



PRIVATE AND CONFIDENTIAL

THE INSTITUTE OF MARINE ENGINEERING, SCIENCE AND TECHNOLOGY

Minutes of the One Hundred and Thirty-Fourth Annual General Meeting
held at 11:15 hours on Thursday 30 March 2023
online via Zoom and at the Society of Chemical Industry London

The President, Mr Alastair Fischbacher, in the Chair
51 Voting Members and 10 Non-Voting Members from 17 countries
plus a representative from the Institute's auditors in attendance

INTRODUCTION AND NOTICE OF MEETING

The President, Mr Alastair Fischbacher, opened the Institute's 134th 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 2022

The Secretary and Chief Executive (Mr Gwynne Lewis) reminded attendees of the Institute's Charitable Purposes and highlighted key work undertaken in FYE2022, specifically:

- Institute strategy updated for 2022-2025
- Commenced tendering process for a new CRM and website
- Launched the new online Library combining cutting edge reports and publications with 130+ years of archived material
- Added more than 150 new videos to IMarEST TV
- 80 events delivered in FY22 including Oceans of Knowledge in October 2021 as the first in person event since 2019, followed by the Annual Dinner and eiSR (European International Submarine Race) while Engine as a Weapon symposium was hosted online to support global attendance
- Launched Resilient Ocean, in association with ITN Productions, on ocean health and global issues in the marine sector
- Refined application processes to provide a smoother journey for applicants
- Accredited 76 different courses and training schemes at 8 different institutions
- Artificial Intelligence SIG launched
- Marine Mammal SIG produced a Careers Guide to help students and employers understand the skills required for different career paths
- Ocean Plastic & Marine Litter SIG presented their work at the 7th International Marine Debris Conference
- Publication of a report on Challenges in the Marine Sector: 2023 and Beyond
- Continue to represent the marine sector at IMO and other national and international policy fora including UN Oceans Conference, UN Intergovernmental Conference on Marine Biodiversity of

He thanked the members who volunteer their time to the Institute, without whose contribution and expertise such diverse and wide-ranging work would not be possible.

The Honorary Treasurer, Mr Martin Murphy, highlighted the key points from the Financial Statements for the year ending 30 September 2022, specifically:

- The Statement of Financial Activities showed Group Incoming Resources £33k higher than in FY21, Group Outgoing Resources £60k lower than in FY21 and Group Net Expenditure of £129k, which was £93k better than at FYE21
- Investment valuation at FYE22 was £1.680m less than at FYE21, due to the extreme market conditions encountered during September 2022
- Overall group position was a negative net movement in funds of £1.444m including £125k of actuarial gains on the Retirement Benefit Scheme with total net assets standing at £10.951m at FYE22.
- Retirement Benefit Scheme liability was £1.758m, a decrease of £379k.

Mr Edward Finch 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 FYE22 and that the accounts had been prepared in accordance with all relevant legislation

Mr Martin Shaw proposed a motion that the Annual Report and Financial Statements for the year ended 30 September 2022 be approved and adopted; it was seconded by Dr Nimi Abili.

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 2022 was adopted with 43 votes in favour, no votes against and one indicated abstention.

APPOINTMENT OF THE AUDITORS FOR FY23

Mr Kaushik Roy 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 Capt Ken Greig and carried, with 44 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 2023-2024 and Appointed Members of Council to take office for a term of three years:

President:

Mr Martin Shaw

President-Elect:

Mr Yves De Leeneer

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:

- Mr Stephen Morant (1st term)

Asia Pacific:

- Mr Adthisaya Ganesen Manickam (1st term)
- Mr Alex KM Tang (1st term)

EMEA:

- Prof Stephen de Mora (2nd term, elected unopposed in accordance with Regulation 8.5.6.7)
- Dr Valerio De Rossi (1st term, elected unopposed in accordance with Regulation 8.5.6.7)
- Mr Sergey Karianskyi (2nd term, elected unopposed in accordance with Regulation 8.5.6.7)
- Ms Jemma-Anne Lonsdale (1st term, elected unopposed in accordance with Regulation 8.5.6.7)
- Dr Parviz Sangin (2nd term, elected unopposed in accordance with Regulation 8.5.6.7)
- Mr Nigel Smith (1st term, elected unopposed in accordance with Regulation 8.5.6.7)
- Mr Alexander Walster (1st term, elected unopposed in accordance with Regulation 8.5.6.7)

There were 342 validated votes cast by 253 validated voters in two Electoral Divisions.

