas +44 121 415 7047. 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 Annual General Meeting 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 and final dividend (ordinary resolutions 1 and 2)

The directors are required to present to shareholders at the Annual General Meeting the Annual Report and Accounts for the year ended 31 December 2020 ('Annual Report 2020'), together with the Directors' and Auditor's reports on the Annual Report 2020, and this is provided for in ordinary resolution 1.

Ordinary resolution 2 follows the directors' recommendation for the declaration of a final dividend in respect of 2020 of xp per share payable on 14 May 2021 to shareholders on the register on 6 April 2021. The level of dividend proposed is aligned with the dividend policy announced with the interim results in July 2020.

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 2020 Annual Report on pages 85 to 107, will be put to shareholders for approval at the Annual General Meeting (ordinary resolutions 3 and 4). This vote on the former is advisory, and the directors' entitlement to remuneration is not conditional on it. The vote on the remuneration policy is of legal effect 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 2018 remuneration policy until a new policy is formulated and given shareholder approval at general meeting.

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

In accordance with the 2018 UK Corporate Governance Code, all serving directors voted into office at last year's Annual General Meeting will retire and seek re-election at the Annual General Meeting.

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 2020, 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 evaluation process can be found on page 72 of the Annual Report 2020), (ii) all directors continue to demonstrate a level of expertise and experience that the Chairman 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.

Biographical details of all directors can be found on pages 66 and 67 of the Annual Report 2020, save in relation to Dr Puri, whose details appear below.

Dr Ajai Puri was appointed as a non-executive director and member of the Nominations and Remuneration Committees with effect from 1 March 2021. He brings more than three decades of global experience in international business. His expertise spans innovation, science and technology and marketing. Dr Puri holds a PhD in Food Science from the University of Maryland and an MBA from the Crummer Business School, Rollins College.

From 1981 to 2003, Dr Puri worked for The Coca-Cola Company in a variety of roles in research and development, innovation, consumer marketing and general management, rising to Senior Vice President of Technical (Science and Technology) for Coca-Cola's non-carbonated juice business in North America. From 2003 to 2007, he was Executive Board Member and President – Research, Development and Product Integrity at Amsterdam-based Royal Numico N.V. Previous non-executive roles include Nutreco N.V. (2009-2015) and Barry Callebaut AG (2011-2014).

Dr Puri is presently a non-executive director of three other publicly traded companies; Olam International (Singapore), Tate & Lyle PLC (UK) and Britannia Industries Ltd (India). He is also a non-executive director of Firmenich S.A., a private group and the Global Alliance for Improved Nutrition (G.A.I.N.).

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 conducted an audit tender process and as a result the Board proposes the appointment of Deloitte LLP as the external auditor.

Resolutions 13 and 14, respectively, propose the 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 Annual General Meeting of the Company held on 7 May 2020 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 Annual General Meeting for a period expiring at the conclusion of the Annual General Meeting to be held in 2022 or, if earlier, on 1 July 2022.

Paragraph (a)(i) of ordinary resolution 14 will allow the directors to allot ordinary shares up to a maximum nominal amount of £25,900,000, representing approximately one third (33.33%) of the Company's existing issued share capital (excluding shares held in treasury), calculated as at 16 March 2021 (being the latest practicable date prior to publication of this Notice). In accordance with institutional guidelines issued by The Investment Association, paragraph (a)(ii) of ordinary resolution 14 will allow the directors to allot, including the ordinary shares referred to in paragraph (a)(i) of ordinary resolution 14, 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 £51,800,000 representing approximately two thirds (66.67%) of the Company's existing issued share capital (excluding shares held in treasury), calculated as at 16 March 2021.

The proposed new authority will expire at the conclusion of the 2022 Annual General Meeting of the Company or, if earlier, on 1 July 2022. 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 16 March 2021, the Company's issued share capital amounted to £81,848,597 comprising 286,484,413 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.

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

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, even inadvertently, 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 2022 Annual General Meeting of the Company or, if earlier, on 1 July 2022.

