

# **Lazard Fund Managers (Ireland) Limited and Lazard Fund Managers Limited – Remuneration Policy Overview (as amended for the purposes of the Sustainable Finance Disclosure Regulation)**

## **Introduction and Overview**

This is a summary of the Remuneration Policy (the "Policy") for certain entities within the Lazard Asset Management group (the "Group") including Lazard Fund Managers (Ireland) Limited ("LFMI") and Lazard Fund Managers Limited ("LFM") (each a "Company").

LFMI and LFM are UCITS management companies and are therefore subject to the remuneration requirements as prescribed by UCITS V (Directive 2014/91/EU), as implemented via local rules. No remuneration shall be paid through vehicles or methods that facilitate the avoidance of the requirements of any applicable regulation or code.

The aim of the Policy is to ensure that each Company has a risk-focused approach (including management of sustainability or ESG risks) to remuneration in line with the business strategy, objectives, values and interests of that Company and the UCITS it manages.

The Policy may also apply to other Lazard Group entities including entities to which LFMI and/or LFM have delegated investment management of UCITS, or other Lazard Group entities who otherwise provide investment management services to entities subject to SFDR. Such delegates will only need to apply the Policy where they are not already subject to remuneration rules that are equally as effective as the UCITS remuneration requirements, and where to apply the Policy to such entities is considered (in the opinion of senior management) to be proportionate in the context of the Company's and the Delegate's size, internal organisation and the nature, scope and complexity of its activities.

## **How remuneration and benefits are calculated**

In order to promote effective risk management behaviours (including inter alia sustainability or ESG risks), each Company will:

- assess both the financial and non-financial performance of its employees;
- take into account, where relevant, the position and interests of the UCITS it manages;
- award bonus payments with regard to the Company, department and individual performance;
- set salaries at levels which allow it to operate a fully flexible bonus policy; and
- set salaries and benefits taking into account market influences and market rate for the role.

Discretionary bonuses are awarded in line with each Company's business strategy and the long term goals of that Company and take into account the performance of the individual, the business unit and the Company or Group overall as well as, where relevant, the performance of the UCITS and their investment risks. Bonuses are awarded in a manner which promotes sound risk management and do not encourage excessive risk-taking. Where relevant, they are paid over a period so as to reflect the long-term performance of the Company or (where relevant), the UCITS.

Bonus awards are determined annually in respect of the full 12 month period. Certain employees may, in addition to cash, receive restricted stock units of Lazard, Inc. through the Lazard, Inc. Equity Incentive Plan, and/or restricted interests (or notional interests) in shares of certain funds managed by Lazard and its affiliates. Both the receipt of cash, shares and other units may be subject to a multi-year vesting schedule (under which awards may be forfeited and/or clawed back) and restrictive covenants in accordance with the Deferral Policy agreed from time to time.

## **Who is responsible for awarding remuneration and benefits:**

Compensation across the Lazard Group is generally decided at Group level, and overseen by the Lazard Group Compensation Committee.

The detail of the compensation to be paid to employees of each of the Companies is overseen by the Lazard UK HR function (with support from the Compliance team). Both HR and Compliance are independent from the business units within which the employees work.

Both the Group Compensation Committee and the HR function are aware of the requirement to ensure that remuneration arrangements are structured in such a way so as to avoid conflicts of interest between employees and the Group/Companies, the clients, and any UCITS funds, and the processes in place to determine compensation across the Companies are structured with this in mind.