

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, solicitor, accountant, bank manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your ordinary shares of 10 pence each in Impax Environmental Markets plc (the “**Company**”) (the “**Ordinary Shares**”) please send this document, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

IMPAX ENVIRONMENTAL MARKETS PLC

*(Incorporated in England and Wales with registered number 04348393)
(Registered as an investment company under section 833 of the Companies Act 2006)*

Notice of a General Meeting to authorise the Board to issue further Ordinary Shares on a non pre-emptive basis

Notice of the General Meeting of the Company to be held on 14 August 2020 at 11.00 a.m. (the “**General Meeting**”) at the offices of Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4AJ is set out at the end of this document.

On account of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings, **Shareholders are strongly discouraged from attending the General Meeting and indeed entry will be refused if the law and/or Government guidance so requires.** Arrangements will be made by the Company to ensure that a minimum number of shareholders required to form a quorum will attend the General Meeting in order that the meeting may proceed.

All shareholders are encouraged to vote in favour of the resolutions to be proposed at the General Meeting and if the Ordinary Shares are not held directly, to arrange for their nominee to vote on their behalf. Given they are unlikely to be able to attend the General Meeting in person, **shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf.** You may appoint a proxy or proxies electronically by visiting www.signalshares.com and following the instructions. Proxies submitted via www.signalshares.com for the General Meeting must be transmitted so as to be received by the Company’s registrar, Link Asset Services, by no later than 11.00 a.m. on 12 August 2020. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST for the General Meeting must be transmitted so as to be received by Link Asset Services by no later than 11.00 a.m. on 12 August 2020.

21 July 2020

LETTER FROM THE CHAIRMAN

IMPAX ENVIRONMENTAL MARKETS PLC

(Incorporated and registered in England and Wales with registered number 04348393)

(Registered as an investment company under section 833 of the Companies Act 2006)

Directors

John Scott (*Chairman*)
Stephanie Eastment
Vicky Hastings
Aine Kelly
William Rickett, CB

Registered Office

Mermaid House
2 Puddle Dock
London
EC4V 3DB

21 July 2020

Dear Shareholder

Notice of General Meeting

Introduction and background

At the last Annual General Meeting (“AGM”) of the Company, held on 21 May 2020, the Board was given authority by shareholders to issue or sell from treasury, on a non pre-emptive basis, just over 23 million Ordinary Shares in the 12 months leading up to the 2021 AGM. This equated to 10 per cent. of the Company’s then issued share capital. The granting of this authority was intended to allow the Board to satisfy demand for the Ordinary Shares and to influence the premium at which the Company’s shares trade by making available for sale, at a premium to the prevailing net asset value per share, Ordinary Shares without first having to offer these to existing shareholders.

Following the granting of that authority at the 2020 AGM, and notwithstanding the disruption to financial markets caused by the Covid-19 pandemic, the Board has experienced further strong demand for the Ordinary Shares such that, as at 17 July 2020, the foregoing authority has been used to the extent of approximately 11.6 million Ordinary Shares. Shareholders may recall that a similar authority, granted at the May 2019 AGM, was close to exhaustion by November 2019, prompting the Board in the first instance to obtain shareholder approval to issue or sell from treasury, on a non pre-emptive basis, additional Ordinary Shares equating to 10 per cent. of the Company’s then issued share capital. This was followed in February 2020 by the granting by shareholders of a further authority to issue or sell from treasury, on a non pre-emptive basis, further Ordinary Shares equating to an additional 5 per cent. of the Company’s then issued share capital; by the time of the 2020 AGM, all of these shares had been sold or issued.

Whilst it is possible that what currently remains of the existing 10 per cent. authority granted at the May 2020 AGM will provide sufficient issuance authority for the Company up until the 2021 AGM, in the light of the current level of demand for the Company’s shares, the Board believes that it is now necessary to seek further shareholder authority. The Company currently has remaining 11.5 million Ordinary Shares which can be issued on a non pre-emptive basis and your Board believes, on balance, that this is likely to be insufficient to last until the May 2021 AGM. The Board is concerned that, in the absence of new Ordinary Shares to issue, a supply/demand imbalance may lead to an unhealthy premium developing in the Company’s share price.

