



Cibus Capital LLP

Remuneration Terms of Reference

Updated November 2022

The Remuneration and Performance Management Policy (the 'Policy') of Cibus Capital LLP ('Cibus') is set out below as required by the Financial Conduct Authority's Rules in SYSC 19G. Cibus, which is classified as an SNI (small non-interconnected) Firm, is, therefore, subject to the MIFIDPRU Remuneration Code as required by SYSC 19G¹.

The remuneration arrangements of Cibus have been designed in a manner that (i) is appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and activities of Cibus and the funds which it advises (the 'Cibus Funds'), and (ii) does not impair compliance with Cibus' duties owed to the Cibus Funds and their investors.

Application

These remuneration principles apply to:

- any benefit of any type paid by Cibus; and
- any amount paid directly by the Cibus Funds or their affiliates, including carried interest for the benefit of Cibus staff.

Cibus: LLP Deed

Cibus' LLP Deed (Clauses 16.15-16.24) states that:

16.15 The Remuneration Committee shall be responsible for:

16.15.1. deciding the monthly drawings of Members and salary levels of employees of the LLP;

16.15.2. deciding the annual profit share of Members and bonuses of employees of the LLP;

16.15.3. deciding the carried interest to be awarded to Members, consultants and employees of the LLP;

16.15.4. amending the Members' Voting Rights or Capital Contributions as set out in Schedules B and C;

16.15.5 any such other matters as the LLP Deed expressly provides.

¹ Note previous remuneration rules continue to apply for remuneration awarded in relation to remuneration paid out in 2022 which relates to services or performance period which started in 2021 or earlier.



- 16.16 The quorum in respect of meetings of the Remuneration Committee shall be all its members present by person or by proxy and any decisions of the Remuneration Committee shall be taken by majority vote. In the event that there is a deadlock on such a vote, the decision shall be made by a majority vote.
- 16.17 The members of the Remuneration Committee are RA, JAJ, AC, JS and Justin Mundy². The composition of the Remuneration Committee shall be reviewed:
- 16.17.1. prior to closing of any additional fund advised by the LLP; and
- 16.17.2. at such time as is determined by the Remuneration Committee; such that the Remuneration Committee shall at times comprise at least two Members and at least one non-executive.
- 16.18 RA shall nominate persons for appointment and any proposed removal and appointment of such members of the Remuneration Committee shall be subject to approval of the Members in accordance with Schedule D.
- 16.19 A resolution in writing signed by a majority of the members of the Remuneration Committee shall be as valid and effective as if it had been passed at a meeting of that committee.
- 16.20 The Remuneration Committee shall be chaired by RA. If RA is not present, then the committee members who are present at the meeting of the Remuneration Committee shall elect a chairman.
- 16.21 Where a decision is being made by the Remuneration Committee on an individual Member's personal entitlement or position as a Member, such Member shall be excluded from the meeting at which such decision is made (for the period in which the decision is being vote on) and the presence and the decision of that member (or a proxy) shall not be necessary for the purposes of this Clause.
- 16.22 Where a decision is being made by the Remuneration Committee in respect of any member of the Remuneration Committee's personal entitlement, in order for a proposed amendment to such personal entitlement to be effective, the non-executive(s) on the Remuneration Committee must vote in favour of such amendment.
- 16.23 The Remuneration Committee shall meet between March and June of each year to review and decide on the monthly drawings and bonuses of each Member and employee for the current Accounting Period. The Remuneration Committee shall notify each Member and employee within a reasonable time of any decision in relation to any determination made in respect of that Member or employee.
- 16.24 The Remuneration Committee shall also meet at any time that its members see fit.

Approach

Cibus' approach to remuneration is designed to support the long-term business interests of the Cibus Funds and their investors, to reflect the private equity risk model and to deliver long term sustainability.

Cibus' remuneration policy aims to be:

² Amended by subsequent resolution to these committee members.



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- consistent, underpinned by a common philosophy and guiding principles which is overseen and supervised by the Remuneration Committee;
 - in line with the business strategy, objectives and long-term interests of the firm;
 - consistent with and promote sound and effective risk management;
 - appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and activities of Cibus and the Cibus Funds;
 - in line with the business strategy, objectives and long-term interests of the firm in particular including consideration of (i) the firm's risk appetite and strategy, including environmental, social and governance ('ESG') risk factors (ii) the firm's culture and values and (iii) the long-term effects of the investment decisions taken;
 - gender neutral and compliant with the Equality Act 2010;
 - contains measures to avoid conflicts of interest, encourage responsible business conduct and promote risk awareness and prudent risk-taking;
 - consistent with the interests of both the Cibus Funds and their investors; and
 - in line with business results of Cibus.

