



FRAMONT
& Partners Management

**Framont & Partners Management Ltd
(the “Company”)
In relation to
Lane Bridge UCITS SICAV plc**

REMUNERATION POLICY

October 2016



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& Partners Management

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1. Definitions

Board	means the board of directors of the Company being the body with ultimate decision-making authority in the Company, which might comprise also of the supervisory and managerial functions;
ESMA Guidelines	means the ESMA Final Report titled “Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD” (31 March 2016 ESMA/2016/411);
Fund	means Lane Bridge UCITS SICAV plc and its sub-fund Lane Bridge UCITS Alastor Fund;
Investment Manager/ Company	means Framont & Partners Management Limited (C69366);
Remuneration	means all forms of payments or benefits of any type paid by the Company, any amount paid directly by the UCITS itself, including performance fees, and any transfer of units of the UCITS in exchange for professional services rendered by the Company’s Identified Staff;
UCITS	means an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations;
UCITS V Directive	means Directive 2014/91/EU of the European parliament and of the council of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended and as may be further amended, consolidated or substituted from time to time;
UCITS Regulations	means the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended and as may be further amended, consolidated or substituted from time to time and any regulations or notices issued by the Authority for the time being in force.



2. Governance

The Company is authorised as a UCITS management company and pursuant to the UCITS Regulations is required to establish, implement and maintain a remuneration policy (the "Remuneration Policy").

Where applicable, this Remuneration Policy takes into account the European Securities Markets Authority ("ESMA") Consultation Paper "Guidelines on sound remuneration policies under the UCITS V Directive" (the "Consultation Paper") and ESMA's Guidelines on sound remuneration policies under the UCITS Directive and AIFMD which were subsequently published on 31 March 2016 (the "ESMA Guidelines").

3. Purpose & Objective of the Remuneration Policy

The UCITS Regulations require the Company to have in place remuneration policies and practices for those certain categories of staff of the Company whose professional activities have a material impact on the risk profile of the UCITS under management (the "Identified Staff"). This document sets out the remuneration policy of the Company, including the principles governing how the Company remunerates its employees and recognized Identified Staff.

The Remuneration Policy does not set down specific monetary remuneration for individual staff members, as each remuneration package remains primarily the result of negotiation between a staff member and the Company. Rather, through adoption and implementation of the policies contained in this document, the Company seeks to demonstrate how it complies with the remuneration provisions of the UCITS V Directive and UCITS Regulations.

The objective of the Remuneration Policy is to ensure that the Company's remuneration policy is consistent with and promote sound and effective risk management principles ensuring common, uniform and consistent application of the provisions on remuneration in UCITS V; ensure that practices do not encourage excessive risk taking as compared to the investment policy of the relevant UCITS, the risk profile of the relevant UCITS and to act in the best interest of clients and to develop, implement and maintain a culture of ensuring the client's best interests are met; are in line with the business strategy, objectives and values of the Company; and enable the Company to align the interests of the UCITS and their investors with those of the Identified Staff" that manages such UCITS, and to achieve and maintain a sound financial situation.

Together with an implementation process and ongoing monitoring, the Remuneration Policy is a tool which the Company uses to implement and comply with best practice and to eliminate and mitigate against behaviour which could lead to failing to act in the client's best interest.

4. Policy Ratification, Review and Monitoring

This remuneration policy has been adopted by the members of the Board of Directors of the Company and any revisions to the remuneration policy require approval of such members. This remuneration policy will also subject to review by the Risk Management Function which has been entrusted to RiskCap, the Compliance Officer and the Board of Directors.

The Board of Directors will review the Remuneration Policy and the implementation of it on an annual basis. The annual review of the Policy is intended to ensure the effectiveness of the Remuneration Policy with any of the Company's delegates.

The annual review will also consider the implementation of the Remuneration Policy for compliance with regulatory requirements. It also assures that the remuneration pay-outs are appropriate, and that the risk profile

and long-term objectives and goals of the Company are correctly reflected and achieved. Where periodic reviews reveal that the remuneration system does not operate as intended or prescribed, the Board will ensure that a timely remedial plan is put in place.

Additionally, the Board will request at least annual assurance from relevant delegates that the remuneration arrangements in place within their companies are equivalent and that the implementation of the remuneration arrangements is in compliance with regulatory requirements. In order to avoid conflicts of interest monitoring should not be carried out by an individual subject to the same scheme.

The implementation of this policy will at least annually be subject to central and independent internal review by the Company's compliance officer and any other senior function, for compliance with and adherence to this policy.

