

Impax Asset Management Group plc (the “Company”)

Remuneration Committee

Terms of Reference

Dated: 21 November 2023

IMPAX ASSET MANAGEMENT GROUP PLC

7th floor, 30 Panton Street, London, SW1Y 4AJ, UK Tel: +44 (0) 20 3912 3000 Fax: +44 (0) 20 7434 1123 www.impaxam.com

Registered Office: 7th floor, 30 Panton Street, London, SW1Y 4AJ, Registered in England, Company Registration No: 3262305 VAT Reg No: 743707624

1. Constitution

- 1.1. The Board of the Company (the "Board") established a committee of the Board known as the Remuneration Committee (the "Committee") at a full meeting of the Board in accordance with the articles of association of the Company and approved the following terms of reference for the Committee.

2. Membership

- 2.1. The Chair of the Remuneration Committee shall be an independent Non-Executive Director as appointed by the Board and will normally have served on a remuneration committee for at least 12 months. In the absence of the Chair and/or an appointed deputy the remaining members shall elect one of themselves to chair the meeting. The Chair of the Board may also serve on the Committee as an additional member, provided they were considered to be an independent Non-Executive Director at the time of their appointment to the Committee. The Chair of the Board shall not be Chair of the Committee.
- 2.2. The Committee shall comprise at least three members, all of whom shall be independent Non-Executive Directors appointed by the Board and in consultation with the Chair of the Committee. Each member of the Committee shall be free from any relationship that may interfere with the exercise of his or her judgment as a member of the Committee. Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.
- 2.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals including external advisers may be invited to attend for all or part of any meeting, as and when appropriate. The Company's Chief Executive, Chief Financial Officer and Chief People Officer shall normally attend meetings of the Committee.
- 2.4. The Chief People Officer will ensure that the function of "Secretary" of the Committee is carried out with meeting agenda and papers circulated in advance in a timely manner, and meeting minutes recorded.
- 2.5. The Chief Compliance Officer and the Chief Risk Officer will be consulted ahead of compensation round proposals on any compliance behavioural or breach issues or occurrences or any relevant issues that may pertain to potential malus or claw-back considerations. The Committee will receive input from the Chief Compliance Officer, Chief Risk Officer, Enterprise Risk Team and Conduct Committee as appropriate.
- 2.6. The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that any additional appointment must still be an independent Non-Executive Director.
- 2.7. The Committee Chair and members shall be listed each year in the Company's annual report.

3. Procedure

3.1. *Quorum*

- 3.1.1. The quorum for meetings of the Committee shall be two members present in person or in the form of either video or audio conference, provided that all members participating in the meeting are able to speak to and hear each other.

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3.1.2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. No Director should be present when his or her own remuneration is being discussed.

3.1.3. At the discretion of the Chair of the Committee, the Committee may consider and approve proposals sent to them by email. In such cases a minimum of two members are required to approve any such proposals and the Secretary shall ensure that they are recorded appropriately.

3.2. **Operation**

3.2.1. The Committee shall meet at such times as may be necessary and at least twice a year. The frequency of, and attendance by members at, Committee meetings shall be reported by the Committee in the Company's annual report.

3.2.2. The Committee may meet at other times during the year as required, or as agreed between the members of the Committee, or as requested by the Chair of the Committee.

3.3. **Interests**

3.3.1. Each member of the Committee shall disclose to it any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee or any potential conflict arising from a cross-directorship.

3.3.2. The Committee will then determine if the member should be allowed to participate in discussions concerning the matters disclosed and if they should vote on any resolution of the Committee in relation to the matters disclosed.

3.3.3. Save where they have a personal interest, the Chair will have a casting vote.

4. **Authority**

4.1. The Committee is authorised by the Board to seek any information or assistance it requires from any employee of the Company and its subsidiaries (together the "Group"), in order to perform its duties. The Committee will have access to both the Chief People Officer and the Company Secretary for relevant assistance in carrying out its duties.

4.2. In connection with its duties the Committee is authorised by the Board, at the Company's expense, to obtain any outside legal or other professional advice on any matters within its terms of reference and subject to any reasonable budgetary constraints imposed by the Board.

5. **Duties**

5.1. In carrying out its duties listed below, the Committee shall take into account all factors which it deems necessary, including but not limited to any applicable policy and principles on remuneration issued by the UK Financial Conduct Authority (including MiFIDPRU, AIFMD and UCITS Remuneration Codes) (together the "FCA Remuneration Codes") the provisions and recommendations of the QCA Code, the UK Corporate Governance Code, the AIM rules and any future remuneration requirements that may affect the Group and its employees ("Employees").

5.2. The Committee shall:

5.2.1. Determine and agree with the Board the Remuneration Policy for the remuneration of the Company's Chief Executive, Chair, and other Employees. The remuneration of Non-Executive Directors shall be a matter for the Chair and the executive members of the Board.

