

## Impax Environmental Matters plc (the “Company”)

### Audit Committee (the “Committee”)

#### Terms of reference

These terms of reference are issued to the Audit Committee (the “Committee”).

Approved by the Committee on 4 November 2024

#### MEMBERSHIP

The Committee consists of independent directors. Additional members of the Committee will be appointed by the Board in consultation with the Committee.

The Committee shall consist of at least three members, who should all be independent non-executive directors, of which at least one member should have recent and relevant financial experience and the Committee as a whole should have competence relevant to the sector in which the Company operates.

The Board shall appoint the Committee Chair. The Chair of the Board may be a member of the Committee but not its chair, provided he/she was independent upon appointment. The Committee Chair shall receive an additional fee which will be approved by the Board for the fulfilment of that role. In the absence of the Committee Chair and/or an appointed deputy, the remaining members shall elect one of themselves to chair the meeting.

Members shall be provided with appropriate and timely training, both for new members and on an ongoing basis for all members.

#### SECRETARY

A representative of the Company Secretary or his/her nominee shall act as Secretary of the Committee.

#### MEETINGS AND ATTENDANCE

The Committee shall meet at least twice each year.

The quorum at the meetings shall be two members of the Committee.

Members of the Committee may regulate their meetings and conduct business in accordance with the Company’s articles of association as amended from time to time.

A representative of the external auditor should be invited to attend meetings on at least an annual basis.

The Chair of the Committee should attend the Annual General Meeting (in their absence at least one other member of the Committee should attend) and be prepared to respond to shareholder questions on the Committee’s activities and should seek engagement with shareholders on significant matters related to their areas of responsibility.

Outside of the formal meeting programme, the Committee Chair shall maintain a dialogue with key individuals involved with the Company’s governance.

Video conferencing or teleconferencing may be used as appropriate.

#### AUTHORITY

The Committee should be provided with sufficient resources to undertake its duties. The members of the Committee are authorised to seek any information that they require from the Manager or Company Secretary and to obtain advice from the Company’s external auditors, professional advisers or otherwise and to take independent professional advice and to request the Manager or Company Secretary, at the expense of the Company, to attend meetings of the Committee in order to obtain such information or advice.

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## DUTIES, MAIN ROLE AND RESPONSIBILITIES

The Committee will at all times comply with the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the UK, as appropriate, and the recommendations of the AIC Code of Corporate Governance and any other applicable law or regulation. In particular the duties, main role and responsibilities of the Committee are:

### *Internal controls*

- to monitor the Company's risk management and internal control systems so as to safeguard the shareholders' investment and the Company's assets;
- to analyse the key procedures adopted by the Board, the Manager, the Administrator and other service providers to provide effective internal control and regulatory compliance and to review the effectiveness of such procedures;
- to make recommendations to the Board on how to report on the review of the effectiveness of the Company's risk management and internal controls systems in the Company's Annual Report;
- to perform a review of the Company's risk assessment programme and make recommendations to the Board in relation to any matters covered by these terms of reference;
- where requested by the Board, ensure that a robust assessment on at least an annual basis of the emerging and principal risks facing the Company has been undertaken (including those risks that would threaten the Company's business model, future performance, solvency or liquidity and reputation), that procedures are in place to identify emerging risks and provide advice on the management and mitigation of those risks; and
- to make recommendations annually to the Board on whether an internal audit function is needed and, if appropriate, to explain the reasons for the absence of such a function in the Annual Report.

### *Financial statements*

to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;

- to review the half yearly and annual report and accounts, focusing in particular on: -
  - Changes in accounting policies;
  - Any areas of major judgements;
  - Significant adjustments resulting from the audit;
  - The going concern and viability\* statements of the Company;
  - Compliance with accounting standards;
  - Compliance with the Listing Rules and legal requirements, including any relevant provisions in The AIC Code of Governance; and
  - The section 172 Companies Act 2006 statement\*.\* applicable to annual reports only.
- keep under review the effectiveness of the financial reporting process;
- to provide advice, as required, to the Board on 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; and
- to consider any other topic as deemed necessary.

### *External audit*

- to conduct the tender process as required and make recommendations to the Board, to be put to the shareholders of the Company for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- to develop and implement a policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, and taking into account relevant rules regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken. Tax

compliance services will not be provided by the external auditor. Any other services will be assessed on a case-by-case basis;

- to discuss and agree with the external auditor the nature and scope of the audit and to review the external auditor's audit plan prior to the commencement of the audit;
- to keep under review the scope and results of the audit;
- to review the external auditor's letter of engagement;
- to review the findings of the auditor, to include, but not to be limited to, a discussion of any significant issues which arose in the audit and any accounting and audit judgements; and
- to review the effectiveness of the audit and performance of the auditor following completion of the annual audit.

## REPORTING PROCEDURES

The Committee Chairman will report to the Board on how the Committee has fulfilled its duties and discharged its responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed.

The Secretary will circulate the minutes of all meetings to the members of the Committee.

The Committee will prepare a separate section of the annual report to describe the work of the Committee in discharging its responsibilities. This report will include:

- the significant issues that the Committee considered in relation to the financial statements, and how these issues were addressed;
- an explanation of how it has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans;
- in the case of the Board not accepting the Committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the Committee explaining its recommendation and the reasons why the Board has taken a different position (this should also be supplied in any papers recommending appointment or reappointment);
- if the external auditor provides non-audit services, an explanation of the scope of work and fees for such services in accordance with the Company's policy and how auditor objectivity and independence is safeguarded; and
- to provide advice, if requested by the Board, on whether the annual report taken as a whole is fair, balanced and understandable; and
- if an audit tender is proposed, details of the audit tender process.

Approved by the Committee on 4 November 2024