

## **HARDING LOEVNER FUNDS PLC (the “Company”) 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”) and ESMA Level 2 Guidance on the UCITS V Directive (the “Guidance”), Harding Loevner Funds plc (the “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. The Company’s identified staff comprise the following: the Directors, designated persons and the MLRO.

The Company has established this remuneration policy in accordance with the requirements of the UCITS Regulations to the extent that it is appropriate to its size, internal organisation and the nature, scope and complexities of its activities.

This remuneration policy addresses the remuneration requirements of the UCITS V Directive and the Guidance as they apply to the Company and to its delegates, in particular Harding Loevner LP (the “Investment Manager”).

### **Identified Staff**

The Non-Executive members of the Board of Directors and the designated persons 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 and designated persons 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. No pension contributions are payable on Non-Executive Board members’ fees. The MLRO also receives a fixed fee only. Directors affiliated with the Investment Manager do not receive a fee for their role as a Director of the Company.

The Company’s accounts are audited by Deloitte who will ensure that the necessary disclosures are made in relation to remuneration in the annual audited accounts.

### **Delegates**

In accordance with the UCITS V Directive and the Guidance, the Company will ensure that appropriate contractual agreements are in place with the Investment Manager to ensure that the delegation arrangements do not circumvent the remuneration requirements. These contractual arrangements will relate to any payments made to the Investment Manager’s identified staff as compensation for performance of investment management activities on behalf of the Company.

### **Proportionality Principle**

As noted above, the Company must comply with the remuneration principles set down in the UCITS Regulations in a way and to the extent that is appropriate to its size, its internal organisation and the nature scope and complexity of its activities. Accordingly, some UCITS management companies can determine to meet the remuneration requirements through very sophisticated policies whereas others can do so in a simple and less burdensome way.

The Company does not pay any variable remuneration to any of its Identified Staff. Accordingly, the principles in respect of variable remuneration as outlined in the UCITS Regulations are not applicable.

With respect to the remuneration committee, the Board has determined the remuneration committee requirement does not apply taking into account the below factors:

- all of the above proportionality criteria (i.e. the Company's size, internal organisation nature, the scope and complexity of its activities); and
- the UCITS Regulations outline a remuneration committee will be, where appropriate, set up in accordance with the ESMA Guidelines ESMA/2016/575 (the "ESMA Guidelines").

### **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 is at a level which is unacceptable or gives rise to conflicts of interest. The action to be taken may include possible revision of the level 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.

### **Disclosure**

Details of this remuneration policy are available on a website (<https://www.hardingloevner.com/fileadmin/pdf/PLC/HLF-PLC-Remuneration-Policy.pdf>) and a paper copy will be made available free of charge upon request.