Impax Asset Management Limited

MIFIDPRU Public Disclosure

For the Financial year:
1 October 2022 to 30 September 2023

Applicable with effect from:
28 June 2024

1 Public Disclosure

1.1 Introduction

The Investment Firm Prudential Regime ('IFPR') is the FCA's prudential regime for MiFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms. The IFPR came into effect on 1 January 2022 and its provisions apply to Impax Asset Management Limited (the "Firm") as an FCA authorised and regulated firm.

The Firm is part of the Impax group (parent company Impax Asset Management Group plc ("Impax") and is a specialist investment manager, investing in the transition to a more sustainable global economy. Impax establishes and seeks to grow a small number of scalable products and to sustain excellent investment performance. It markets these products predominantly to larger investors who can deploy a significant quantity of capital. To achieve these objectives, Impax recognises the importance of attracting outstanding investment talent and retaining a core senior management team whose interests are aligned with those of shareholders.

The Firm is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8. This disclosure document covers all aspects of the disclosure requirements within the scope of the MIFIDPRU rules applicable to non-small and non-interconnected ('Non-SNI') investment firms.

The Firm is a member of a UK Consolidation Group. The disclosures have been prepared on an individual basis. The Firm believes that its qualitative disclosures are appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities. This disclosure has been approved for disclosure by the Board of Directors of the Firm (the "Board").

The annual audited accounts of the Firm set out further information which complements the information in this disclosure. The audited accounts are freely available from UK Companies House.

This document does not constitute any form of financial statement on behalf of the Firm. The information contained herein has been subject to internal review but has not been audited by the Firm's external auditors.

1.2 Objectives

This document sets out the public disclosure under MIFIDPRU 8 for the Firm as of 30 September 2023, which is the Firm's accounting reference date.

As a MIFIDPRU investment firm, the Firm must establish and implement disclosure requirements to provide investors, stakeholders and wider market participants with an insight into how the Firm is run.

1.3 Disclosure timing requirements

The Firm is required to publicly disclose the information specified in this document on an annual basis on the date it publishes its annual financial statements, which is on or before 30 June 2024.

The Firm will consider making more frequent public disclosure where particular circumstances demand it, for example, in the event of a major change to its business model or where a merger has taken place.

1.4 Disclosure Validation

The Firm is committed to having robust internal controls to ensure the completeness, accuracy, and compliance with the relevant public disclosure regulatory requirements.

This document has been subject to internal governance and verification process, and approval by the Board to ensure compliance with the regulatory requirements contained in MIFIDPRU 8.

As a Non-SNI firm, the public disclosure document contains the following key areas:

- Governance arrangements;
- Risk Management objectives and policies;
- Own funds;
- Own funds requirements; and
- Remuneration policy and practices.

2 Governance arrangements disclosure

2.1 Governance Framework

The Board is the Governing Body of the Firm. It meets regularly and as at the date hereof is comprised of:

Chair & Independent Non-Executive Director:
- Sally Bridgeland

Executive Directors
- Ian R Simm
- Bruce Jenkyn-Jones
- Daniel von Preyss
- Catherine Bremner
- Karen Cockburn

Independent Non-Executive Director
- Simon O'Regan[1]

The role of the Board is to provide oversight and take responsibility for the strategic leadership of the Firm within a framework of good corporate governance and prudent and effective controls which enables risk to be assessed and managed, including appropriate segregation of duties of the Senior Management Functions in accordance with the Senior Management and Certification Regime ('SM&CR') and management of conflicts of interest. The Board sets the structure in place for the Firm to meet its objectives and reviews management performance. The Board sets and oversees the Firm's values and standards and ensures that its obligations to its shareholders, its clients and others are understood.

A review of the performance of the Board takes place annually and all staff are reviewed annually in respect of competence and fitness and propriety.

The Board discharges daily management and oversight responsibility for the business supported by other key members of the senior management team within the Firm.

The Firm seeks regulatory approval prior to appointments to the Board under the SM&CR. All Board members are registered and listed on the FCA Register and have individual responsibilities (including prescribed responsibilities under SM&CR) documented in a Statement of Responsibilities.

