



CIBUS CAPITAL LLP: CIBUS ALLOCATION POLICIES AND PROCEDURES

This Summary is strictly private and confidential. This Summary is not exhaustive, supersedes any earlier procedures, is current as of the above date and may be varied or amended by management from time to time as circumstances dictate.

This document is confidential, provided for informational purposes only and is not legally binding on Cibus Capital LLP ("Cibus") or any of its affiliates. Cibus accepts no responsibility to any third person in connection with, and no third person shall have any right to enforce, any performance or non-performance of any of the provisions of this document.

In no event shall this document constitute or be considered as advice or solicitation to invest in any specific investment or fund managed or advised by Cibus or its affiliates, nor should this document be relied upon in making any investment decision. The information contained in this document shall not be considered as legal, tax or other advice.

This document is liable to change at any time, without notice.



Introduction

- This Summary applies to the allocation of investments and proposed investments of:
 - funds managed by Cibus Investments Limited (including but not limited to Cibus Fund LP, Cibus Clara Fund LP and Cibus Enterprise Fund LP) (the 'CIL Funds');
 - funds managed by Cibus Investments II Limited (including Cibus Fund II LP, Cibus Enterprise Fund II LP and the proposed Cibus Real Asset Fund LP) (the 'CIL II Funds'); and
 - any managed accounts, co-investment vehicles and direct investments of all such funds;

(together the 'Cibus funds' and each such fund, a 'Cibus fund') as advised by Cibus Capital LLP ('Cibus').

- This Summary also applies to the allocation of investments and proposed investments (alongside investments by the Cibus funds) by co-investors who fall outside the definition of 'Cibus funds' (the 'Co-investors').
- Cibus is engaged to provide investment advice to the Cibus funds.
- Cibus shall, to the extent practicable, ensure that the Cibus funds' clients are treated fairly and equitably in all aspects of their activity. Cibus provides investment advice to Cibus Investments Limited, the general partner to the CIL Funds and to Cibus Investments II Limited, the general partner to the CIL II Funds. Such investment advice includes allocation recommendations to various portfolios of assets.
- The following policies set out how Cibus will recommend the allocation of investment assets between the different pools of capital that it advises and the basis on which it will offer co-investment opportunities to Co-investors.
- The Cibus funds' allocation policies and procedures are designed to ensure that all investors in the Cibus funds get a fair allocation, such allocations are in accordance with the Cibus funds' Offering Documents and are based on disclosed policies.
- Cibus has established an internal allocation committee (the 'Cibus Allocation Committee'), which oversees adherence to these policies.
- Allocations will be allocated by determination of the Cibus Allocation Committee having regard to all of the relevant circumstances surrounding the investment opportunity.
- The quorum for any meeting of the Cibus Allocation Committee will include any two (2) of the following: Jeremy Alun-Jones, Annie Rainsford, Rob Appleby or Alastair Cooper.
- Decisions of the Allocation Committee will be based on unanimous consensus of those present. Complex or uncertain allocation decisions, or any disputes or disagreements in the Allocation Committee may be referred to a suitable individual independent of Cibus, such as a non-executive director of Cibus Investments Limited or Cibus Investments II Limited, the relevant Cibus fund's Limited Partner Advisory Committee ('LPAC') or the Cibus funds' respective administrator.



Allocation Committee Procedures

- The Cibus Allocation Committee meets periodically and receives reports from the Cibus Investment Advisory Committee (the 'Cibus IAC') on investment recommendations that are going to be made to the Cibus funds' relevant General Partner, with all decisions and meetings clearly documented. Such records of allocation shall be retained for at least six years from the date of the transaction.
- The Cibus Allocation Committee may consult with the investment analyst responsible for each transaction/investment to ascertain the characteristics of each investment recommendation and their appropriateness for each of the pools of capital comprising the Cibus funds.
- The Cibus Allocation Committee will keep in mind that these various pools of capital may have differing risk appetites, durations and/or risk limits, defined in their governing documentation.

Allocation Policies, Practices and Considerations

- *In-Fund Allocation Policies:* The Cibus funds may offer certain investors opt-outs from certain investments on the grounds of activity, geography, politics or religious belief. In such cases where there has been an opt-out by an investor, the following investments will be allocated on a "remaining commitment" basis. This policy is designed to ensure that investors who have paid a fee on Committed Capital, do not end up with an uninvested Capital Commitment. A natural consequence of this policy is that investors with opt-outs will end up with a higher proportionate allocation to those investments that have been invested in by all investors and it accelerates the rate at which commitments are drawn down from excused investors.
- *Between-Fund Allocation Policies:* Where an investment is appropriate to be allocated between a number of pools of capital, the Cibus Allocation Committee will recommend allocations based on such basis that it reasonably determines in good faith to result in a fair and equitable allocation of the investment opportunity to the pools of capital in question, based on a number of factors and will follow the following steps:
 - (a) **Cash availability:** the Cibus Allocation Committee will consider which Cibus funds have an appropriate amount of cash available as undrawn commitments for the investment;
 - (b) **Applicability:** with respect to each Cibus fund that has sufficient cash, the Cibus Allocation Committee will consider all the relevant factors for the investment, including but not limited to:-
 - the remaining terms of the relevant funds or other pools of capital as compared to the expected duration of the proposed investment;
 - the level of control by the Cibus funds in the proposed investment, in particular in the event that any lack of control could affect the ability of the Cibus funds to determine the holding period of the proposed investment;