5. Remuneration Components & Criteria

Under the UCITS Directive, the Company is required to establish and apply remuneration policies and practices for its Identified Staff that are consistent with and promote sound and effective risk management and that neither encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS it manages nor impair compliance with the Company's duty to act in the best interests of the UCITS.

(i) Identified Staff

The Company is responsible for identifying the members of staff who fall within the definition of Identified Staff. The term Identified Staff is broadly defined in the UCITS V Directive and includes but is not limited to 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 profile of the Funds.

Accordingly, the Company has determined that the following staff members would fall within the definition of "Identified Staff":

- 1) Members of the Board of Directors
- 2) Members of the Investment Committee
- 3) Portfolio Manager/s
- 4) The Money Laundering Reporting Officer ("MLRO")
- 5) The Compliance Officer
- 6) CEO
- 7) Risk Manager

This remuneration policy will not apply to those staff who do not fall into the "Identified Staff" category.

Names of the Identified Staff are disclosed in Annex I of this policy which may be removed in certain circumstances.

(ii) Remuneration

In accordance with Article 14(b)(1) of the UCITS V Directive, the Company must comply with the following principles regarding remuneration applicable to its Identified Staff in a way and to the extent that is appropriate to the Company's size, internal organisation and the nature, scope and complexity of its activities:

- (a) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS it manages;

- (b) the remuneration policy is in line with the business strategy, objectives, values and interests of the Company and the UCITS it manages and of the investors in such funds, and includes measures to avoid conflicts of interest;
- (c) the remuneration policy is adopted by the Board of Directors of the Company in its Supervisory Function and that body adopts, and reviews at least annually, the general principles of the remuneration policy and is responsible for, and oversees, their implementation. The tasks referred to in this point shall be undertaken only by non-executive members of the Board of Directors.
- (d) the implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the Board of Directors of the Company in its Supervisory Function;
- (e) staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- (f) the remuneration of the senior officers in the risk management and compliance functions is overseen directly by the remuneration function;
- (g) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit or UCITS concerned and as to their risks and of the overall results of the Company when assessing individual performance, taking into account financial and non-financial criteria;
- (h) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the Company in order to ensure that the assessment process is based on the longer term performance of the UCITS and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (i) guaranteed variable remuneration is exceptional, generally occurs only in the context of hiring new staff and is generally limited to the first year of engagement;
- (j) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- (k) payments relating to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure;
- (l) subject to the legal structure of the UCITS and its fund rules or instruments of incorporation, a substantial portion, and in any event at least 50 per cent of any variable remuneration component consists of units or shares of the UCITS concerned, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this subparagraph, unless the management of the UCITS accounts for less than 50% of the total portfolio managed by the Company, in which case the minimum of 50% does not apply.

The instruments referred to in this subparagraph shall be subject to an appropriate retention policy designed to align incentives with the interests of the Company and the UCITS it manages and the investors of such funds. The Member States or their competent authorities may place restrictions on the types and designs of those instruments or prohibit certain instruments as appropriate. This subparagraph shall be applied to both the portion of the variable remuneration component deferred in line with subparagraph (n) and the portion of the variable remuneration component not deferred;

- (m) at least 40% of the variable remuneration component is deferred over a period which is appropriate in view of the holding period recommended to the investors of the UCITS concerned and is correctly aligned with the nature of the risks of the UCITS in question. The period referred to in this subparagraph shall be at least 3 years; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60% of the amount shall be deferred;
- (n) the variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the Company as a whole, and justified according to the performance of the business unit, the UCITS and the individual concerned. The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Company or of the UCITS concerned occurs, taking into account both current compensation and reductions in pay-outs of amounts previously earned, including through malus or clawback arrangements;
- (o) the remuneration policy is in line with the business strategy, objectives, values and long-term interests of the Company and the UCITS that it manages. If the employee leaves the Company before retirement, discretionary benefits shall be held by the Company for a period of five years in the form of instruments referred to in subparagraph (l). In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments referred to in point (l), subject to a five year retention period;
- (p) staff are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements; and
- (q) variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements laid down in the UCITS Directive.

The Company does not offer any form of variable remuneration to any of the categories of Identified Staff indicated under (i) above. Identified Staff have fixed remuneration packages in accordance with their qualifications/experience. The Company may on a discretionary basis provide annual bonuses based on the general yearly performance of its staff including its Identified Staff.