Performance and Variable pay

All remuneration paid to employees is clearly categorised as either fixed or variable remuneration. Members/partners share profits, with an advance on annual profit share. In allocating fixed or variable remuneration, it is the quality and purpose of the remuneration components to fixed or variable remuneration that are decisive, not the label applied to such remuneration.

Fixed remuneration primarily reflects an employee's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment. Fixed remuneration is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration is based on performance including financial and non-financial criteria (as set out below) including contribution towards Cibus' and the Cibus Fund's ESG and Sustainability philosophy. Performance criteria reflect the long-term performance of employees as well as performance in excess of the employee's job description and terms of employment. Variable remuneration includes carried interest.

Non-financial criteria include:

- measures relating to building and maintaining positive relationships with investee company managements and limited partners of the Cibus Funds or potential limited partners and outcomes;
- performance in line with firm strategy or values e.g. displaying leadership, teamwork or creativity;
- adherence to the firm's risk management and compliance policies;
- the extent to which an individual adopts the firm's philosophy on the important of ESG and sustainability; and
- adherence to and promotion of the firm's policies towards diversity and inclusion.



The assessment process for individual performance and any variable remuneration awarded must not discriminate on the basis of the protected characteristics of an individual in accordance with the Equality Act 2010.

Distribution of returns on co-investment arrangements to staff are not generally covered by this Remuneration Policy although they will be if the investment was made using an intra-group loan and if the loan was either not provided on commercial terms or had not been repaid in full by the date on which the investment returns were paid.

Residual profits for the members/partners of Cibus are not considered to be fixed or variable remuneration for the purposes of this policy. Drawings on annual profit shares are considered to be fixed remuneration whilst discretionary share of profits at the end of the year is considered to be variable remuneration.

The fixed and variable remuneration must be appropriately balanced and the fixed proportion shall represent a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying no variable remuneration component. To determine this balance, the Remuneration Committee must have regard to Cibus' business activities and associated conduct risks and the role of the individual in the firm. Any individual may receive only fixed remuneration but no individual should receive only variable remuneration.

The variable remuneration does not affect the firm's ability to ensure a sound capital base.

In accordance with the MIFIDPRU Remuneration Code, the firm must not pay variable remuneration to members of the management body who do not perform any executive function in the firm.

At an individual level, members/partners, employees and consultants are assessed at least once a year. The performance assessment of all members/partners, employees and consultants includes both qualitative and quantitative elements where appropriate. The variable pay structure for rewarding high performers is based on the criteria set out in this section whilst also being fully discretionary and determined by overall affordability for Cibus.

Risk management

Cibus' remuneration policies and practices are aligned with the duties of personnel to manage conflicts of interest as well as sustainability and business risk effectively, to ensure that interests of the Cibus Funds and their investors are not impaired. There is a qualitative element to all bonuses which can be adjusted as appropriate to reflect behaviours and performance in relation to sustainability and business risk and compliance behaviours. Those who recommend or approve awards for employees and consultants are apprised of any sustainability and business risk and compliance issues and can make such adjustments to the awards as deemed appropriate to reflect those issues.

The remuneration of senior officers in risk management and compliance functions is directly overseen by the Remuneration Committee.



Governance

Remuneration policy at Cibus is set by the Remuneration Committee in keeping with Cibus policy and practices and the MIFIDPRU Remuneration Code. There are clearly defined approvals and governance processes, with oversight by external HR advisers. All major risk events are reported to the Remuneration Committee and managers are notified of risks and ethics events impacting their staff. No employees are involved in the determination or approval of their own remuneration.

Conflicts of Interest

Cibus has several employees who carry out multiple functions due to the size and nature of the firm. For instance, Jeremy Alun-Jones is responsible for Compliance Oversight and MLRO functions and carries out a number of other duties in his role as COO. Jeremy is supported by other members of staff with compliance and risk responsibilities, an arrangement which provides for an element of independence and challenge in these areas. As COO, there are no issues with regards to authority in relation to all areas Jeremy is responsible for, including compliance.

Control functions are remunerated in accordance with appropriate objectives that specifically relate to the control function.

Annual review

On an annual basis, the Remuneration Committee will review the terms of this Remuneration Policy and assess whether its overall remuneration system operates as intended and is compliant with the obligations on remuneration as set out within the relevant and applicable directive.

For any further details regarding our remuneration policy, please write to Jeremy Alun-Jones at jeremy.alunjones@cibuscap.com.