The Board has discussed with the Company’s investment manager, Impax Asset Management (AIFM) Limited (“IAM”), what further capacity can be made available to the Company. As a result of these discussions, the Board has agreed with IAM that it will seek approval from the Company’s shareholders to issue on a non-pre-emptive basis a further 12.2 million Ordinary Shares, representing approximately 5 per cent. of the Ordinary Shares currently in issue. This is in addition to the authority which was obtained at the Company’s May 2020 AGM.

The Board has further agreed with IAM that following the General Meeting to be held on 14 August 2020, the Board will not seek further issuance capacity before the end of 2020 owing to the need to manage overall flows into the Impax Asset Management strategy within which the Company sits. The Company and its brokers will endeavour to manage demand within this authority, but the Board notes that, should all the available share issuance capacity be used before the end of 2020, there is the prospect of an increasing share price premium to net asset value developing, which the Board would find it hard to control in these circumstances.

For this and other reasons set out below, the Board is unanimous in believing that it is in the best interests of the Company and its shareholders as a whole that the Board should continue to have the flexibility to issue new Ordinary Shares on a non pre-emptive basis. Accordingly, the Board is requesting that shareholders grant authority, in addition to any existing authority, to allow the Board to issue on a non pre-emptive basis up to a further 12,243,850 Ordinary Shares (being approximately 5 per cent. of the Company's issued share capital as at 17 July 2020) up until the Company's next AGM in May 2021.

The purpose of this document is therefore to convene a General Meeting at which the appropriate shareholder authority will be sought. The General Meeting will be held at 11.00 a.m. on 14 August 2020 at the offices of Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4AJ.

Reasons for requiring the extension and early renewal of the Board's authority

Under the Company's premium and discount control policy, the Company issues or purchases Ordinary Shares to ensure, in normal market conditions, that the Ordinary Shares trade close to their underlying net asset value per share. At the last AGM of the Company, shareholders granted the Board authority to (i) allot up to 23,091,930 Ordinary Shares; and (ii) disapply pre-emption rights in respect of the issue or sale from treasury of up to 23,091,930 Ordinary Shares. Such authorities were granted until the next AGM, which is expected to be held in May 2021.

As indicated above, both the general allotment authority and the disapplication of pre-emption rights authority are in danger of being exhausted well before May 2021. Since the granting of these authorities at the 2020 AGM, the Board has issued (as at 17 July 2020) 11,591,930 new Ordinary Shares on a non pre-emptive basis for cash and at a premium to the prevailing net asset value. As a result, the Company currently has the capacity to issue only a further 11,500,000 new Ordinary Shares on a non pre-emptive basis.

The Board believes that the remaining capacity under the existing shareholder authorities is likely to prove insufficient to allow the Board to continue to satisfy demand for the Ordinary Shares during the period up to the Company's next AGM. If the requested authorities are granted by shareholders at the General Meeting, the Directors intend to use the authority to issue new Ordinary Shares on a non pre-emptive basis only: (i) at a premium to net asset value; (ii) to meet demand from investors; and (iii) when the Directors believe that it is in the best interests of the Company and its shareholders to do so.

The net proceeds of any Ordinary Shares issued will be invested by the investment manager in accordance with the Company's published investment policy.

Benefits of the additional authority to issue Ordinary Shares on a non pre-emptive basis

The Board believes that any share issuance pursuant to the proposed additional authority should yield the following principal benefits:

- An improvement in the liquidity in the market for the Ordinary Shares. As the Company continues to grow, it meets the inclusion criteria of a wider group of investors, for many of whom size and liquidity considerations are paramount.
- Maintenance of the Company's ability to issue Ordinary Shares tactically, so as to continue to operate the Company's premium and discount control policy. Over the past 12 months, the average premium over the net asset value per Ordinary Share at which the Ordinary Shares have traded is 2.8 per cent.