The Members of the Board of Directors of the Fund and of the Company receive fixed remuneration in respect of their services, which remuneration is agreed by the Board as a whole and which is not performance related. The fixed fee is set at local industry standard that is at par with the rest of the market, and reflects the qualifications and contribution required in view of the Company's scale of activities, the extent of the responsibilities and the number of board meetings attended. None of the Directors receive performance-based remuneration therefore avoiding a potential conflict of interest. None of the directors are currently in receipt of a pension from the Company.

On the basis that none of the Directors, the Investment Committee Members, Portfolio Manager/s, CEO, MLRO or the Compliance Officer receive any element of variable payment, they fall outside the scope of the application of the pay-out process requirements referred to under point (iii) *Proportionality* below.

The Board of Directors will keep the requirement to establish a remuneration function under close review in light of the threshold set out in ESMA's Guidelines included under point (iii) *Proportionality* below. Taking into account the above factors, the Board considers that in light of its internal organisation and the nature, scope and complexity of its activities that it is currently appropriate to not apply for this requirement as detailed in (vi) *Conclusion* below.

(iii) *Proportionality*

The principles above are to be complied with by the Company in a way and to the extent that is appropriate to the Company's size and the size of the UCITS it manages, the Company's internal organisation and the nature, scope and complexity of its activities.

In assessing proportionality the Company will consider the following:

- Size
- Value of the Company's capital
- Assets Under Management of the UCITS
- Number of staff
- Liabilities of the Company and UCITS
- Number of branches, where applicable
- Risk appetite/exposures
- Internal organisation and legal structure of the Company and UCITS
- Listing on regulated markets of the Company or the UCITS, where applicable
- Where aggregate set of UCITS leads the UCITS to become more complex or systemically important
- Nature, scope and complexity of the objectives of the Company
- Authorisation and Licensing – National, EU, Non-EU and cross-border
- Investment policies
- Management of multiple product types
- Identified Staff and obligations they might entail
- Percentage of variable, if any vs fixed remuneration

In terms of the requirement to establish a remuneration function, the Company will consider the above criteria. ESMA's Guidelines provide examples of management companies which may not need to establish a remuneration committee to substitute the remuneration function, for instance, where the AUM of the UCITS under management does not exceed EUR 1.25 billion and not having more than 50 employees, including those dedicated to the management of alternative investment funds and the provision of services mentioned under Article 6(3) of UCITS V. ESMA's Guidelines provide that management companies which fall outside of the examples provided, should not automatically be required to set up a remuneration committee. For this purpose, a management company that is above the aforementioned threshold should be considered significant in terms of its size. In order to decide whether or not a remuneration committee should be established, it will need to assess whether or not it is significant in terms of its internal organisation and the nature, scope and complexity of its activities.

(iv) Delegation

ESMA's Guidelines require that entities to which investment management (including risk management) are delegated, are subject to the requirements on remuneration in a manner which is proportionate as outlined above. Alternatively, the Company shall ensure that any delegate must be subject to equivalent remuneration rules in their home state or have in place documented contractual arrangements in order to ensure that there is no circumvention of the remuneration rules.

Appropriate procedures will be put in place by the Company, where applicable, to ensure there is no circumvention of the remuneration rules in accordance with the investment management agreement in advance of the effective date of ESMA's Guidelines and reflecting any legislative or other clarification issued by the European institutions in relation to the disapplication of the pay-out process rules referred to under point *(iii) Proportionality* above.

When appointing delegates, agents or service providers external to the Company in connection with the Company's performance of investment management activities on behalf of a UCITS, due consideration will be given to ensuring that none of the Identified Staff have any material interest in or are in any way linked to such third parties.

Where such a link or interest is identified, the Board of Directors will review the arrangements in accordance with the Company's policy on conflicts of interest but will also give consideration to ensuring that any such arrangements proposed to be entered into are not incompatible with, or could not be seen to be circumventing, the remuneration requirements under UCITS V.

6. Company Organisation and Activities

(i) Authorisation

The Company qualifies as a UCITS Management Company and holds a Category 2 Investment Services license authorised by the Malta Financial Services Authority pursuant to the UCITS Directive and local rules.

(ii) Activities

The Company manages the following fund structure:

Lane Bridge UCITS SICAV plc

A UCITS Umbrella Fund having one sub-fund; the Lane Bridge UCITS Alastor Fund.

(iii) Internal Organisation

As noted above, the Company has a simple structure. It is a private limited liability company and is not listed or traded in a regulated market. Furthermore, it operates from Malta and has circa 10 employees.

