

IMPAX ENVIRONMENTAL MARKETS PLC

Schedule of Matters Reserved for the Board

Approved by the Board on 8 January 2021

Introduction

The Board consists of non-executive directors. The Company has contractually delegated the provision of key services to third parties. However, the Board remains responsible for the overall oversight and strategy of the Company and, in particular, is responsible for the matters described in this schedule.

The Board holds quarterly meetings and other meetings as and when deemed necessary to deal with relevant matters.

1. Strategy and Management

- 1.1 Responsibility for overall management of the Company;
- 1.2 Review of the investment performance, both in absolute terms and relative to agreed benchmarks and peer groups;
- 1.3 Consider share price performance against the Company's net asset value;
- 1.4 Monitor associated matters such as gearing, asset allocation, attribution analysis, marketing/investor relations, peer group information and environmental, social and governance issues;
- 1.5 Assess the basis on which the Company generates and preserves value over the long term;
- 1.6 Review of the performance of key service providers, including the Investment Manager, in consultation with the Management Engagement Committee;
- 1.7 Consider any change to the investment policy or investment objectives and proposing any material changes to the investment policy to shareholders for approval;
- 1.8 Consider and address opportunities and risks to the future success of the business;
- 1.9 Assess and monitor its own culture, including its policies, practices and behaviour to ensure it is aligned with the Company's purpose, values and strategy;
- 1.10 Consider any cash management, banking arrangement, or debt facility as deemed appropriate;
- 1.11 Consider any delegated authority to the Investment Manager in particular with regard to any circumstances in which the Investment Manager should refer to the Board for approval before undertaking transactions;
- 1.12 Agree a policy with the Investment Manager regarding voting and corporate governance issues in respect of the Company's holdings, taking into account the recommendations of the UK Stewardship Code; and

1.13 Agree a procedure for the Investment Manager to report back to the Board.

2. Share Capital

2.1 Consider changes to the Company's share capital or structure, including reduction of capital, share issues and share buy backs (including the use of treasury shares) and seek authority from shareholders as appropriate;

2.2 Within the authority granted by the shareholders, identify the parameters within which shares would be issued or bought back and advise the brokers and other service providers accordingly;

2.3 Consider changes to the Company's listing status and changes relating to the Company's status as an investment trust; and

2.4 Determine any discount and premium management strategies.

3. Financial Reporting

Following the recommendation of the Audit Committee:

3.1 Approve the half-yearly and annual financial results announcements;

3.2 Approve the half-yearly and annual report and accounts and any contents therein;

3.3 Determine whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;

3.4 Approve interim dividends and recommendation of final dividends and any dividend policy;

3.5 Approve any significant changes in accounting policies or practices; and

3.6 Approve any changes to the apportionment of expenses between capital and income.

4. Internal Controls

In conjunction with the Audit Committee:

4.1 Ensure maintenance of a sound system of internal controls and risk management, including a robust assessment of the Company's emerging and principal risks;

4.2 Review control reports of the Investment Manager, Administrator and Depositary;

4.3 Ensure an annual assessment of the controls of the above service providers is conducted;

4.4 Ensure a statement on internal controls and risk management is made in the Annual Report; and

4.5 Approve procedures for the detection of fraud, tax evasion and the prevention of bribery and to ensure procedures are in place with each of the service providers.

5. Contracts

- 5.1 Review all material contracts entered into or terminated by the Company, including with the Investment Manager;
- 5.2 Appointment or removal of the company secretary;
- 5.3 Appointment or removal of the auditor to be put to shareholders for approval;
- 5.4 Approve the appointment of the Company's principal professional advisers; and
- 5.5 Consider any litigation by or against the Company.

6. Communication

- 6.1 Approve resolutions to be put forward at general meetings;
- 6.2 Approve all circulars, prospectuses and listing particulars;
- 6.3 Engage with shareholders to gain a clear understanding of shareholder views. In particular when 20% or more of votes are cast against a resolution put to shareholders ensure that the reasons for this are understood and take appropriate action;
- 6.4 Engage with key service providers in order to gain a clear understanding of their views or concerns and to gain a close working relationship; and
- 6.5 Consider marketing and PR strategies.

7. Board

In conjunction with the Company's various committees, to:

- 7.1 Determine changes to the structure, size or composition of the Board;
- 7.2 Review succession planning and tenure policy of the Board and Chairman;
- 7.3 Determine appointments to the Board and to consider the engagement of an external search consultant or the use of open advertisement in seeking the appointment of new Board members;
- 7.4 Approve the selection of the Chairman;
- 7.5 Consider the appointment of a Senior Independent Director ('SID') and, if not appointed, the reason why not for inclusion in the annual report;
- 7.6 Determine insurance cover requirements for the Board;
- 7.7 Evaluate the Board's performance and act on its findings;
- 7.8 Determine the division of responsibilities between the Board, Chair, SID and Committees;
- 7.9 Consider the independence of each director;

7.10 Consider the election or re-election of each Board member and provide specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success; and

7.11 Identify and manage directors' conflicts of interest and ensure that the influence of third parties does not compromise or override independent judgement.

8. Board Committees

8.1 Delegate certain of its authority to a committee or individual in accordance with the Company's Articles of Association;

8.2 Approve terms of reference for each Committee;

8.3 Receive reports from each Committee; and

8.4 Consider membership of each Committee and approve the Chair of each Committee.

9. Remuneration

In conjunction with the Remuneration Committee:

9.1 Review the Company's Remuneration Policy annually, and ensure this is put to shareholders for approval at least every three years; and

9.2 Determine the remuneration of directors, subject to the Articles of Association and shareholder approval, as appropriate.

10. Corporate Governance

10.1 Review of the Company's corporate governance processes and arrangements, including its suite of policies; and

10.2 Consider s172 of the Companies Act 2006 in Board discussions and decision-making, which includes:

- (a) The likely consequences of any decision in the long term;
- (b) The need to foster the Company's business relationships with suppliers, shareholders and others;
- (c) The impact of the company's operations on the community and the environment;
- (d) The desirability of the company maintaining a reputation for high standards of business conduct; and
- (e) The need to act fairly as between members of the Company.

11. Other

11.1 Any other matters, which the Board deems to be appropriate for its reservation; and

11.2 Review at least annually this schedule of matters reserved for the Board.