[1] Appointed 5 March 2024

IMPAX Asset Management

2.2 Overview of the Board Committees

The Firm has not formed any stand-alone committees due to its size. As the Firm is a wholly owned subsidiary of Impax, the Firm along with other regulated subsidiaries relies upon group-wide committees (the "Group Committees"). The purpose of the Group Committees along with their respective scopes of duties and responsibilities are formalised in their individual Terms of Reference.

The following Group Committees are in place:

- Audit and Risk Committee
- Remuneration Committee
- Management Committee
- Enterprise Risk Committee
- Investment Committees
- Treasury Committee
- Valuation Committee
- Best Execution Committee
- Product & New Business Committee
- Environmental Committee
- Conduct Committee
- Compliance Committee

2.3 Directorships

The following table details the Board of Directors of the Firm as at 30 September 2023, together with details of Directorships held by any Board member at external, commercial organisations (as at the date of this Disclosure).

Role	Name	Number of other external directorships
Chair & Independent Non-Executive Director	Sally Bridgeland	6
Executive Director	Ian Simm	0
Executive Director	Bruce Jenkyn-Jones	0
Executive Director	Daniel von Preyss	0
Executive Director	Catherine Bremner	0
Executive Director	Karen Cockburn	1
Appointments since 30 September 2023		
Independent Non-Executive Director	Simon O'Regan (appointed: 5 March 2024)	0

2.4 Diversity

The Firm values the innovation and creativity that diversity of thought brings to the organisation and understands that diversity, equality and inclusion play a critical role in establishing strong governance and maintaining a healthy culture from the top as part of delivering higher standards of conduct and success of the Firm. The Firm is committed to building a workforce that reflects all aspects of diversity and intersectionality to bring a range of perspectives, ideas and insights to everything the Firm does.

One of the Firm's objectives is to ensure that the composition of the Board is always suitable for it to be an effective decision-making body and to provide successful oversight and stewardship. Suitability of the members of the Board is reassessed periodically, in line with the requirements of the SM&CR. The Directors are appointed in accordance with the following suitability criteria:

- Being of good repute;
- Being able to act with honesty, integrity and independence of mind;
- Overseeing, monitoring and challenging management decision-making effectively;
- Disclosing any financial or non-financial interests that could create potential conflicts of interest;
- Possessing sufficient knowledge, skills and experience to perform their duties;
- Being able to commit sufficient time to perform management body functions in a supervisory context; and
- Not being restricted from taking up the position by any regulatory requirement.

The assessment of an individual's adequate knowledge, skills and experience will consider:

- The role and duties of the position and the required capabilities;
- The knowledge and skills attained through education, training and practice;
- The practical and professional experience gained in previous positions; and
- The knowledge and skills acquired and demonstrated by the professional conduct of the member of the Board.

2.5 Equity, Diversity & Inclusion

The Firm believes that the transition to a more sustainable economy is closely linked to the transition to a more equitable society. Equity, diversity and inclusion ("E,D&I") are critical to the Firm's own organisation, to the success of the companies in which it invests, and in creating opportunity in the communities in which it operates. The Firm and Impax is committed to using the tools it has as investors to address discrimination and inequity.

Investments

The Firm invests in companies that are well positioned to benefit from the transition to a more sustainable economy, including companies that are leaders on human capital issues such as E,D&I. Impax is a pioneer in gender lens investing. The Firm withholds votes from companies that we believe lack sufficient diversity on their boards. The Firm engages with the companies in its investment portfolios to press for greater diversity on their leadership teams and equitable pay for all staff irrespective of gender or race.

Business

The Firm's E,D&I vision is to continue to build an inclusive, equitable culture where everyone feels they belong, are valued as an individual, and can thrive. Impax remains focused on increasing the number of women and racial and ethnic minorities, especially at senior levels, and to equal pay across the Firm.

The Firm's priorities include:

- Setting goals and providing tools for managers to promote accountability for E,D&I progress;
- Extending the potential talent pool in recruitment and engaging with recruiters with a strong track record when it comes to diversity; and
- Gathering data directly and confidentially from employees across different facets of diversity and analysing results.

