

Impax Asset Management (AIFM) Limited (IAIFM) Remuneration disclosure for Impax Environmental Market plc

The *Alternative Investment Fund Managers Directive* (“AIFMD”) requires certain disclosures on the remuneration paid by Impax Asset Management (AIFM) Limited (the “Manager”), the manager of Impax Environmental Markets plc (“IEM plc”), to its staff.

The Manager is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with Impax’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures.

As market or regulatory practice develops Impax may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Impax fund disclosures in that same year.

The Manager has no direct employees; instead it pays a fee to other Impax Group companies for services their employees provide. The total remuneration allocated to IEM plc has been apportioned based on the estimated time spent by the employees working on IEM plc and other relevant factors.

Quantitative Remuneration Disclosure

The Manager’s financial year end is 30 September and variable remuneration is paid in respect of performance for the financial year.

Disclosures are provided in relation to

- (a) the staff of the Manager;
- (b) staff who are senior management;
- (c) staff who have the ability to materially affect the risk profile of the Fund (Code Staff);
- and
- (d) staff of companies to which portfolio management and risk management has been formally delegated.

All individuals included in the aggregated figures disclosed are rewarded in line with Impax’s remuneration policy for their responsibilities across the relevant Impax business area.

As all individuals have a number of areas of responsibility, only the portion of remuneration for those individuals’ services attributable to the Manager is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the Manager and across the broader Impax Group.

| | Number of beneficiaries | Total Remuneration /£s | Fixed Remuneration/ £s | Variable Remuneration/ £s |
|-------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|-------------------------------|----------------------------------|
| Total remuneration paid by the Manager | 16 | 13,221,642 | 4,179,231 | 9,042,411 |
| Remuneration paid to employees who have a material impact on the risk profile of IEM plc | | | | |

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|----------------------------------------------------|----|-----------|--|--|
| Senior management (including executives) | 5 | 3,721,954 | | |
| Risk takers and other identified staff | 15 | 9,341,921 | | |
| Allocation of total remuneration to IEM plc | | | | |
| Senior management (including executives) | | 181,369 | | |
| Risk takers and other identified staff | | 197,116 | | |

Remuneration policy

Both fixed and variable remuneration for senior employees is determined by the Board of Impax Asset Management Group Plc (“Impax”), the parent company of the Manager, based on recommendations made by the Remuneration Committee of the Board. The Remuneration Committee is comprised of non-executive Directors.

Fixed remuneration includes salaries, benefits and a pension contribution. Basic salaries are set taking into account the performance of the individual and the rate for similar positions in comparable companies. Benefits include income protection, critical illness, life and private medical insurance.

Variable remuneration comprises a cash bonus and share based payments. The cash bonus for investment team members is based on the profitability of the area where the employee works and on the individual’s personal performance. The cash bonus for members of control functions is based on the individual’s personal performance. The share-based payments comprise awards of options over the shares of Impax (“Options”) or restricted shares in Impax (“Restricted Shares”) and the charge included in this disclosure represents the accounting charge taken for these awards. The Options vest over a 5 year period and vesting is subject to the continued employment of the individual. For certain options, following exercise, holders are required to retain the shares arising to the date 5 years after vesting. Restricted Shares will vest in three equal tranches over a period of 3-5 years.

The Manager’s remuneration policy seeks to avoid conflicts of interest by ensuring that:

- it comprises a mix of fixed and variable remuneration; and
- the key remuneration decisions are made by the Remuneration Committee, all of whom are non-executive directors and receive no variable remuneration attributable to group performance themselves.