VOTE OF THANKS TO THE SCRUTINEERS FOR 2022/23 AND ELECTION OF SCRUTINEERS FOR THE YEAR 2023/24

Mr Oliver Simmonds proposed a vote of thanks to the Scrutineers for 2022-2023 and moved that Mr Jim Clench, Mr John Harrison, Mr Anthony Muncer RD, and Mr Malcolm Vincent be elected to serve as Scrutineers for 2023-2024. The motion was seconded Dr Philomène Verlaan. The President put the motion to the meeting and it was carried, with 45 votes in favour and no votes against or indicated abstentions.

INSTITUTE UPDATE

The Chair of the Board, Mr Kevin Daffey, introduced attendees to the Institute's new Vision, Mission and Strategy for 2022-2025, specifically:

- **Vision:** The IMarEST is the trusted voice across the marine sector and is the global community for all marine professionals distinguished as leaders in shaping a sustainable world.
- **Mission:** We enhance the professional development of marine engineers, scientists and technologists at all stages of their careers. Through our international branches and interdisciplinary special interest groups we enable marine professionals to engage on relevant topics, share knowledge and drive change. Through our partnerships with academia, industry and regulators, we raise professional standards and awareness.
- **Strategic Themes for 2022-2025**
 - **Membership and Professionalism:** Providing a tailored membership experience that is accessible, valuable and relevant to all members at every stage of their career, including professional development, community engagement and knowledge sharing.

- Goal 1: Grow student membership and achieve a higher number of transfers to Graduate Pathway membership. Ensure and support a clear pathway for all graduates and cadets into professional membership and registration
 - Goal 2: Improve how members interact with us and introduce a better and more tailored user experience
 - Goal 3: Make membership of the Institute highly relevant to those working in the marine sector and, through this relevance and value, grow our membership. Ensure that the membership proposition is relevant to all marine professionals regardless of career stage or area of interest.
- **Community and Member Engagement:** Emphasising the importance of providing vibrant and engaged forums for members to network, share knowledge, and drive change
 - Goal 1: Develop a thriving, global network of local Branches and Student Chapters to be our international presence and to drive knowledge sharing and member interaction in all relevant locations
 - Goal 2: Develop robust, specialist and interdisciplinary communities of professionals (Special Interest Groups) sharing expertise, disseminating knowledge and influencing the most relevant debate on key marine issues
 - Goal 3: Increase opportunities for members to collaborate, engage in discussions and network online
 - Goal 4: Ensure a culture is in place that embeds and values diversity and inclusion throughout the organisation at all levels and in all activities and areas of work
- **Technical Leadership:** Using the expertise of members and partners to share knowledge, create insight, and inform debate on engineering, technical and scientific issues in the marine sector
 - Goal 1: Develop a process to ensure that the technical activities of the Institute reflect the most important needs of our members, changes in technology, social, economic, or other key influential trends.
 - Goal 2: Continuously develop relevant technical leadership opinion within and across the professions we serve
 - Goal 3: Elevate our technical leadership by increasing our ability to communicate and influence in the marine sector to drive positive change.
- **Public Profile and Communications:** Positioning the Institute as the primary authority on marine issues and providing a platform for members to give expert advice and comment
 - Goal 1: For the IMarEST to be seen by those working within the sector, and those commenting upon the sector, as the voice of the sector for expert and impartial opinion and technical knowledge
 - Goal 2: Improve visibility of IMarEST media spokespeople and therefore the development of members and partners wishing to be seen as thought leaders
- **Growth through Innovation:** Understanding and responding to the needs of academia, industry, regulators and members to develop and offer new products and relevant services
 - Goal 1: Grow our industry, regulatory and academic partnerships through expansion of the existing product set and develop tailored offerings to suit wider opportunities
 - Goal 2: Develop and implement a plan to professionalise business development and sales in the Institute to support our growth ambitions
 - Goal 3: Annual competitor analysis introduced to ensure appropriate actions developed during strategic reviews
 - Goal 4: Expand our outreach and knowledge sharing through expanding our events portfolio