Partnerships and Social Impact

The Firm partners with organisations focused on E,D&I, spotlighting the unique challenges faced by women and minorities within its industry. The Firm offers young people from socially diverse backgrounds the opportunity to work in the investment management space. Impax also encourage colleagues to play an active role in the community – for the benefit of both the Firm's business and wider society with employees of the Firm and Impax participating in volunteering opportunities with organisations aligned with the Firm's philosophy.

3 Risk Management Objectives and Policies

The Board has responsibility for maintaining a sound system of governance, internal control and risk management.

As a wholly owned subsidiary of Impax, the Firm relies on the Impax Enterprise Risk Management Framework which facilitates consistent risk management across the Group and each regulated subsidiary, including the Firm. The approach to risk management incorporates the '3 Lines of Defence' model to ensure clarity of ownership of and responsibility for risk management.

Accountability for identifying, measuring, reporting, managing and mitigating relevant risk sits primarily with the 'first line', with second line (Risk and Compliance) providing independent challenge, oversight and advice and assurance on risk management. The second line risk team maintains the Enterprise Risk Management Framework. Second line Risk and Compliance attend each Board meeting of the Firm. Independent assurance on the activities of the first and second lines, is provided by internal audit (third line).

3.1 Enterprise Risk Management Framework

The management of risk is formalised and set out in the Risk Management Framework and associated policies and involves:

Identification of Risks:

Identifying and then defining key and emerging enterprise risks through methods including: 'top down' horizon scanning reviews, 'bottom up' risk and control self-assessments ("RCSAs"), assessing harms in the capital and liquidity assessment processes, holding regular meetings with business units and reviewing new products, major changes, and internal and external operating events with assigned risk owners.

Measurement of Risk and managing to Risk appetite:

Establishing risk appetites for each identified key risk, and monitoring management of those key risks within tolerances, engaging with key risk owners and business functions in respect of breaches to ensure appropriate actions are taken to ensure risks return to within appetite levels.

Risk management and control:

Maintaining the three lines of defence model with the prominent involvement of second line oversight in the business activities and forums and committees and by using effective processes to measure, manage, and control risks including RCSAs, remediating incidents and escalating risk issues, coordinating f actions to mitigate risks and ascribe proper ownership.

Risk and incident monitoring:

Establishing and monitoring enterprise-wide key risk indicators ('KRIs') to indicate when actions are needed to address any risks breaching appetite levels. Risk reports are produced regularly to the appropriate forums, boards and committees. Incidents are resolved according to the Global Incident Management Procedure and recorded in and reported on via the internal risk incident management database. Capital and Liquidity assessments are undertaken, including the Firm's Internal Capital Adequacy and Risk Assessment ("ICARA") process, and they include the quantification of regulatory capital and liquidity requirements.

Risk governance:

Policies and procedures established and embedded; risk committees; and overseeing the risk management framework.

3.2 Statement of Risk Appetite

The Board regards managing risk as a process of continuous improvement, evolving and enhancing the risk management framework on an ongoing basis. The Board has adopted a conservative approach to the Firm's risk appetite to maintain a strong capital position, liquidity and balance sheet throughout market cycles. The Firm identifies and further assesses key risks within the Firm's ICARA process, and maintains a Key Risk Register.

Key Risk Indicators ("KRIs") have been developed for Key Risks and monitoring of KRIs with reporting to Group Committees and to the Board of the Firm. The risk assessment process seeks to identify the most significant/material harms to the clients of the Firm, to the market in which the Firm operates and to the Firm itself.

3.3 Internal Capital Adequacy and Risk Assessment ("ICARA")

The ICARA is a process of ongoing identification, monitoring and mitigation of the harms that a firm may pose to itself, its clients and the markets it operates in from both its ongoing business operations and those that may arise from winding down its business, and to identify the capital and liquid assets considered adequate to cover unmitigated harms that the Firm may cause itself, its clients and the markets it operates in. The Firm is required to complete an ICARA on at least an annual basis.

