

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 24 February 2020 at 2.30 p.m. (the “**General Meeting**”) at the offices of Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4JR is set out at the end of this document.

Each shareholder is encouraged to vote in favour of the resolution 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. 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 2.30 p.m. on 20 February 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 2.30 p.m. on 20 February 2020.

6 February 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
Julia Le Blan
William Rickett, CB

Registered Office

Mermaid House
2 Puddle Dock
London
EC4V 3DB

6 February 2020

Dear Shareholder

Notice of General Meeting

Introduction

At the last Annual General Meeting (“**AGM**”) of the Company, held on 21 May 2019, the Board was given authority by shareholders to issue or sell from treasury, on a non pre-emptive basis, just over 18 million Ordinary Shares in the 12 months leading up to the 2020 AGM. This equated to 9.99 per cent. of the Company’s then issued share capital. The granting of this authority allowed the Board to satisfy demand for the Ordinary Shares (and to influence the premium at which the Company’s shares traded) by selling, at a premium to the prevailing net asset value per share, Ordinary Shares which were being held in treasury without first having to offer these to existing shareholders.

Following the granting of that authority at the 2019 AGM, the Board has had considerable success in stimulating demand for the Ordinary Shares such that, by November 2019, the foregoing authority was rapidly reaching exhaustion. In December 2019, the Board sought shareholder approval to issue or sell from treasury, on a non pre-emptive basis, an additional 19,913,924 Ordinary Shares (equating to 10 per cent. of the Company’s then issued share capital) up until the Company’s 2020 AGM. The granting of this authority was overwhelmingly supported by shareholders at the General Meeting held on 4 December 2019.

Whilst it was envisaged that this authority would constitute sufficient issuance authority for the Company up until the 2020 AGM, the Board is pleased to report that there has been unexpectedly strong demand for the Company’s Ordinary Shares. The demand has been so high that the Board is rapidly running out of authority to continue to sell Ordinary Shares from treasury on a non pre-emptive basis. Since the granting of the additional authority in December 2019, a further 18,180,000 Ordinary Shares have been sold from treasury and the Company currently has the authority to sell from treasury and/or issue only a further 2,699,664 Ordinary Shares on a non pre-emptive basis up until the May 2020 AGM.

For the 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 and/or sell further Ordinary Shares from treasury on a non pre-emptive basis. Accordingly, the Board is requesting that shareholders grant authority, in substitution for any existing authority to allow the Board to issue or sell from treasury on a non pre-emptive basis up to a further 11,015,962 Ordinary Shares (being 5 per cent. of the Company’s issued share capital (excluding treasury shares) as at 5 February 2020) up until the Company’s next AGM in May 2020.

The Company has 5,418,109 Ordinary Shares remaining in treasury. Therefore, should shareholders grant the proposed authority, the Directors would utilise this to issue new Ordinary Shares, as well as to sell the remaining treasury shares.

The purpose of this document is therefore to convene a General Meeting at which the aforementioned shareholder authority will be sought. The General Meeting will be held at 2.30 p.m. on 24 February 2020 at the offices of Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4JR.

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 18,165,740 Ordinary Shares; and (ii) disapply pre-emption rights in respect of the issue or sale from treasury of up to 18,165,740 Ordinary Shares. Such authorities were granted until the next AGM, which is expected to be held in May 2020.

As indicated above, the disapplication of pre-emption rights authority had run close to exhaustion by November 2019. Accordingly, on 4 December 2019 the Board sought (and was granted) shareholder authority to issue or sell from treasury a further 19,913,924 Ordinary Shares on a non pre-emptive basis. As a result of these combined authorities, immediately following the December 2019 general meeting the Directors had the ability to issue or sell from treasury up to 20,879,664 Ordinary Shares on a non pre-emptive basis up until the Company's May 2020 AGM.

Since the granting of the additional authority in December 2019, the Board has sold 18,180,000 Ordinary Shares from treasury 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 or sell from treasury only a further 2,699,664 Ordinary Shares on a non pre-emptive basis.

The Board believes that the remaining capacity under the existing shareholder authorities will 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 authority is granted by shareholders, the Directors intend to use the authority to issue new Ordinary Shares and/or sell Ordinary Shares from treasury 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 an ever 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 2.4 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, as the Company's market capitalisation now exceeds £700 million, the Company is now being considered for inclusion in the FTSE-250 Index.

Prospectus requirement

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

As all shares issued in the past 12 months have been by way of sale from treasury, the prospectus requirement has not been triggered. However, as noted above, the Company only has 5,418,109 Ordinary Shares remaining in treasury and as a result, should shareholders grant the proposed additional authority, the Directors intend to utilise this to issue new Ordinary Shares as well as sell the remaining Ordinary Shares held in treasury. 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 resolution required to permit the further issue, or sale from treasury, of Ordinary Shares on a non pre-emptive basis. The General Meeting is to be held at 2.30 p.m. on 24 February 2020 at the offices of Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4JR.

The resolution will, if passed and in substitution for any existing authority, enable the Directors to issue further new Ordinary Shares and sell Ordinary Shares from treasury up to an aggregate nominal amount of £1,101,596.2 (being approximately 11,015,962 Ordinary Shares), which represents 5 per cent. of the total Ordinary Share capital of the Company in issue (excluding shares held in treasury) as at 5 February 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. The resolution, which will be proposed as a special resolution, seeks authority to disapply pre-emption rights in respect of such issues and sales from treasury of Ordinary Shares.

All shareholders are entitled to attend and 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.

Action to be taken

Whether or not shareholders propose to attend the General Meeting, they 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 2.30 p.m. on 20 February 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.

The completion and return of the proxy appointment will not prevent a shareholder from attending and voting in person at the General Meeting.

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 resolution 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 the resolution.

The Directors intend to vote in favour of the resolution in respect of their own beneficial holdings of Ordinary Shares (amounting to 143,419 Ordinary Shares, representing approximately 0.07 per cent. of the issued share capital of the Company (excluding shares held in treasury) as at the date of this document).

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 2.30 p.m. on 24 February 2020 at the offices of Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4JR to consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT, in substitution for any existing power but without prejudice to the exercise of any such power prior to the date of passing of this resolution, the Directors of the Company 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 £1,101,596.2 (being 5 per cent. of the issued share capital of the Company (excluding shares held in treasury), as at 5 February 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

6 February 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.
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 20 February 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 2.30 p.m. on 20 February 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 5 February 2020, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 225,987,355 Ordinary Shares of 10 pence each including 5,418,109 Ordinary Shares held in treasury. Therefore, the total voting rights in the Company as at 5 February 2020 were 220,319,246 votes.
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.