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- 5.2.2. Review the ongoing appropriateness and relevance of the Remuneration Policy.
- 5.2.3. Determine the policy for, and scope of, pension arrangements for Employees.
- 5.2.4. Annually receive independent assurance (from internal audit or otherwise) that the Group operates in accordance with the principles and processes established in the remuneration policies and is compliant with all relevant remuneration regulations, and to review any findings and appropriate action.
- 5.2.5. Approve the design of, and determine targets for, any performance related pay schemes operated by the Group, ensuring that performance conditions are stretching and designed to promote the long-term success of the Group, taking into account a range of financial and non-financial measures,
- 5.2.6. Approve the total annual payments made under performance related pay schemes, the allocation of the total awards (having considered the recommendations of the Chief Executive).
- 5.2.7. Approve the design of all share incentive plans for approval by the Board and shareholders.
- 5.2.8. For any such plans, determine each year if any performance conditions have been met and whether awards will be made, and if so, the overall amount of such awards and the individual awards to Material Risk Takers (MRTs) having considered the recommendations of the Chief Executive.
- 5.2.9. Have the authority to exercise discretion to override any non-contractual formulaic outcomes and to recover and/or withhold sums of awards under appropriate and specified circumstances.
- 5.2.10. Work with the Risk, Compliance and HR functions to ensure that the design of remuneration arrangements and the selection and calibration of metrics do not encourage excessive risk taking or short termism, in line with the Group's risk policies. Ensure that both the risk profile and risk events are appropriately taken into consideration in the determination of remuneration outcomes at both the individual and firm-wide level, supported by reporting from the Chief Compliance Officer, Chief Risk Officer, Enterprise Risk Committee and the Conduct Committee
- 5.2.11. Review and approve the framework for the identification of Material Risk Takers (MRTs).
- 5.2.12. Determine the individual remuneration for MRTs, the Chief Executive, the Executive Directors, and the Management Committee members in cases of annual compensation adjustments and other remuneration adjustments.
- 5.2.13. Delegate powers to the Chief Executive to determine the remuneration for Employees below the level of Executive Director, MRTs and Management Committee members. The Committee will have oversight of aggregated annual compensation recommendations from the Chief Executive.
- 5.2.14. Approve control function pay design and the performance assessment of the heads of the control functions and any control function specific scorecards.
- 5.2.15. Determine new hire packages for MRTs, the Chief Executive, Executive Directors, and Management Committee members. For remaining Employees, the Chief Executive will have the authority to determine remuneration related decisions provided the remuneration is consistent with relevant Company policies, agreed budgets and remuneration packages offered to new Employees joining the Group.

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- 5.2.16. Determine leaving payments, conditions and severance for MRTs, Management Committee members, the Chief Executive and Executive Directors and ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 5.2.17. Approve the aggregate pay for all Employees below the level of Executive Director, MRTs and Management Committee members having considered the recommendations of the Chief Executive.
- 5.2.18. In determining the remuneration policy and individual remuneration packages and arrangements, giving due regard to the QCA Code and any relevant legal and regulatory requirements, the provisions and recommendations in the UK Corporate Governance Code, the FCA Remuneration Code and the AIM Rules and any future remuneration requirements.
- 5.2.19. Review and note annually the remuneration trends across the Group by obtaining reliable information about remuneration in companies in comparable sectors and peer groups.
- 5.2.20. When setting the policy for Executive Director's remuneration, ensure this is aligned with the firmwide pay policy for the Company's employees.
- 5.2.21. Review the Employees' remuneration and related policies and the alignment of incentives and rewards with culture.
- 5.2.22. Approve any major changes in employee benefits structures throughout the Group.
- 5.2.23. Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, ensuring that any such consultants appointed are identified in the Company's Annual Report, alongside a statement about any other connection it has with the Company, the Group or individual directors.
- 5.2.24. Oversee the adjudication committee of carried interest partnerships for Impax managed private equity funds.
- 5.2.25. Discuss any matters which the Chair or Committee consider relevant to the Company's remuneration policies or decisions; and consider such other matters as may be requested by the Board of directors and work and liaise as necessary with all other Board committees.

6. Self-Review

- 6.1 The Committee shall, at least annually, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary for Board approval.

7. Reporting

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The Secretary shall promptly send draft minutes of Committee meetings first to the Chair of the Committee and after the Chair's comments have been resolved to the other members of the Committee, the Chief Executive and the Chair of the Board. Once all recipients' comments have been resolved to the satisfaction of the Chair of the Committee, she/he should approve the minutes by email, or in a meeting of the Committee. The final minutes should be made available to all members of the Board on request, unless it would be inappropriate to do so.

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- 7.2 The Secretary may be asked to leave the meeting at times at the discretion of the Committee. The Secretary shall note this in the minutes. The Chair of the Committee shall minute the proceedings and resolutions of the meeting for this period.
- 7.3 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action is needed.
- 7.4 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report.
- 7.5 The Committee will ensure they comply with any regulatory requirement on Remuneration reporting or disclosure externally, including pensions.
- 7.6 The Committee shall make available these terms of reference to shareholders and include the information on the Company's website.
- 7.7 The Chair of the Committee shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

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