The internal governance of the Company is not considered to be complex. Further details are set out in the Company's Business Plan/Programme of Activity. The Company views the UCITS it manages as non-complex funds.

(iv) Nature, scope and complexity of activities

The nature, scope and complexity of activities can relate to the following;

- the type of authorised activity;
- the type of investment policies and strategies of the UCITS that the Company manages;
- the national or cross-border nature of the business activities; and
- and whether the Company also manages AIFs

The Company acts as a UCITS management company, all investment decisions are done by the portfolio managers as mentioned in Annex I of this policy. Therefore the Company's employees are involved in the trading of investments or the decision making regarding the Funds' investment strategies. The Company's role is to provide compliance, risk and operational services to the Funds on the platforms. Currently, the Company does not pay bonuses [or any form of variable remuneration].

As set out above, the investment policies and strategies of the Funds are not considered to be complex.

(v) Size of the Company and the UCITS it manages

The criteria affecting the size can relate to the following:

- value of the Company's capital;
- the value of assets under management (including any assets acquired through the use of leverage) of the UCITS being managed;
- liabilities or risks exposure of the Company and the UCITS it manages; and
- the number of staff and branches or subsidiaries.



(vi) Proportionality

In order to identify whether a remuneration committee is expected to be set up, the factors mentioned in (iii) and (v) above need to be considered. When assessing whether or not the Company is significant, the Company must consider the cumulative presence of all the three factors (i.e. its internal organisation, the nature, scope and complexity of its activities and its size or the size of the UCITS it manages). A management company which is significant only with respect to one or two of the three above factors is not required to set up a remuneration committee. Without prejudice to the foregoing, the following elements are to be taken into account when determining whether or not to establish a remuneration committee:

- 1) whether the Company is listed or not;
- 2) the legal structure of the Company;
- 3) the number of employees of the Company;
- 4) the Company's assets under management;
- 5) whether the Company is also an AIFM;
- 6) the services provision mentioned under Article 6(3) of the UCITS Directive.

(vi) Conclusion

Taking all of the above into account (i.e. its size, internal organisation nature, the scope and complexity of its activities), the Board of Directors have decided to not apply the Pay Out Process Rules requirements of payment of variable remuneration in instruments, retention, deferral and ex post incorporation of risk for variable remuneration. The Board of Directors is satisfied that this is reconcilable with the risk profile, risk appetite and the strategy of the Company and of the funds managed.

Similarly, for the same reasons, the Company has not established a Remuneration Committee.

The Company reserves the right to decide to apply any of those principles in any particular case.

7. Disclosure

The general principles of the Company's remuneration policy and the specific provisions for Identified Staff are disclosed internally and documented in this procedure. The Company's remuneration policy is accessible to staff members to whom it applies. Staff members are informed in advance of the criteria that are used to determine their remuneration and of the appraisal process. The appraisal process and this remuneration policy are properly documented and transparent to the individual staff members concerned.

Additionally, pursuant to the requirements of the UCITS Directive, the following disclosures are required in the following documents:-

Prospectus/Offering Memorandum of UCITS

The prospectus/offering memorandum of each UCITS managed by the Company is required to include either:

- (a) the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists; or
- (b) a summary of the remuneration policy and a statement to the effect that the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the

composition of the remuneration committee where such a committee exists, are available by means of a website.

It is proposed that a summary of the remuneration policy and a statement to the above effect will be disclosed in the prospectus/offering memorandum of each UCITS and, where necessary, on relevant websites.

Annual Report of UCITS

The annual report of each UCITS managed by the Company is required to disclose the following additional information:

- (a) the total amount of remuneration for the financial year, split into fixed and variable remuneration paid by the Company and by the UCITS to its staff, and the number of beneficiaries, and where relevant, any amount paid directly by the UCITS itself, including any performance fee;
- (b) the aggregate amount of remuneration broken down by categories of employees or other members of staff as referred to in Article 14a(3) of the UCITS Directive;
- (c) a description of how the remuneration and the benefits have been calculated;
- (d) the outcome of the reviews referred to in points (c) and (d) of Article 14b(1) of the UCITS Directive including any irregularities that have occurred;
- (e) material changes to the adopted remuneration policy.

Annex I

The Board of Directors:

- Giuseppe Mobilio
- Gianluigi Montagner
- Alessandro Poletti
- Stephen Muscat

CEO:

- Gianluigi Montagner

Portfolio Manager/s:

[Available upon request]

MLRO:

[Available upon request]

Compliance Officer:

[Available upon request]

Risk Manager:

[Available upon request]