- Increasing the size of the Company, thereby spreading operating costs over a larger capital base, which should reduce the ongoing charges ratio.
- Enhancement of the net asset value per Share of the existing Ordinary Shares through share issuance at a premium to the prevailing net asset value per Share.

In addition, the Company is now a constituent of the FTSE-250 Index and a larger shareholder base will assist the Company in retaining this position.

Prospectus requirement

The Prospectus Regulation Rules provide that where a company wishes to apply for the admission to trading on a regulated market of shares representing, over a period of twelve months, 20 per cent. or more of such company's shares, then the company concerned is required to issue a prospectus.

As the majority of Ordinary Shares issued in the past 12 months have been by way of sale from treasury, the prospectus requirement has not been triggered. However, the Board is cognisant of the prospectus requirement and will keep the matter under review.

The General Meeting

You will find set out at the end of this document a notice convening the General Meeting at which shareholders will be asked to consider and, if thought fit, approve the resolutions required to permit the further issue of new Ordinary Shares on a non pre-emptive basis. The General Meeting is to be held at 11.00 a.m. on 14 August 2020 at the offices of Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4AJ.

The resolutions will, if passed and in addition to any existing authority, enable the Directors to issue further new Ordinary Shares up to an aggregate nominal amount of £1,224,385 (being 12,243,850 Ordinary Shares), which represents approximately 5 per cent. of the total Ordinary Share capital of the Company in issue as at 17 July 2020 (the latest practicable date prior to the publication of this document), for cash without first offering such Ordinary Shares to existing shareholders *pro rata* to their existing shareholdings. Resolution 1, which will be proposed as an ordinary resolution, seeks authority to issue the new Ordinary Shares. Resolution 2, which will be proposed as a special resolution, seeks authority to disapply pre-emption rights in respect of such issues.

All shareholders are entitled to vote at the General Meeting. In accordance with the Company's articles of association, all shareholders entitled to vote and present in person or by proxy at the General Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of every Ordinary Share held.

In the light of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings, Shareholders are strongly discouraged from attending the General Meeting and indeed entry will be refused if the law and/or Government guidance so requires. Arrangements will be made by the Company to ensure that a minimum number of shareholders required to form a quorum will attend the General Meeting in order that the meeting may proceed.

Given the restrictions on physical attendance at the General Meeting, shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf as it is unlikely that third party proxies will be able to attend the meeting. This should ensure that your votes are registered.

We always welcome questions from our shareholders and, given the restrictions on physical attendance at the General Meeting, we would encourage shareholders to submit any questions they have concerning the General Meeting or the proposed resolutions to the Board by email to clientservices@impaxam.com by 5.00 p.m. on 12 August 2020. Please put "IEM – General Meeting" in the subject heading of any email.

Action to be taken

Shareholders are requested to return proxy appointments to the Company's registrars, Link Asset Services, by one of the following means.

1. by logging on to www.signalshares.com and following the instructions; or
2. in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the notice of the General Meeting.

Votes can also be lodged electronically by visiting www.signalshares.com.

In each case, the proxy appointment must be received by the Company as soon as possible and, in any event, so as to arrive by no later than 11.00 a.m. on 12 August 2020. To be valid, the relevant proxy appointment should be completed in accordance with the instructions accompanying it and lodged with the Company's registrars by the relevant time.

If your Ordinary Shares are not held directly, you are requested to arrange for your nominee to vote on your behalf.

Recommendation

The Directors consider the passing of the resolutions to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of both resolutions.

The Directors intend to vote in favour of the resolutions in respect of their own beneficial holdings of Ordinary Shares (amounting to 128,512 Ordinary Shares, representing approximately 0.05 per cent. of the issued share capital of the Company as at 17 July 2020).

