

## **IMPAX FUNDS (IRELAND) PLC REMUNERATION POLICY**

### **Introduction**

In accordance with its obligations pursuant to Directive 2014/91/EU of the European Parliament and of the Council (“the UCITS V Directive”), Impax Funds (Ireland) plc (the “Company”), as a self-managed investment company, is required to have remuneration policies and practices for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Company (“Identified Staff”), that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Company.

### **Scope**

For the purposes of the Remuneration Policy and related remuneration policies and practices, “remuneration” consists of all forms of fixed and variable (which should be performance-based and risk adjusted) remuneration paid to Identified Staff and includes all payments and benefits, whether monetary or non-monetary, paid to those Identified Staff.

Remuneration may comprise both a fixed and a performance based or variable component. Fixed remuneration is determined on the basis of the role of the individual Identified Staff member, his or her professional experience, responsibility, job complexity, as well as according to relevant market conditions.

Performance-based remuneration reflects the risk underlying the achieved result and takes into account all types of current and future risks. It is based on a combination of an assessment of the individual’s performance and the Company’s overall results and takes into account the interests of depositors, investors and other stakeholders.

One of the key aims of the Remuneration Policy is the alignment of the risks taken by the Identified Staff of the Company and the Identified Staff of Impax Asset Management Limited (the “Investment Manager”) with the interests of the Company and the Investment Manager. It also includes measures to avoid or appropriately manage conflicts of interest in order to prevent such conflicts from adversely affecting the interests of the Company and the Company’s investors.

## **Identified Staff of the Company**

Currently the only Identified Staff of the Company are the Directors of the Company. Each of the Directors is subject to the Remuneration Policy.

The Non-Executive members of the Board of Directors (the “**Board**”) (apart from employees of the Investment Manager) receive a fixed fee only and do not receive performance-based remuneration therefore avoiding a potential conflict of interest. The basic fee of a Non-Executive Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Company’s complexity, the extent of the responsibilities and the number of board meetings. Any Director who is also a representative of a delegate of the Company to which portfolio and/or risk management has been delegated or a related group company of that delegate will not be separately remunerated for their services to the Company. In addition, the Non-Executive Board Member’s remuneration is outlined in the agreements entered into by the Company when appointing the Non-Executive Board Members and the level of remuneration will be fixed taking into account market rates and the level of risk and complexity of the Company.

Identified Staff of the Company do not receive guaranteed performance based remuneration.

No pension contributions are payable on Non-Executive Board members’ fees.

Severance payments may be payable in particular circumstances. In drafting severance payment provisions in contracts and in negotiating any severance payments, the Company ensures that the relevant payments do not “reward failure” or poor performance.

## **Anti-circumvention rules**

Each Identified Staff member of the Company must undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in his or her remuneration arrangements.

## **Application of the UCITS V Directive Remuneration Rules to Delegates**

Where the Company has delegated certain portfolio and risk management activities to the Investment Manager, the Company will seek confirmation from the Investment Manager that it is subject to regulatory requirements on remuneration that are equally as effective as those applicable under the UCITS V Directive, including, in particular, the European Securities and Markets Authority guidelines on sound remuneration policies under UCITS V.

## **Annual Review**

This Remuneration Policy (together with compliance herewith) will be subject to annual review. These reviews will ensure that:

- the overall remuneration system operates as intended;
- the remuneration pay-outs are appropriate;

- the risk profile, objectives and goals of the Company are adequately reflected; and
- the policy reflects available guidelines and regulatory requirements.

The Board will take appropriate measures to address any deficiencies.

### **Circumstances where action is required**

Following a review of adherence to the Company's remuneration policies and procedures, action may be required if remuneration levels do not adhere to the principles set out therein or are a level which is unacceptable or gives rise to conflicts of interest. The action to be taken may include possible revision of the quantum of remuneration payable to the individual(s) concerned.

The responsibility for determining action to be taken and for taking action on behalf of the Company lies with the Board.

### **General**

The Board may deviate from this Remuneration Policy in individual cases to the extent legally acceptable under applicable law, if justified by extraordinary circumstances subsequent to approval in a duly convened Board meeting.

The Remuneration Policy does not form part of any Identified Staff member's terms and conditions of employment or engagement and is implemented and subject to amendment at the Board's sole discretion.

Records relating to this Remuneration Policy must be kept for a period of at least 5 years.

### **Disclosure**

The Company's accounts are audited by Ernst & Young who will ensure that the necessary disclosures are made in relation to remuneration in the annual audited accounts.

### **Effective date**

The effective date of this Remuneration Policy is 18<sup>th</sup> March 2016.