- Goal 5: Expand the services we offer to members by developing a training arm to the Institute's activities
- Goal 6: Be receptive to change and seek acquisition of collaboration opportunities that benefit the long-term interests of the Institute and our members
- **Operational Excellence:** This strategic theme is focused on transforming operations to enhance member experience and increase organisational value
 - Goal 1: Achieve sustainable financial performance and generate a surplus position through increased revenues.
 - Goal 2: Ensure our processes, governance and structure are fit for purpose and, for the first time, meet industry standards.
 - Goal 3: Have a professional, experienced and continually developing Executive to manage and lead the Institute's activities.
 - Goal 4: Transform IT operations, with replacement of online and CRM systems to improve member and stakeholder experience and to enable future service development.

The Honorary Treasurer highlighted that in FY22 incoming resources had exceeded outgoing resources by £129k before investment gains and losses had been factored in. Overall the year had seen a negative net movement in funds of £1.444m compared to a surplus of £2.098m in FY21. This was driven by the £1.68m loss on the investment portfolio in unprecedented market conditions in September 2022. While the Institute's net assets from FY15-FY22 had always fluctuated in line with market forces and the pension fund deficit liability, the market value of the investments at FYE22 had been especially negatively impacted by unprecedented market conditions at that time, with a valuation of £11.592m at FYE22. However, as the market improved, that valuation had partially recovered, with the portfolio showing a value of £12.125m at the end of February 2023. Cash drawdown from the investment portfolio had been £250k during FY22.

The triennial valuations of the Retirement Benefit Scheme from 2011 to 2020 showed that the scheme retained 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 FYE22 recorded a deficit of £1.8m, which also reflected improvement over the FRS102 annual valuation at FYE21 of £2.1m.

The Honorary Treasurer also explained the impact of the MLA transaction on the group and Institute-only positions.

The Chief Executive then outlined the key Institute activity and specific initiatives already underway or planned to occur during the course of FY23, key highlights of which included:

- Major IT transformation project is underway with servers and services being moved to the Cloud, a completely new website and member area being developed to improve member experience, knowledge sharing and collaboration and a new CRM to enable members to indicate preferences and receive specific content and communications
- Campaigns underway around student recruitment and the graduate pathway
- Growing and developing our offer regarding Marine Memberships, Partnerships and CPD Recognitions
- Focused on Defined Routes, and especially developing our relationship with RN
- Facilitating the operation of Special Interest Groups (SIGs) to ensure key sectors are addressed and that the SIG portfolio is relevant to engineers, scientists and technologists
- Reviewing and refocussing our events calendar to create a compelling, relevant and member-led series of events that supports our membership growth plans
- Social media campaigns to promote membership
- Implementing a PR strategy aimed at outreach to journalists beyond the trade press

- Media training for senior staff and officers/senior volunteers to improve direct access to media spokespeople

In the following discussion, the following points were raised and additional information provided in response to questions:

