PRIVATE AND CONFIDENTIAL

THE INSTITUTE OF MARINE ENGINEERING, SCIENCE AND TECHNOLOGY

Minutes of the One Hundred and Thirty-Third Annual General Meeting
held at 11:15 hours on Thursday 24 March 2022
online via Zoom

The President, Mr Kevin Daffey, in the Chair
51 Voting Members and 10 Non-Voting Members from 16 countries
plus a representative from the Institute's auditors in attendance

INTRODUCTION AND NOTICE OF MEETING

The President, Mr Kevin Daffey, opened the Institute's 133rd Annual General Meeting. He welcomed members to the meeting, especially those who were attending their first AGM, and reviewed protocols for using the Zoom platform and asking questions during the meeting.

He reminded participants that the Notice of Meeting had been distributed prior to the meeting and will remain available in the Governance section of the Institute's website.

ANNUAL REPORT OF THE BOARD OF TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Secretary and Chief Executive (Mr Gwynne Lewis) delivered a brief digest of the Board and Institute's key work in FYE2021, specifically:

- COVID had continued to impact business, especially in relation to events and business travel, but had sparked some positive changes too:
    - Stronger online portfolio of events
    - Over 10,000 hours of content on IMarEST TV, 106% growth over FY20
    - Introduction of online accreditations and expansion of online PRIs
    - Weekly Marine Professional newsletters
- JMET has become one of the top four global journals in marine, engineering and technology
- New SIGs launched and over 8,200 members actively engaged with SIGs
- Policy engagement continued at IMO and in support of the UN Decade of Ocean Science
- Membership retention was around 94%, an increase of 4% over the previous year
- Evolved membership communications focused on highlighting the variety and breadth of benefits and content available to members
- Development of application processes to ensure professional rigor maintained but with quicker turnaround times
- Successful renewal of Institute's license with Engineering Council

The Honorary Treasurer, Mr Martin Murphy, highlighted the key points from the Financial Statements for the year ending 30 September 2021, specifically:

- The Statement of Financial Activities showed Group Incoming Resources £290k higher than in FY20, Group Outgoing Resources £534k lower than in FY20 and Group Net Expenditure of £36k, which was £824k better than at FYE20
- Net expenditure after gains and losses of £783k was £1.3m more than the previous year

- Net movement in fund of £2.1m included £1.4m of actuarial gains on the Retirement Benefit Scheme
- Fixed assets increased by £102k to £13.4m and total net assets stood at £12.3m, an increase of £2.089m over FYE20.
- Retirement Benefit Scheme liability was £2.137m, a decrease of £1.627m

Mr Peter Mackereth of Buzzacotts LLP delivered the Report of the Auditors. He confirmed that the accounts presented a true and fair view of the affairs of the Institute and Group at FYE21 and that the accounts had been prepared in accordance with all relevant legislation

Mr Alastair Fischbacher proposed a motion that the Annual Report and Financial Statements for the year ended 30 September 2021 be approved and adopted; it was seconded by Mr Nigel Smith.

The President then invited attendees to ask questions related to the Chief Executive's Digest or the adoption of the Annual Report and Accounts. No questions were forthcoming at this time.

The motion to approve the Annual Report and Financial Statements for 2021 was adopted with 39 votes in favour and no votes against or indicated abstentions.

APPOINTMENT OF THE AUDITORS FOR FY21

Mr Chris Bleasdale proposed that the auditors, Buzzacotts LLP, be appointed to hold office until the conclusion of the next Annual General Meeting and that the Board of Trustees be authorised to fix their remuneration. The motion was seconded by Dr Bev Mackenzie and carried, with 37 votes in favour, no votes against and no indicated abstentions.

APPOINTMENTS BY THE COUNCIL

The President requested that the meeting note the appointments by the Council of the President and President-Elect for the year 2022-2023 and Appointed Members of Council to take office for a term of three years:

President:	Mr Alastair Fischbacher
President-Elect:	Mr Martin Shaw

No appointments for Appointed Members of Council had been made at this time. However, Council and the Nominations Committee would keep the composition of Council under review and make appointments as necessary to ensure that any gaps, whether they were geographic or related to disciplines or areas of expertise, would be filled as necessary.

COUNCIL ELECTIONS

The Chief Executive read the Report of the Scrutineers.

Mr Martin Murphy was elected Honorary Treasurer unopposed in accordance with Regulation 8.5.6.7.

