

IMPAX ENVIRONMENTAL MARKETS PLC

Division of Responsibility Statements

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance (the “Code”). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the “UK Code”), as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

In accordance with the AIC Code (Provision 8) which requires Boards to agree a clear division of responsibilities of the Chair, Senior Independent Director, Board and Committees which is set out in writing and made publicly available, the Board sets out below the Company’s division of responsibilities:

a. ROLE OF THE BOARD

The Board comprise non-executive directors that are independent of the Fund Manager. The Board at all times maintain their independence by following the guidelines as laid down in the AIC Code.

The Board, in conjunction with the Nomination Committee, determine the Board’s tenure policy and whether there is a need to have a separate tenure for the Chairman.

The Board’s role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The Board has established the Company’s purpose, core values and has satisfied itself that these and its culture are aligned.

The Board ensures that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board has established a framework of prudent and effective controls, which enable risk to be assessed and managed.

In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board ensures effective engagement with and encourages participation from these parties.

At each of its quarterly Board meetings, the Board assesses the basis on which the Company generates and preserves value over the long-term. The Board regularly assesses and monitors its own culture, including its policies, practices and behaviour to ensure it is aligned with the Company’s purpose, values and strategy. Whilst the Fund Manager has delegated authority to invest the Company’s funds, the Board maintains oversight of the Fund Manager’s activities and may impose restrictions where deemed appropriate. This includes imposing limits on the Company’s level of gearing and other strategic matters. Additionally, the Board sets parameters to issue or buy-back shares. The Board has adopted a schedule of matters reserved for its consideration which provides the framework for its role and decision-making process, which can be found on the Company’s website.

The Board, in conjunction with the Management Engagement Committee, monitors and evaluates the Fund Manager’s contractual relationship with the Company and holds to

account the performance of the Manager. Additionally, it evaluates the performance of the Company's other service providers (such as the Company Secretary, registrar and broker).

The Board, supported by the Company Secretary, ensures that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

b. ROLE OF THE CHAIR

The principal role of the Chair is to provide leadership to the Board. The Chair is responsible for the Board's overall effectiveness in directing the Company. To achieve this, the Chair exercises objective judgement and promotes a culture of openness and debate. The Chair facilitates constructive Board relations and the effective contribution of all non-executive directors and ensures that directors receive accurate, timely and clear information.

The Chair is independent on appointment and throughout his tenure he has no relationship that may create a conflict of interest between the Chair and those of the shareholders as set out in the AIC Code.

The Chair's role includes setting board agendas that focus on strategy, performance, value creation, culture, stakeholders and accountability, and ensuring that issues relevant to these areas are reserved for Board decision. The Chair ensures that adequate time is provided at each Board meeting to allow for each agenda item to be thoroughly debated. Furthermore, the Chair ensures that there is a timely flow of accurate, high-quality and clear information. The Chair ensures that each director is aware of and able to discharge their statutory duties.

The Chair encourages each Board member to participate by drawing on their skills, experience and knowledge and to develop a productive working relationship based on trust, mutual respect and open communication, both inside and outside the Boardroom, between Board members and each of its service providers.

In terms of new Board members, the Chair ensures that each new Board member receives a full, formal and tailored induction on joining the Board and that sufficient guidance and mentoring is undertaken by their fellow Board members.

Whilst certain responsibilities have been delegated to the Company's Audit, Remuneration, Nomination and Management Engagement Committees, the Chair ensures that the Board retains ultimate responsibility for its delegated authority and allows appropriate time for discussion and presentation from the Chair of each Committee at the appropriate Board meeting. Furthermore, the Chair ensures appropriate Terms of Reference for each committee are considered and approved by the Board.

The Chair ensures that proceedings at each Board meeting are properly minuted.

In addition to formal general meetings, the Chair ensures the Company's broker seeks regular engagement with major shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy. The Chair, in conjunction with the Company's broker, ensures that the Board as a whole has a clear understanding of the views of shareholders.

The Chair, in conjunction with the Nomination Committee, implements the annual evaluation of the performance of the Board, its committees and individual directors. The Chair also considers having regular externally facilitated board evaluations. The Chair acts on the results of the evaluation by recognising the strengths and addressing any weaknesses of the Board.

c. ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director (the “SID”) works closely with the Chair, providing all necessary support as well as acting as a sounding board for the Chair and an intermediary through which the other directors and shareholders can air their views and concerns. In fulfilling their duties, the SID will attend meetings with shareholders when required to obtain a balanced understanding of their issues and concerns.

The SID facilitates the non-executive directors meeting without the Chair present at least annually to appraise the Chair’s performance and on other occasions as thought necessary.

The SID is also responsible for carrying out succession planning for the position of the Chair, in consultation with the Nomination Committee.

d. ROLE OF COMMITTEES

The role of each committee is described in their respective terms of reference, which can be found on the Company’s website.