

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt as to the action which you should take you are recommended to consult your solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your Ordinary Shares in Impax Asset Management Group plc, please pass this document (including the accompanying Form of Proxy) to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

---

## **IMPAX ASSET MANAGEMENT GROUP PLC**

*(incorporated in England and Wales with registered number 3262305)*

**Proposal to approve proposed borrowing  
by the Group in connection with the  
financing of an acquisition**

**and**

**Notice of General Meeting**

---

Notice of a General Meeting of the Company, to be held at Norfolk House, 31 St James's Square, London SW1Y 4JR at 11.00 a.m. on 18 October 2017, is set out at the end of this document. Whether or not you propose to attend the General Meeting, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to be received by Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, no later than 48 hours before the appointed time for the General Meeting. Completion and return of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

## Contents

	<i>Page</i>
Definitions	2
Expected Timetable of Events	2
Letter from the Chairman	3
Notice of General Meeting	6

## Definitions

The following definitions apply throughout this document unless the context otherwise requires:

<b>“Acquisition”</b>	the acquisition of outstanding membership interests in Pax by the Group as described in the introduction paragraph in the Letter from the Chairman
<b>“Articles”</b>	the articles of association of the Company, as amended from time to time
<b>“Board” or “Directors”</b>	the directors of the Company
<b>“Company”</b>	Impax Asset Management Group plc
<b>“Form of Proxy”</b>	the form of proxy for use by Shareholders in connection with the General Meeting
<b>“General Meeting”</b>	the general meeting of the Company to be held at Norfolk House, 31 St James’s Square, London SW1Y 4JR at 11.00 a.m. on 18 October 2017 (or any adjournment thereof), notice of which is set out at the end of this document
<b>“Group”</b>	the Company and its subsidiaries from time to time (or any of these as the context may permit)
<b>“Ordinary Shares”</b>	ordinary shares of 1 pence each in the capital of the Company
<b>“Pax”</b>	Pax World Management LLC
<b>“Shareholders”</b>	holders of Ordinary Shares

## Expected Timetable of Events

Latest time and date for receipt of CREST proxy instructions	11.00 a.m. on 16 October 2017
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 16 October 2017
General Meeting	11.00 a.m. on 18 October 2017

## Letter from the Chairman of

# Impax Asset Management Group plc

(incorporated in England and Wales with registered number 3262305)

### Directors

J Keith R Falconer (*Chairman*)  
Ian Simm (*Chief Executive*)  
Guy de Froment (*Non-Executive Director*)  
Vince O'Brien (*Non-Executive Director*)  
Sally Bridgeland (*Non-Executive Director*)  
Lindsey Brace Martinez (*Non-Executive Director*)

### Registered Office

Norfolk House  
31 St James's Square  
London  
SW1Y 4JR

18 September 2017

Dear Shareholder,

## Proposal to approve proposed borrowing by the Group in connection with the financing of an acquisition

### Introduction

The Board announced today that the Group has entered into agreements to acquire 100 per cent. of the membership interests in Pax World Management LLC (a Delaware limited liability company) ("**Pax**") through a purchase and sale agreement to buy approximately 83.3 per cent. of the membership interests (conditional on certain approvals) and put and call option arrangements to acquire the remaining approximately 16.7 per cent. of the membership interests (which are currently held by Pax management) following an earn out period (the "**Acquisition**"). The consideration for the Acquisition will be a minimum of US\$52.5 million plus a contingent element of up to US\$37.5 million.

Pax is a US-based investment manager which, like the Group, focuses on opportunities and risks arising from the transition to a more sustainable global economy. Pax, which was founded in 1971, is a recognised leader in the field of sustainable investing in the United States. Based in Portsmouth, New Hampshire, Pax manages eleven mutual funds and, as at 31 August 2017, had assets under management of US\$4.4 billion. The Group and Pax formed a partnership in 2007 to launch and manage the Pax Global Environmental Markets Fund which, as a result of the successful long-term collaboration between the two companies, as at 31 August 2017 had net assets of circa US\$511 million.