The following were elected Elected Members of Council:

Americas:

- No Vacancies

ANZSPAC:

- No Vacancies

Asia Pacific:

- Mr Kaushik Roy (1st term, elected unopposed in accordance with Regulation 8.5.6.7)

EMEA:

- Mr Iain Anderson (1st term)
- Mr Pete Lambeth (1st term)
- Dr Bev Mackenzie (1st term)
- Mr Francis Byrne (Frank) Mungo (1st term)
- Ms Elisabeth Wilson (1st term)

There was one invalid postal vote, with 4,992 validated votes cast by 1,398 validated voters.

VOTE OF THANKS TO THE SCRUTINEERS FOR 2021/22 AND ELECTION OF SCRUTINEERS FOR THE YEAR 2022/23

Dr Jane Smallman proposed a vote of thanks to the Scrutineers for 2021-2022 and moved that Mr Jim Clench, Mr John Harrison, Mr Anthony Muncer RD, Mr Malcolm Vincent and Dr Wyn Williams CB be elected to serve as Scrutineers for 2022-2023. The motion was seconded Mr Philip Parvin. The President put the motion to the meeting and it was carried, with 37 votes in favour and no votes against or indicated abstentions.

INSTITUTE UPDATE

The Chair of the Board, Mr Richard Vie, opened the Institute Update session by reminding attendees that this was his final AGM as Board Chair and that he would be handing over the office to Kevin Daffey at the end of the meeting. He thanked all the Trustees, In Attendance Board Members and the Executive for all their hard work and support over the past six years.

The Institute's current Strategic Plan covered the period 2018-2022 and work had already started to define the Institute's strategic priorities for the next few years. He noted that the past few years had been challenging, not only navigating uncharted waters through a global pandemic but also recruiting a new Chief Executive while in lockdown.

The current plan enumerated three key strategic goals to underpin the Institute's work over the past five years and a range of work had been delivered or was being undertaken in support of each goal, specifically:

Delivering Goal 1 (Professionalism and Technical Leadership) and Goal 2 (Development and Sustainability of the Marine Sector)

- Professional recognition through membership and registration
- Recognition of professional development courses
- Continuing technical leadership and support of Special Interest Group (SIG) activity
- Delivery of CPD and knowledge including publication of conference proceedings, Ocean State Report 5 and Offshore Renewables O&M Report
- Expansion of the online events programme

Delivering Goal 3 (High Performing Organisation Delivering Strong Value)

- Total income and expenditure and net income from FY17-21
- Investment fund 2015-2021

The Honorary Treasurer highlighted that from FY17 to FY20 the Institute's operational activities had been in deficit, though the goal throughout had always been to drive the operational performance of the Institute towards and ultimately into the black. FY21 had been an especially good year with operating income exceeding operating expenditure and a positive net movement of funds of £2,099k in FY 21 compared to a loss of £2,264 in FY20. He noted that the operational income and expenditure was especially important since this contained the items that could be directly controlled by the Executive Team and Board whereas items such as investment income and the pension scheme valuation largely depended on external conditions and forces. Nevertheless, investment gains in FY21 had also been strong, standing at £747k for the year.

The investment trajectory chart showed that from FY15 to FY18 the value of the investment portfolio had decreased. This was partly due to the withdrawal of monies from the portfolio to fund the operational losses and partly due to market conditions during that period. The graph for FY18 to FY20 showed a period of stability but the FY20 figure masked the rapid market losses (18% to the Institute's portfolio) incurred at the start of the COVID lockdowns worldwide. Market value at FYE21 stood at £13.482m, an increase of £310k over the course of the year despite drawdown of £860k in cash.

The Honorary Treasurer highlighted the decision taken in FY21 to write down the value of the Institute's memorabilia and artwork collection to zero for accounting purposes as it was hard to ascertain a reliable cash value for such items. The items of memorabilia would remain part of the Institute and they would continue to be maintained as necessary in line with the Institute's duty of care towards its heritage but they would not be counted as assets for accounting purposes.

The triennial valuations of the Retirement Benefit Scheme from 2011 to 2020 showed that the scheme remained varying levels of deficit throughout. The Deficit Recovery Plan, in place until after the next triennial valuation in 2023, had increased payments from £250k to £300k per annum and the payment amount would rise in line with RPI each year. The formal 2020 valuation showed a deficit of £3.5m whereas the FRS102 annual valuation at FYE21 recorded a deficit of £2.1m

The Institute's net assets from FY15-FY21 fluctuated in lines with market forces and the pension fund deficit liability.