Renewal of the IMI Employee Share Ownership Plan (ESOP) (ordinary resolution 18)

The ten-year authority granted by shareholders to issue shares under the ESOP (which was most recently approved by shareholders on 4 May 2012) will expire in May 2022. The Company intends to continue to use this 'all-employee' HMRC approved plan to provide two separate opportunities for UK employees to acquire shares in IMI. First, employees can buy 'partnership' shares in the Company using deductions from their pre-tax salary of up to £150 per month. Secondly, employees can receive an award of 'free' shares each year under the ESOP, capped at £3,600. Shares held in the ESOP enjoy advantageous tax treatment if they are retained by employees for at least three years. The directors are of the opinion that the ESOP has facilitated wider employee share ownership and, accordingly, are seeking shareholder approval to renew the use of the ESOP with new issue and treasury shares for a further ten years. The main terms of the ESOP and how it is currently operated are summarised in the appendix to this letter."

Disapplication of statutory pre-emption rights (special resolutions A and B)

Special resolutions A and B will allow the directors to allot equity securities for cash pursuant to the authority under ordinary resolution 14, or by way of a sale of treasury shares, without in the first instance offering them to existing shareholders in proportion to their holdings. The authority sought will authorise the directors to issue shares in connection with: (a) a rights issue or other pre-emptive offer and otherwise to issue shares for cash up to a nominal value of £4,090,000 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 16 March 2021 (being the latest practicable date prior to publication of this Notice); and in addition, (b) the financing (or re-financing, if the authority is to be used within 6 months after the original transaction) for an acquisition or other capital investment which the Board determines to be as contemplated by the Pre-emption Group's Statement of Principles, to issue shares for cash up to a nominal value of £4,090,000 which includes the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. This amount also represents just under 5% of the total ordinary share capital in issue at 16 March 2021.

This dis-application authority is in line with guidance with the Pre-emption Group's Statement of Principles. The authority will expire at the conclusion of the 2022 Annual General Meeting of the Company or, if earlier, on 1 July 2022. It is the current intention to renew this authority annually.

The directors have no present intention of exercising their authority under special resolutions A and B and further confirm that they have no present intention to issue more than 7.5% of the issued share capital of the Company for cash on a non pre-emptive basis pursuant to the authority in special resolution A in any rolling three-year period without prior consultation with the shareholders.

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 Annual General Meeting. The resolution is to authorise the Company to buy back up to 27,200,000 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 16 March 2021 (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 Companies Act 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 2022 Annual General Meeting of the Company or, if earlier, on 1 July 2022. 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 16 March 2021 (being the latest practicable date prior to publication of this Notice) was 365,979. The proportion of issued ordinary share capital (excluding treasury shares) that the options represented on this date was approximately 0.128% and the proportion of issued ordinary share capital (excluding treasury shares) that they will represent if the full authority to purchase shares (being sought) is used is approximately 0.134%.

Notice of general meetings (special resolution D)

The CA 2006 provides that the notice period required for general meetings of the Company is 21 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 the Annual General Meeting in 2010 to call general meetings other than an Annual General Meeting on not less than 14 working 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 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.

Appendix

Summary of the principle terms of the IMI Employee Share Ownership Plan (the "ESOP")

Operation

The board of directors of the Company (the "**Board**") supervises the operation of the ESOP. The ESOP is a tax-advantaged Share Incentive Plan which was originally approved by HM Revenue & Customs in 2001 and gives employees of the Company's group various opportunities to receive ordinary shares in the Company ("**Shares**").

The ESOP comprises the following three elements and the Board may decide which element to offer to eligible employees:

"**Free Shares**" which may be allocated to an employee at no cost to the employee.

The market value of Free Shares allocated to any employee in any tax year may not exceed £3,600 or such other limit as may be permitted by the relevant legislation. Free Shares may be allocated to employees, on the basis of salary, length of service or hours worked, or on the basis of performance, as permitted by the relevant legislation.

"**Partnership Shares**" which an employee may purchase out of his pre-tax earnings.