3.4 Own Funds Requirements – MIFIDPRU 4

When assessing the adequacy of the Own Funds Requirement, the Firm has considered the key risks to the Firm's operating model. Due to our classification as a Non-SNI firm, the Firm's own funds requirement is based on the higher of the Permanent Minimum Requirement ('PMR'), the Fixed Overheads Requirement ('FOR') or the K-Factor Requirement ('KFR'). The Firm's Own Fund Requirements are detailed in Section 4.

3.5 Liquidity Risk – MIFIDPRU 6

The Firm also maintains minimum liquidity at all times in compliance with the Basic Liquid Asset Requirement, to satisfy its net wind-down costs and any additional liquidity requirements which the ICARA identified for supporting the ongoing business activities of the Firm.

3.6 Harms associated with business strategy

The Firm has conducted a comprehensive risk identification exercise of potential harms in line with MIFIDPRU 7 Annex 1 across all business lines to ensure that all significant risks are identified. The Firm has developed a comprehensive Risk Register containing all relevant details for each risk that has been identified. All business areas of the Firm have input into the development of the risk register to ensure all areas of potential harm are identified. All risks recorded in the register are categorised in terms of potential harms to clients, the firm itself or markets.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Firm has undertaken a risk identification and scoring exercise and the risk appetite level is set appropriately. Where through monitoring a risk is identified as tracking outside of agreed appetite it will be addressed as a priority to ensure that it is, through mitigation, brought within appetite tolerance levels.

Business/Strategic Risk

Business / Strategy Risk is the risk which arises from changes to the Firm's business, or where the Firm may not be able to carry out its business or strategic plans. As part of the ICARA, the Firm considers scenarios to stress test the business model, including against severe but plausible scenarios.

Market Risk

Market risk arises where fluctuations in value of assets, interest or exchange rates cause a divergence in the value of assets and liabilities. The impact of these market movements is considered within the stress testing analysis in the ICARA process.

Credit Risk

Credit risk is defined as the loss resulting from a client or counterparty's failure to repay amounts in full when due. The Firm's key exposure is to corporate cash counterparty default – the failure of a counterparty with which the Firm has placed cash. The risk is managed through limiting bank deposits to high quality credit institutions.

4 Own funds disclosure

4.1 Composition of Regulatory Own Funds

The Firm's own funds consist of CET1 capital, Additional Tier 1 capital, and Tier 2 Capital. As at the Firm's financial year end on 30 September 2023, the Firm complied with all capital requirements.

Composition of regulatory own funds			
	Item	**Amount (GBP thousands)**	**Source based on reference numbers / letters of the balance sheet in the audited financial statements**
1	**OWN FUNDS**	44,408	
2	**TIER 1 CAPITAL**	44,408	
3	**COMMON EQUITY TIER 1 CAPITAL**	44,408	
4	Fully paid-up capital instruments	10	Note 12
5	Share premium		
6	Retained earnings	51,441	
7	Accumulated other comprehensive income		
8	Other reserves	22,124	
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(29,167)	Note 7 (deferred tax), Note 8 (intangible assets), Directors' report (foreseeable dividend)
19	CET1: Other capital elements, deductions and adjustments		
20	**ADDITIONAL TIER 1 CAPITAL**	0	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	**TIER 2 CAPITAL**	0	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

4.2 Reconciliation of Regulatory Own Funds

The table below describes the reconciliation of own funds to the balance sheet in the audited financial statements as at 30 September 2023, where assets and liabilities have been identified by their respective classes. The information in the table below reflects the balance sheet in the audited financial statements.