- In response to a question, the Honorary Treasurer confirmed that the estimated buy-out valuation of the Retirement Benefit Scheme was currently in the region of £14m. He noted that the current repayment plan agreed following the 2020 triennial valuation would see the current deficit eliminated by 2028 but the Institute will have a liability and it may be appropriate to sell that interest at some point in the future. The next triennial valuation will be carried out at 30 September 2023 and the Institute and RBS Trustees will review the buy-out cost at that time.
- RBS expenses were accidentally listed in the Annual Report with the same figure of £121,836 given for both FY22 and FY21. The correct figure for FY22 is £126.862; the auditors have been alerted and the change will be made before the accounts are filed.
- In response to a question of what the hybrid gift fund shown on page 45 of the accounts related to, the Honorary Treasurer and Commercial & Finance Director agreed to review the matter and provide details to Malcolm Vincent.
- Another member requested that the total amount paid toward the pension deficit be reported to a future AGM, noting that payments had been made for at least the past decade and that the end date keeps being extended via subsequent triennial valuations.
- Page 33 of the Annual Report and Accounts, note 4, Support costs, amalgamates Estates, IT, Marketing, Finance and HR into 'Other costs' and it is the single largest category. A request was made that other costs be broken down in future years so expenditure by category is clearer.
- The Honorary Treasurer reported that the investment portfolio was divided approximately two-thirds/one-third between the main fund and the endowment fund (Memorial Fund). Investments were managed by Sarasins with the main fund focused on preserving capital for future benefit and the Memorial Fund on delivering dividend income. The funds are multi-asset funds, including UK and global equities, bonds and commodities.
- In response to a question about an aging branch committee where most members were retired and how this fit with expectations that branches lead on engagement with the local marine community, the Chief Executive noted that some branches had embraced technology to assist with engaging their members so that travelling was less of an issue. Asia Pacific branches were currently dynamic and proactive with engaged committee members and there were lessons that may be learned from their work and transferred to other branches in terms of liaising with universities, major employers, and delivering exceptional benefits to members. He assured members that HQ was seeking to identify best practice and roll it out, with appropriate support provided, to additional branches so members would have a common and engaged experience with branches regardless of location. The President added that the Institute Assistant Secretary remained the first point of contact for branches at HQ.
- MLA proceeds have been received and are earning modest interest in the bank account while Finance continues to work on the cash flow forecast and factor in funding the IT project. The surplus will be transferred to the investment portfolio under management of Sarasins in due course. The Chief Executive noted that the institute's portfolio weathered the downturn associated with COVID but has not benefited from recent upturns as they occurred primarily in the oil and gas markets in which the Institute is not invested.
- Sarasins emphasise the ethical and environmental credentials of the portfolios they manage on behalf of the Institute. The Board and F&IC keep this under review at the annual meetings with Sarasins.

- The Honorary Treasurer confirmed that Sarasins benchmarks a variety of indices and uses its own expertise as well to judge how well a portfolio is placed. It does not rely on a single index.
- Globalisation and internationalisation remain vitally important to the Institute and will be key to its future growth and success.
- In response to a question about the Institute's plans for net zero / environmentally sustainable operations, the Chief Executive confirmed that nothing specifically related to this area had been included in the Strategy. Although engaged in sustainability generally through technical activity, the Institute had not considered the potential impact of its operations to date but would seek to address this in future.
- In response to a question about the promotion and publication of the institute's work related to future fuels and the reduction of carbon fuels, the Chief Executive noted that the vast majority of technical knowledge in the Institute resided with the membership and was accessed and leveraged via the work of the relevant SIGs. One of the goals of the new Strategy was to ensure that outputs of the Institute's technical work was communicated more effectively and more broadly. The forthcoming UN Ocean Decade Conference may also present opportunities to highlight such work and on a related note, media training had been provided to the officers and senior volunteers recently.
- In response to the point that other Institutes generate income from books, publications and conference proceedings, the Chief Executive confirmed that this area of work only provided a small amount of income at present. It, along with the possible introduction of professional training for members, was considered to be an area potentially ripe for growth. It also aligned well with the Institute's goal to better promote its technical expertise and outputs.
- Another possible opportunity for income generation would be to become an independent assessor for ship-related apprenticeships.
- Figures shown during the Honorary Treasurer's presentation were actual values, though there was a net present value charge on the balance sheets associated with the future debt owed to the Institute by MLA. With the sale of the remaining shares in MLA, the Honorary Treasurer confirmed that that had now been written back.
- Congratulations were expressed to the Chief Executive and Executive Team for delivering another successful year, aside from the investment performance, with an operating profit for the second year in a row. Another member indicated that they were encouraged by all their had heard during the meeting.

CONCLUSION OF BUSINESS AND CLOSE OF THE 134th ANNUAL GENERAL MEETING

With the business of the meeting concluded, the President thanked attendees for their participation and declared the 134th Annual General Meeting of the Institute closed.