CIBUS CAPITAL

- the investment strategy of each fund or pool of capital;
 - the investment limitations and restrictions of each pool including single position risk limits and geographical and sector allocations;
 - diversification of risk between pools of capital including diversification of equity and debt across each fund or pool of capital;
 - the level of equity investment required at the time of investment and in future funding requirements;
 - where relevant, the business plan and strategy of the portfolio company;
 - the sourcing of the transaction and the nature and extent of involvement in the transaction of the investment professionals that relate to the relevant Cibus fund and to each of the other relevant funds or pools of capital;
 - the sum of the Capital Committed at closing of the relevant Cibus fund relative to the amount of capital available to be called from the other relevant pools of capital; and
 - all of the relevant circumstances surrounding the particular investment.
- (c) **Adjustment:** If all pools of capital have equal weighting on all relevant factors considered, the Cibus Allocations Committee will allocate investments between pools of capital equally other than as between Cibus Fund II LP and Cibus Real Assets Fund LP for which, in the event of equal weighting only, the Committee will allocate investments to Cibus Fund II LP in priority to Cibus Real Assets Fund LP. However, the factors considered, as listed above, will usually result in the Cibus Allocations Committee using its discretion to adjust this position proportionately to the relevant factors.

For Between-Fund Allocation, the 'remaining commitment' basis (as described above in "*In-Fund Allocation Policies*") will not be used for allocation recommendations following an allocation in which a particular fund has not received any allocation. The allocation of such investment opportunity shall be notified to the LP Advisory Committee of the relevant Cibus fund at its next meeting following completion of the relevant transaction where the allocation is complex or uncertain.

- *Co-investment Allocations:* After consideration of the Between-Fund Allocation Policies, if the Allocations Committee determines that the Cibus funds will not meet the level of equity investment required for a proposed portfolio company, the remaining investment opportunity will be offered to Co-investors on the following basis:
 - (i) only to Co-investors who have asked to be considered for co-investments alongside the relevant Cibus fund;
 - (ii) for Cibus Fund II LP, only those investors with commitments equal to or in excess of USD 25m will have first right of refusal on any co-investments for Cibus Fund II;
 - (iii) otherwise, the size of a co-investment offered alongside a particular Cibus fund will be calculated *pro rata* to the relevant Co-investor's commitments to that Cibus fund (excluding commitments of investors who do not wish to be considered for co-investments in general or this particular co-investment and those that fall below the *de minimis* referred to below);
 - (iv) paragraph (iii) is subject to a *de minimis* commitment by the relevant Co-investor to the relevant Cibus fund, directly or indirectly, of USD 2m other than for Co-investment alongside Cibus Enterprise Fund II LP by a direct investor in Cibus Enterprise Fund II LP for which the *de minimis* will be USD 1m;
 - (v) offers will be sent by email to all Co-investors who meet the same criteria on the same business day;



CIBUS CAPITAL

- (vi) offers will be open for acceptance for 7 business days and will then lapse;
- (vii) to the extent that any Co-investor has not taken up its offer, further offers may be made to (a) persons or entities categorised in paragraph (iii) above who are not entitled to the first right of refusal under paragraph (ii), (b) persons or entities that are not investors in the Cibus funds, any resulting co-investment being at a management fee of 1% and 10% carried interest over a zero hurdle and/or (c) those Co-investors who have taken up the offer; and
- (viii) to the extent that investment opportunities are still available, further offers may be made to persons or entities that are not investors in the Cibus funds and any resulting co-investment being at a fee equal to or less than a management fee of 1% and 10% carried interest over a zero hurdle.

- *Risk Management:* Risk management in a closed ended, fixed duration private equity fund takes on a rather different aspect to risk management in open ended, liquid, alternative fund strategies where rebalancing is (i) permitted and (ii) possible. Post close rebalancing is not possible in private equity funds and consequently Cibus's risk management policies are applied to the initial investment allocations.
- *Exit provisions:* Where a number of pools of capital have an allocated to the same investment, Cibus will aim to ensure that all investors shall dispose of their pro-rata share of the investment (i) at substantially the same time, and (ii) on substantially the same terms and conditions.
- *Expense allocation:* Allocation of deal-related expenses (whether or not consummated), will be made consistent with procedures determined by the Cibus Allocation Committee. Allocation of non-deal related fund expenses will be made based on the basis of the size of each specific investment or portfolio of investments benefiting from the relevant services.

Jeremy Alun-Jones, Member, Cibus Capital LLP, November 2022