The Honorary Treasurer summarised that the operational performance for FY21 was exceptional. However, he cautioned that some of the operating circumstances had actually been positively affected by COVID with, for example, a reduction in branch grants due to curtailed activity and little travel due to lockdown and other pandemic restrictions. Therefore, the financial results of FY21 may not be immediately replicable as activity levels return to more 'normal', pre-pandemic levels, and the FY22 budget was again expected to yield an operating loss. The Executive and trustees remained clearly focused on working to increase the top line while continuing to control costs. Turbulence also still featured in external market conditions, and this too would affect the Institute's ultimate results, even if not directly under the Institute's control. Ultimately though the Institute continued moving toward a position of increased financial strength.

The Chief Executive started his summary by reminding attendees of the role and mission of the Institute in upholding professional standards, noting that the video shown had been produced as part of the most recent collaboration with ITN Productions.

He then outlined the key Institute activity and specific initiatives already underway or planned to occur during the course of FY22 in the main business areas of Business Systems & Transformation, Marketing & Communications, Membership & Partner Services, Events and Technical, Policy & Content, including:

- Renewed emphasis on partnership activity with companies and organisations, with the HQ team being strengthened to develop this area of work by recruiting a Sales and Business Development Director
- Reviewing and restructuring the Institute's website and associated service platforms
- Modernising the IT estate and standardising the communication and collaboration platforms
- Enhancing customer operations in line with licensing requirements and to deliver improved customer service and new member joining processes
- More focused and intensive retention and engagement campaign to show members the value of membership and support continued membership growth
- Implementation of a mix of online and face-to-face accreditation visits and approvals
- Growing the Institute's reach through Marine Memberships, Marine Partnerships and CPD Recognitions
- Increasing member participation at IMO and other policy fora
- Developing the Institute's conference proceedings publications and journals

- Forming a Books Editorial Board and developing a dedicated books strategy
- Increased opportunities to profile the work done by SIGs and members in both the Marine Professional and wider media
- Reintroduction of the Annual Dinner following COVID cancellations in 2020 and 2021
- Annual Conference to be held as a hybrid event in 2022
- INEC/iSCSS to be held in person in Delft in November 2022
- PR Strategy to encompass both short-term and long-term views
- Developing new marketing campaigns to support B2B sales and business development

Three questions relating to the Retirement Benefit Scheme were raised by attendees and in response, the Honorary Treasurer and Dr Jane Smallman, Chair of the Retirement Benefit Scheme Trustees provided additional information.

Question 1: With the deficit recovery plan now agreed following the 2020 Triennial Valuation, when is it predicted that the Scheme's technical provisions deficit will be reduced to zero?
Question 2: Also, when is it hoped that the Scheme will reach self-sufficiency/solvency?

The Honorary Treasurer confirmed that the revised deficit repayment plan as agreed with the RBS Trustees following the 2020 triennial valuation was structured to see the deficit reduced to zero in 2028. Of course, there would be further triennial valuations at FYE2023 and FYE2026, after which the situation including the Deficit Recovery Plan would be reassessed; either or both of those reassessments could result in changes to the Recovery Plan, including to the date when the deficit was expected to reach zero.

He added that it was important to remember that the reduction of the scheme deficit to zero would not absolve the Institute of its responsibilities to the Retirement Benefit Scheme, and that subsequent triennial valuations could, of course, again identify a scheme deficit even if the deficit had previously been reduced to zero.

Question 3: Do the Institute's Trustees aim to achieve an insurance company buy out of the Scheme and if so the likely timescale to achieve this?

The Honorary Treasurer reported that the Institute and RBS trustees had explored all options when developing the Deficit Recovery Plan following the most recent triennial valuation and this had included buy-out options. However, in general the cost of buying out the pension liabilities was estimated to be in the region of £14-15m and this was simply unaffordable for the Institute. The Chair of the RBS Trustees added that the buy-out cost calculated using the 30 September 2020 valuation date would, in fact, have been £27.5m. She reiterated that the scheme deficit remained extremely volatile; for example, the deficit at the formal valuation point (30 September 2020) had been roughly £3.5m but a year later a repeat of that calculation showed the deficit reduced to £1.8m.

CONCLUSION OF BUSINESS AND CLOSE OF THE 133rd ANNUAL GENERAL MEETING

With the business of the meeting concluded, the President thanked attendees for their participation and declared the 133rd Annual General Meeting of the Institute closed.