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	b	c
		Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Cross-reference to template OF1**
		As at period end	**As at period end**	
Assets – *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	Intangible assets	245	N/A	Item 11
2	Investments	1	N/A	
3	Deferred tax asset	1,722	N/A	Item 11
4	Trade and other receivables	45,442	N/A	
5	Current tax asset	1,727	N/A	
6	Cash invested in money market funds	42,504	N/A	
7	Cash and cash equivalents	29,214	N/A	
	Total Assets	120,855	N/A	
Liabilities – *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	Trade and other payables	47,280	N/A	
	Total Liabilities	47,280	N/A	
Shareholders' Equity				
1	Called up share capital	10	N/A	Item 4
2	Capital redemption reserve	180	N/A	Item 8
3	Capital contribution reserve	21,944	N/A	Item 8
4	Retained earnings	51,441	N/A	Item 6
	Total Shareholders' Equity	73,575	N/A	

5 Own funds requirements disclosure

5.1 Own funds requirement

The Firm is required to disclose the K-factor requirement ('KFR') and the fixed overheads requirement ('FOR') amounts in relation to its compliance with the own funds requirements set out in MIFIDPRU 4.3, based on the audited financial statements for the year ended 30 September 2023.

		£'000
K-factor	Sum of K-AUM, K-CMH and K-ASA	6,136
	Sum of K-COH and K-DTF	98
	SUM of K-NPR, K-CMG and K-CON	-
	Total KFR	6,234
FOR		11,062

5.2 Compliance with Overall Financial Adequacy Rule

In line with the provisions relating to the Overall Financial Adequacy Rule ('OFAR') set out in MIFIDPRU 7.4.7R, the Firm is also required to disclose its approach to assessing the adequacy of the Firm's own funds.

ICARA process

Within the annual ICARA process, the Firm is required to identify and assess the following:

- any material/key risks that arise from its activities;
- any material harms that may be caused to the clients, the market or the Firm itself as a result of its activities; and
- whether, at all times, the Firm has sufficient own funds and liquid resources to meet the OFAR.

The OFAR requires that the Firm holds own funds and liquid assets which are adequate (both in amount and quality) to ensure that:

- the Firm can remain financially viable throughout the economic cycle and be able to address any material potential harm; and
- the Firm's business can be wound down in an orderly manner with minimal impact on consumers and other market participants.

The process of embedding the ICARA process within the Firm has been completed and the adequacy of the ICARA process will be reviewed on an annual basis thereafter, or more frequently, should there be any material change to the business risk profile or business model.

The ICARA process encompasses various aspects of internal governance with a particular focus on:

- identification, monitoring and mitigation of harms;
- business model planning and forecasting;
- recovery and wind-down planning;
- assessing the adequacy of financial resources; and
- assessing the overall effectiveness of the risk management of the Firm.

As part of the ICARA process, the Firm establishes its own funds threshold requirement and its liquid assets threshold requirement to comply with the OFAR and to ensure the Firm can remain viable, addressing any potential harm from ongoing activities, and can wind-down in an orderly way. For harms not adequately mitigated through existing systems and controls, the Firm assesses whether additional own funds and/or liquid assets are required.

The recovery action planning contains appropriate recovery actions to restore own funds and/or liquid resources to avoid breaching threshold requirements and early-warning-indicators ('EWIs') to assist the Firm when approaching trigger levels and set out credible actions to help reverse or repair any adverse trends.

The wind-down planning includes triggers (own funds and liquid assets) and timelines. The Firm considers different scenarios that could cause a need to wind-down the business. These underlying drivers could result in the need for different resources (financial and non-financial) during the wind-down period. The Firm sets resources aside so that sufficient own funds and liquid assets are available at all times to enable an orderly wind-down.

Risk management

The Firm maintains a formally documented Risk Register that is based upon its business plan and approved by the Board. Each risk within the Risk Register is cross-referenced to possible ICARA harms (client, market, firm) and assessed to determine its materiality to the Firm. A description of the controls put in place to mitigate each risk is also included.

The Board defines the Firm's risk appetite, which reflects the Firm's appetite in relation to all identified material risks and is therefore aligned to the Risk Register. The Firm's overall risk appetite must be such that its own fund and liquidity requirements, as captured in the ICARA process, are maintained within its risk bearing capacity or capital resources. All material risks identified in the Risk Register are assessed to determine appropriate own funds and liquidity reserves. Regular stress testing and scenario analysis is undertaken to ensure these reserves are sufficient to meet current and future obligations under a variety of stressed conditions.