The Board proposes to fund the consideration for the Acquisition by a combination of existing resources, debt financing and an issue of Ordinary Shares to the vendors.

Due to certain borrowing limits imposed under the Articles, the proposed utilisation of bank borrowing to part-fund the Acquisition requires the prior approval of Shareholders. The purpose of this document is to give Shareholders further details about the proposed borrowing and to convene the necessary General Meeting to be held at Norfolk House, 31 St James's Square, London SW1Y 4JR at 11.00 a.m. on 18 October 2017.

The Directors consider that it is in the best interests of Shareholders to vote in favour of the resolution to be proposed at the General Meeting.

The Company has received irrevocable undertakings to vote in favour of the ordinary resolution to be proposed at the General Meeting in respect of 61,279,994 Ordinary Shares, representing 48.0 per cent. of the issued ordinary share capital of the Company (which includes 19,840,918 Ordinary Shares in respect of Directors' beneficial holdings, representing 15.5 per cent. of the issued ordinary share capital of the Company).

### Background to the proposed bank borrowing

Full details of the Acquisition are set out in the announcement made by the Company today (the "**Announcement**"). Those details are not repeated here.

In order to part-fund the Acquisition, the Company has entered into a US\$26 million facilities agreement with The Royal Bank of Scotland plc, under which, subject to certain conditions precedent,

the bank will make available a US\$13 million three year term loan facility and a US\$13 million five year revolving facility (together the “**Facilities**”). In addition to part-funding the Acquisition, the revolving facility can be used for the general corporate purposes of the Group. Loans made under the Facilities will bear interest at a floating rate per annum equal to LIBOR plus 2.9 per cent. in the case of term loans or 3.3 per cent. in the case of revolving loans. The Facilities will be borrowed by the Company and guaranteed by and secured on the assets of the Company’s subsidiaries Impax Asset Management Limited, Impax Asset Management (AIFM) Ltd and IAM US Holdco, Inc. (a newly formed special purchase vehicle established for the purpose of the Acquisition). Further Group companies may be required to accede if required in order to ensure that guarantees and security are provided by companies that together represent at least 90 per cent. of the Group’s aggregate revenue and assets.

### **Borrowing restrictions in the Articles**

The Articles permit the Board to exercise all the Company’s powers to borrow money, guarantee, indemnify, mortgage or charge its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. However, such borrowing powers are limited in that the Company must obtain the previous sanction of Shareholders by way of an ordinary resolution if the principal amount outstanding from all moneys borrowed by the Group is to exceed a prescribed upper limit, such limit being stipulated under the Articles as an amount equal to the higher of £1 million and three times the “adjusted capital and reserves”.

The calculation of “adjusted capital and reserves” involves deducting from the Group’s reserves any goodwill or other intangible assets on the Group’s balance sheet. The Acquisition is expected to create goodwill and intangible assets equal to the difference between the value attributable to the tangible net assets of Pax (before fair value adjustments which may arise at completion of the Acquisition) and the aggregate consideration to be paid.

The goodwill and intangible assets arising on the Acquisition will be approximately £38.5 million. After taking into account the pro-forma adjusted capital and reserves following completion of the Acquisition, the value of the principal amount outstanding from the proposed bank borrowing, i.e. US\$26 million as referred to above, would exceed the above-mentioned upper limit stipulated under the Articles (i.e. exceed three times the Company’s adjusted capital and reserves).

Therefore, as required by the Articles, prior Shareholder approval by way of an ordinary resolution is required before the Company is permitted to utilise the Facilities. The Directors consider that it is in the best interests of Shareholders to sanction the utilisation of the Facilities in this way, because it would enable the Group to proceed with the Acquisition.