Yours faithfully,

John Scott
Chairman

IMPAX ENVIRONMENTAL MARKETS PLC

*(Incorporated and registered in England and Wales with registered number 04348393)
(Registered as an investment company under section 833 of the Companies Act 2006)*

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Impax Environmental Markets plc (the “**Company**”) will be held at 11.00 a.m. on 14 August 2020 at the offices of Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4AJ to consider and, if thought fit, pass the following resolutions which will be proposed as an ordinary resolution and a special resolution respectively:

ORDINARY RESOLUTION

1. THAT, in addition to all existing authority, the Directors of the Company (the “**Directors**”) be and are hereby generally unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,224,385 (being approximately 5 per cent. of the issued share capital of the Company as at 17 July 2020), provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Directors may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

2. THAT, in addition to all existing authority and subject to the passing of resolution 1 above, the Directors of the Company (the “**Directors**”) be and are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the “**Act**”) to allot equity securities (within the meaning of section 560 of the Act) pursuant to any authority for the time being in force under section 551 of the Act and to sell shares held by the Company in treasury, wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:
 - (i) shall be limited to the allotment of equity securities and the sale of treasury shares for cash up to an aggregate nominal amount of £1,224,385 (being approximately 5 per cent. of the issued share capital of the Company as at 17 July 2020); and
 - (ii) expires on the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By order of the Board
PraxisIFM Fund Services (UK) Limited
Company Secretary

Registered Office
Mermaid House
2 Puddle Dock
London
EC4V 3DB

21 July 2020

Notes:

1. A shareholder who is entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on her or his behalf. Such proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder. Please note that, in the light of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and avoiding public gatherings of more than two people, it is unlikely that your vote will be counted where a proxy other than the Chairman of the Meeting is appointed as additional third parties are unlikely to be permitted entry to the meeting.
2. If you wish to appoint a proxy, you may do so either:
 - by logging on to www.signalshares.com and following the instructions; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 5 below.

Completion of a proxy appointment will not prevent a shareholder from attending the meeting and voting in person.

You may request a hard copy form of proxy directly from the registrars, Link Asset Services, on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

3. Only those shareholders having their names entered on the Company's share register not later than 6.30 p.m. on 12 August 2020 or, if the meeting is adjourned, 6.30 p.m. on the day which is two days (excluding non-working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.
4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that such corporate representatives do not do so in relation to the same shares.
5. 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, and by logging on to the website www.euroclear.com. 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 sponsor 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 using the CREST service 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 instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's registrar, Link Asset Services (ID RA10), by no later than 11.00 a.m. on 12 August 2020. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the Company's Registrar is able to retrieve the message by inquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers 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 her or 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 system providers 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)(a) of the Uncertificated Securities Regulations 2001.

6. In order to revoke a proxy instruction you will need to inform the Company. Please send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by an officer or attorney whose power of attorney or other authority should be included with the revocation notice.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified in note 3 above then, subject to the paragraph directly below, your proxy will remain valid.

Completion of a proxy appointment will not preclude a member from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

If you submit more than one valid proxy appointment in respect of the same Ordinary Shares, the appointment received last before the latest time for receipt of proxies will take precedence.

7. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("**Nominated Persons**"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.
8. As at 17 July 2020, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 244,877,138 Ordinary Shares of 10 pence each with a total of 244,877,138 voting rights.
9. Any person holding 3 per cent. of the total voting rights in the Company who appoints a person other than the Chairman as her or his proxy must ensure that both he or she and such third party comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
10. Information regarding the meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's website, www.impaxenvironmentalmarkets.co.uk.
11. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
- (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
12. Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of meeting or in any related documents, is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.
13. Given the risks posed by the spread of Covid-19 and in accordance with the provisions of the Articles of Association and Government guidance, including the rules on physical distancing and limitations on public gatherings in place as at the date of this Notice, attendance at the general meeting is unlikely to be possible. If law or Government guidance so requires at the time of the meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the meeting. If the current Government guidance is in place at the time of the meeting, such attendance will be limited to two persons. Should the Government guidance change and the restrictions on public gatherings be relaxed by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the meeting in order to ensure the safety of those attending the meeting.