The market value of Partnership Shares which an employee can agree to purchase in any tax year may not exceed £1,800 (or 10% of the employee's salary, if lower), or such other limit as may be permitted by the relevant legislation. The funds used to purchase Partnership Shares will be deducted from the employee's pre-tax salary. Partnership Shares may be purchased monthly or salary deductions may be accumulated over a period of up to 12 months and then used to buy Shares at the lower of the market value of the Shares at the start and at the end of the accumulation period. However, the Company currently operates the Partnership Shares element of the ESOP on the basis of monthly purchases.

"**Matching Shares**" which may be allocated to an employee who purchases Partnership Shares at no extra cost to the employee.

The Board may allocate Matching Shares to an employee who purchases Partnership Shares up to a maximum of two Matching Shares for every one Partnership Share purchased (or such other maximum ratio as may be permitted by the relevant legislation). The same Matching Share ratio will apply to all employees who purchase Partnership Shares under the ESOP on the same occasion.

Shares may not be issued or transferred from treasury pursuant to an award under the ESOP later than ten years after shareholder approval of the renewal of the ESOP.

Eligibility

Employees of the Company and any designated participating subsidiary who are UK resident taxpayers are eligible to participate. The Board may allow non-UK tax resident taxpayers to participate. The Board may require employees to have completed a qualifying period of employment of up to 18 months in order to be eligible to participate. All eligible employees must be invited to participate.

Retention of Shares

The trustee of the ESOP trust may award Free Shares and Matching Shares to employees and hold those Shares on behalf of the participants. Free Shares and Matching Shares must usually be retained by the trustee of the ESOP trust for a period of between three and five years after award. The trustee acquires Partnership Shares on behalf of participants and holds those Shares on behalf of the participants.

Employees can withdraw Partnership Shares from the ESOP trust at any time.

The Board may decide that awards of Free Shares and/or Matching Shares will be forfeit if participants cease to be employed by a company in the Company's group within three years from the grant of those awards unless they leave by reason of death, injury, ill-health, disability, redundancy, retirement, or if the business or company for which they work ceases to be part of the Company's group. In any of those cases, the participants will be required to withdraw their Shares from the ESOP.

If an employee ceases to be employed by the Company's group at any time after acquiring Partnership Shares, he is required to withdraw the shares from the ESOP trust.

Corporate events

In the event of a general offer being made to shareholders, participants will be able to direct the trustee of the ESOP how to vote in relation to their Shares. In the event of a corporate reorganisation any Shares held by participants may be replaced by equivalent shares in a new holding company.

Dividends

Any dividends paid on Shares held by the trustee of the ESOP on behalf of participants may be either used to acquire additional Shares for employees ("**Dividend Shares**") or distributed to participants. The Company currently offers employees the choice whether to receive Dividend Shares or take the dividends in cash.

Rights attaching to Shares

An employee is treated as the beneficial owner of Shares held on his behalf by the trustee of the ESOP.

Any Shares allotted under the ESOP rank equally with Shares then in issue except for rights attaching to such Shares by reference to a record date prior to their allotment.

Overall ESOP limits

The ESOP may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10 per cent of the issued ordinary share capital of the Company under the ESOP and any other employee share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of this limit unless institutional investor bodies decide that they need not count.

Variation of capital

In the case of a variation of share capital of the Company, Shares held in the ESOP will be treated in the same way as other shares of the same class. In the event of a rights issue, employees will be able to direct the trustee of the ESOP whether to take up any rights and on what basis.

Alterations to the ESOP

The Board may, at any time, amend the ESOP in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, Shares to be acquired and the adjustment of awards (if any) in the case of any variation of capital.

The requirement to obtain prior shareholder approval will not, however, apply to any minor alteration to benefit the administration of the ESOP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control, or regulatory treatment for any participant, for the Company or for any company in the Company's group.

General

Awards made under the ESOP are not transferable other than to the participant's personal representatives in the event of his death.

No benefits received under the ESOP are pensionable.

Overseas plans

The shareholder resolution to approve the ESOP will allow the Board, without further shareholder approval, to establish further plans for overseas territories, any such plan to be similar to the ESOP, but modified to take account of local tax, exchange control or securities modified laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the ESOP.