### **General Meeting and ordinary resolution**

The General Meeting has been convened for the purpose of seeking Shareholder approval of the utilisation of the above-mentioned bank borrowing as well as to permit immaterial borrowings in the future. Shareholders will find at the end of this document a notice convening the General Meeting and a Form of Proxy for use at the General Meeting. The General Meeting is convened for the date and time set out in the notice and will be held at Norfolk House, 31 St James’s Square, London SW1Y 4JR.

At the General Meeting, one ordinary resolution will be proposed, which requires a majority of the votes cast in respect of the resolution to be cast in favour in order for the resolution to be passed.

### **Action to be taken**

If you are unable to attend the General Meeting but wish to exercise your vote, please complete the enclosed Form of Proxy and return it to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.

To be valid the Form of Proxy must be received at the above address not later than 48 hours before the time fixed for the holding of the General Meeting.

### **Recommendation**

The Directors believe that the resolution to be proposed at the General Meeting is in the best interests of the Company and its Shareholders as a whole, as it would enable the Group to undertake the Acquisition, and unanimously recommend you vote in favour of such a resolution, as

they have directly or indirectly irrevocably undertaken or otherwise intend to do in respect of their own beneficial shareholdings.

Yours faithfully,

**J Keith R Falconer**  
*Chairman*

## Notice of General Meeting

### Impax Asset Management Group plc

(incorporated in England and Wales with registered number 3262305)

**NOTICE** is hereby given that a General Meeting of Impax Asset Management Group plc (the “**Company**”) will be held at Norfolk House, 31 St James’s Square, London SW1Y 4JR on 18 October 2017 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

#### ORDINARY RESOLUTION

**THAT** the obligations of the board under Article 99 of the Company’s Articles of Association to restrict the borrowings of the Company and its subsidiaries, as set out in further detail in that Article, shall not apply in any respect in relation to:

- (a) any Moneys Borrowed under or in relation to the Facilities (as defined in the circular to shareholders of the Company of which this notice forms part); or
- (b) any Moneys Borrowed permitted to be incurred and/or outstanding under the terms of the Facilities; or
- (c) any Moneys Borrowed permitted to be incurred and/or outstanding with the consent of the lenders under the Facilities,

and accordingly the directors of the Company be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to enter into and exercise its rights and perform its obligations under the Facilities and its associated documentation. For the avoidance of doubt, this ordinary resolution is a sanctioning ordinary resolution as referred to in Article 99 of the Company’s Articles of Association in relation to the Facilities. For the purpose of this ordinary resolution, “Moneys Borrowed” shall have the meaning given in the Company’s Articles of Association.

By order of the Board

**Zack Wilson**

Company Secretary

Date: 18 September 2017

*Registered Office*  
Norfolk House  
31 St James’s Square  
London  
SW1Y 4JR

#### NOTES:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his or her stead. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company. A form of proxy is enclosed for use of members. Completion and return of a form of proxy or CREST Proxy Instruction (as described in note 4) will not preclude a member from attending and voting in person at the meeting should he or she so decide. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. If you appoint a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
2. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power of authority) must be deposited at the offices of Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by 11.00 a.m. on 16 October 2017. To change your proxy instructions simply submit a new proxy appointment using the methods set out above and in the notes to the form of proxy. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
3. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered in the Register of Members at close of business on 16 October 2017 (or, in the event of any adjournment, close of business on the date which is two days before the time of the adjourned meeting).

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company’s agent, Capita Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.
5. As at 15 September 2017 (being the last practicable date prior to the publication of this Notice) the total number of Ordinary Shares in the Company in issue was 127,749,098 and the Company held no Shares in treasury. The total number of voting rights on that date was therefore 127,749,098.
6. Members have a right under section 319A of the Companies Act 2006 to require the Company to answer any question raised by a member at the General Meeting, which relates to the business being dealt with at the meeting, although no answer need be given: (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company’s website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting.
7. A copy of this notice of general meeting and other information required by section 311A of the Companies Act 2006, can be found at [www.impaxam.com](http://www.impaxam.com).