Own funds adequacy

The Firm assesses the adequacy of its own funds on a regular basis against a variety of own funds requirement assessments. In maintaining the Firm's own funds requirements within the risk appetite, EWIs have been established. These are agreed as part of the annual own funds planning process and reviewed annually.

Levels of own funds usage against limit are regularly monitored and reported at least quarterly.

Liquid assets adequacy

The Firm has an established liquidity risk management framework based on the Firm's approved liquidity risk appetite in order to ensure that:

- the basic liquid asset requirement ('BLAR') is met; and
- the liquid assets threshold requirement is determined.

The Firm further assesses its compliance with liquid asset threshold requirement which is based on the sum of BLAR and an additional liquid asset requirement determined during the ICARA process, to ensure liquidity adequacy in stressed conditions and during an orderly wind-down as part of its OFAR compliance from a liquidity perspective.

Liquidity risks are identified through ongoing liquidity management and monitoring, which contribute to the development of the Firm's liquidity risk management framework and formulating stress testing scenario design and key assumptions.

The Firm's monitoring and reporting of its liquidity position is undertaken through established reporting against the key liquidity metrics. Any triggers or breaches would be escalated in line with the escalation framework.

6 Remuneration

6.1 Basis of Disclosure

The below sets out the public disclosures required for remuneration under MIFIDPRU 8.6. At present, the Firm is not subject to the extended remuneration requirements under SYSC 19G. As a MIFIDPRU investment firm, the Firm must establish, implement and maintain gender-neutral remuneration policies and practices that are appropriate and proportionate to the nature, scale and complexity of the business model and activities of the Firm. The Firm's performance period is 1 October 2022 to 30 September 2023.

6.2 Remuneration Code Disclosure

The Firm's Remuneration Policy comply with the principles of the MIFIDPRU Remuneration Code (SYSC 19G), and considers the conflicts of interest and fair treatment of clients / investors' obligations under MiFID (SYSC 19F).

6.3 Governance & Remuneration Committee

The Firm relies on group wide committees including its Remuneration Committee. Impax has an independent Remuneration Committee ("Committee") comprising entirely of Non-Executive Directors. The Committee has oversight of all remuneration arrangements for all staff of the Group, including the Firm, and it considers all material elements of remuneration policy, which includes remuneration and incentives with reference to external remuneration benchmarks and external independent professional advice.

Among its duties, the Committee is responsible for all elements of the remuneration of its Executive Directors and Material Risk Takers (MRTs). The Committee is responsible for determining the Firm's policy relating to fixed and variable remuneration, bonus deferral, equity options and any other discretionary remuneration payment to employees of the Impax Group. In making remuneration decisions, the Committee has regard to all aspects of employee performance including any potentially excessive risk taking from a financial and a non-financial perspective.

The remuneration policies are set on a group-wide basis and are reviewed at least annually by the Committee. The Committee has established and implemented policies which meet the requirements of the Codes as applicable to the size of Impax and are considered to be appropriate given the nature and scope of the business.

Impax provides investment management services on both a discretionary and advisory basis and does not trade on its own account, apart from seeding new investment funds. It is conservative in its approach to risk taking and has a comprehensive framework of systems and controls in place.

6.4 Material Risk Takers (MRTs)

For the period 1 October 2022 to 30 September 2023, Impax has identified its MRTs following the criteria set out in SYSC 19G.5.3R. MRTs are notified of their MRT status, and they are required to acknowledge their understanding and application of the MIFIDPRU Remuneration Code.

6.5 Key Characteristics of Remuneration Policies and Practices

Impax Group operates a non-contractual discretionary performance-related variable remuneration which includes cash bonus and equity remuneration elements. The size of the variable remuneration pool is determined by the Committee based on a percentage of adjusted operating profit, the overall company performance as well as individual performances.

The Firm's remuneration approach (i) supports the Firm's business strategy, objectives, values and long-term interests; (ii) promotes effective risk management; and (iii) is subject to an appropriate degree of independent scrutiny and oversight by the Committee.

