

Dear Member

Notice of second EGM on 7 February 2017

I am pleased to enclose the notice for a second EGM to be held on 7th February 2017 at Fanshaws. The notice and attached schedule sets out in detail the proposed resolution to amend the Articles of Association of IMI. Alongside this information, I thought it would be helpful to explain the effect of the changes and the reasons behind the proposals.

What changes are being proposed?

The changes proposed are:

- A new winding up provision so that the IMI can better demonstrate that it meets HMRC's rules on mutual trading.
- Amendments to allow the admission of a new class of business members.

Amending the winding up provisions

IMI's auditors have advised that IMI's current favourable tax position would be more secure if the winding up clause in the Articles provided for profits to be divided between members on a winding up. The current provision states that they will be given to an organisation with similar objects to IMI or charity, so we propose changing it.

The board are keen to comply with HMRC requirements, whilst still protecting IMI from a small group of members looking to wind up the organisation with a view to private gain, rather than the common good. Safeguards have therefore been included about how many members are needed to call a general meeting, attend a general meeting called to wind up IMI and vote on the resolution.

Admission of business members

A number of strategic advantages have been identified in admitting businesses as voting members of IMI, including increasing the opportunities for stakeholder engagement and strengthening links with businesses, which will engender loyalty, commitment and better engagement with IMI.

The main amendment to allow this is at Article 11.3. Business members will need to appoint an authorised representative to vote on their behalf at general meetings. There are specific rules that will apply to IMI registered centres.

Why can't these be dealt with at the first EGM, why do we need a second?

Unfortunately the advice about required changes to the winding up clause was only received after the first EGM notice had been published. As it is difficult to amend an EGM notice, it was agreed to hold a second EGM immediately after the first. In effect the two meetings will run consecutively, as if they were one meeting.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

Simon James,
Chief Financial Officer, IMI

Company number: 00225180

Companies Act 2006

Notice of Extraordinary General Meeting of
The Institute of the Motor Industry (“the Company”)

This is notice that an Extraordinary General Meeting of the members of the Company will be held at the following address: Fanshaws, Brickendon, Hertford, Herts, SG13 8PQ

On: 7 February 2017

At: 1.15 pm (directly after the first EGM to be held at 1pm)

The business of the meeting will be to consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

Special Resolution

*That the Articles of Association of the Company be and are hereby amended as set out in the Second Schedule of Amendments attached to this notice.*¹

The date of this notice is: 18 January 2017

By order of the Board

Simon James, Chief Financial Officer

The registered office of the Company is: Fanshaws, Brickendon, Hertford, SG13 8PQ

Please confirm attendance, or proxy notice*, to:

Simon James, Chief Financial Officer
C/O Ann Stillion, IMI, Fanshaws, Brickendon, Hertford SG13 8PQ

*Note: A member of the Company who is entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy, who need not be a member of the Company, to attend, to speak and to vote instead of him/her.

¹ The Second Schedule is available on the IMI website

Second Schedule of Amendments of the Articles of Association of the Institute of the Motor Industry

Articles of Association

a) Article 2.1

After the definition of “The Institute” insert ““Registered Centre” means an organisation that is registered with the Institute as an approved centre and as such is authorised by the Institute to provide Institute approved training, regulated products, awards and/or qualifications”

b) Article 5.3

Delete Article 5.3

c) Article 6.9

After the words “only a Corporate Member of the Institute” insert “(including the authorised representative of a Business Member)”

d) Article 11.3

-Delete “four classes” and substitute “five classes”
-Insert after sub-clause (d) insert “(e) Business Members;”; and
- After “being a Corporate Member” insert “(other than a Registered Centre);” and
-At the end of Article 11.3 insert “Business Members shall appoint a person to act as their authorised representative who may exercise (on behalf of the Business Member) the same powers as the Business Member could exercise if it were an individual member. The Board may make Rules in relation to the appointment and removal of such authorised representatives”

e) Article 11.8

After “every member of the Institute” insert “(excluding authorised representatives of Business Members)”

f) Article 11.10

Delete “All corporate members” and substitute “All Corporate Members, excluding Business Members,”

g) Article 11.16

After Article 11.16 insert:

“Ceasing to be a Business Member

11.17 Subject to Article 11.18, the grounds and procedure for suspension or removal of membership of a Business Member shall be set out in Rules made in accordance with Article 23.

11.18 In the case of a Business Member that is also a Registered Centre, it shall cease to be a Business Member of the Institute if it ceases to be a Registered Centre. Should there be any ambiguity or disagreement as to whether an organisation has ceased to be a Registered Centre the decision of the Board shall be final. The procedure for removal shall be set out in Rules made in accordance with Articles 23.”

h) Article 13.4

Delete “one per cent” and substitute “five per cent”

- i) **Article 13.6**
Delete “two per cent” and substitute “five per cent”
- j) **Article 14.2**
After “personally present” insert “(each being a Corporate Member that is an individual or an authorised representative of a Business Member)”
- k) **Article 14.4**
- After “the members present” insert “(themselves or via their authorised representative if a Business Member)”; and
 - After “some member of the Institute” insert “or the authorised representative of a Business Member”
- l) **Article 14.6**
At the end of Article 14.6 insert “For the purposes of this Article 14.6 references to a Corporate Member being “present in person” shall include the authorised representative of a Business Member present in person.”
- m) **Article 15.1**
Delete Article 15.1 and substitute: “Subject to Article 15.3, on a vote on a resolution at a General Meeting on a show of hands or on a poll, every Corporate Member present in person, by proxy or (being a Business Member) by authorised representative has one vote.”
- n) **Article 15**
After 15.2 insert “15.3 A Business Member that is also a Registered Centre shall have no vote on a resolution that in the opinion of the Board gives rise to a conflict of interest.”
- o) **Article 23**
After Article 23 insert:

“24. DISSOLUTION

If upon the winding up or dissolution of the Institute there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall be paid to or distributed among the Corporate Members of the Institute equally PROVIDED THAT the quorum for the approval of a special resolution to approve the winding up or dissolution of the Institute shall require a quorum of two hundred members (or if the membership is less than two hundred in total 75% of the total membership) present in person or via their authorised representative in the case of a Business Member. If a quorum is not present the provisions of Article 14.3 shall not apply to the meeting or part of the meeting. “