An Overview of Impax's Remuneration Elements

Element	Remuneration Overview
Base Salary	Base salary is set at an appropriate level to attract and retain a suitable calibre of talent for the role. Base salary takes into account the employee's role, responsibilities, skills, experience, performance contribution, and salary levels for similar positions in comparable companies.
Pension & Benefits	Pension and benefits are market competitive to aid recruitment, retention, and employee wellbeing. The Company pays a defined pension contribution for employees. The individual pension schemes are private, and their assets are held separately from those of the Company. Benefits include income protection, critical illness insurance, life assurance, private medical, travel insurance and dental insurance, and employee psychological support.
Discretionary Bonus	Annual bonus is to reward individuals' performance during the year as well as their contribution to the delivery of the Company's business plan and support for its culture and values. Bonus awards are discretionary and take into account the Company's profitability. The level of individuals' bonus is determined based on the Company's performance, contribution to achieving the overall team goals, and individuals' performance and their role in supporting the Company's values and culture.
Share-based awards	Impax operates two long-term equity incentive plans for Executive Directors and employees – the Restricted Share Scheme ("RSS") and the Long-Term Option Plan ("LTOP"). The RSS provides alignment to the long-term success of Impax and a retention mechanism for key talent. Shares awarded to employees are initially held by a nominee and awards vest in equal tranches (one-third) over years 3,4 and 5, subject to continuous employment, malus and clawback. At the point of vesting, employees will gain unfettered access to the shares. The LTOP is a longer-term retention tool for senior management by allowing individuals to share in the value created over the long term. Options awarded under the LTOP have a pre-defined exercise price. Options vest after five years subject to continuous employment, malus and clawback and are subject to a further holding period of five years post-vesting.

6.6 Remuneration Approach and the link between Performance and Variable Pay

The payment of variable remuneration is at the discretion of the Committee. Both financial and non-financial performance criteria in the form of performance scorecard with weighted objectives are taken into account when determining performance related remuneration and include adherence to investment and risk management processes. Central to Impax's remuneration policy is sound and effective risk management and avoiding an environment which rewards or encourages excessive risk taking that is inconsistent with Impax's risk appetite and regulatory requirements.

Base salaries and variable remuneration are reviewed annually by the Committee and the Board of Directors of Impax. Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new employees and is limited to the first year of the performance period. Arrangements for any severance pay are covered by the Company's redundancy policy. The redundancy policy sets out a fair, reasonable and consistent process should a redundancy situation arise.

6.7 Risk Adjustment

The Firm takes risk, including conduct risk, into account on both an ex-ante and ex-post basis when setting the amount and form of variable remuneration for employees. The Firm has implemented a Remuneration Risk Adjustment Policy which ensure that remuneration is appropriately adjusted where instances of excessive risk taking have been identified and this guides the Committee in consideration of the application of ex-post and/or ex-ante risk adjustment to remuneration as deemed necessary including the application of malus and/or clawback in situations in line with SYSC 19G.6.30. Additional policies and procedures are established to support remuneration reduction, or if an individual is subject to malus and clawback provisions, where these provisions may be utilised, where employment issues have been identified as part of the ongoing performance review process. Adjustments or application of malus and clawback will depend upon the severity of the event and will be subject to the approval of the Committee and of the Board.

6.8 Quantitative Remuneration Disclosures

The following table sets out the total remuneration for the period 1 October 2022 to 30 September 2023 for Senior Management, MRTs and Other Staff. The total remuneration figures include fixed and variable elements of remuneration.

The Firm has identified a total of 20 MRTs for the period 1 October 2022 to 30 September 2023.

	Senior Management	**Other Material Risk Takers** (not included under Senior Management)	**Other Staff**	**Total for All Staff**
Fixed Remuneration	£2,011,353	£3,929,979	£11,667,774	£17,619,106
Variable Remuneration	£4,315,030	£9,533,301	£7,090,193	£20,938,523
Total Remuneration	£6,326,383	£13,463,280	£18,767,967	£38,557,630

Further details of annual remuneration, the remuneration policy and the composition and activities of the Remuneration Committee are included in the Impax Group and the Firm's Annual Report and Accounts.