MIFIDPRU 8 Remuneration Disclosure

Passion Capital Investments II LLP

Date: October 2026

Reference period: Financial year 2025/26

Introduction

Passion Capital Investments II LLP (the "**Firm**") is authorised and regulated by the Financial Conduct Authority ("**FCA**") and is subject to the Investment Firms Prudential Regime ("**IFPR**") contained in the FCA Handbook under the Prudential Sourcebook for MiFID Investment Firms ("**MIFIDPRU**").

Chapter 8 of MIFIDPRU sets out the public disclosure requirements applicable to FCA-regulated investment firms. These disclosures are intended to provide transparency to stakeholders regarding a firm's remuneration policies and practices and how these support sound governance and effective risk management.

This disclosure summarises the Firm's remuneration framework in accordance with the requirements of the MIFIDPRU Remuneration Code (SYSC 19G) and MIFIDPRU 8.6. The Firm has prepared this disclosure in accordance with the proportionality principles set out in the FCA Handbook, taking into account the Firm's size, internal organisation, and the nature, scope and complexity of its activities.

The Firm is classified as a non-Small and Non-Interconnected ("**non-SNI**") investment firm for the purposes of the IFPR.

Remuneration Governance

The Firm is a small organisation comprising a limited number of partners and employees. The Firm has assessed the requirements of SYSC 19G.3 and concluded that, taking into account its size and internal organisation, it is not required to establish a remuneration committee. Remuneration oversight is therefore performed collectively by the partners.

Responsibility for oversight of the Firm's remuneration policy rests with the Compliance Officer, who reviews the policy and its implementation annually. The partners collectively approve remuneration arrangements and any adjustments to employee remuneration.

The remuneration policy was formally established in March 2026 and will be reviewed on an annual basis to ensure it remains consistent with regulatory requirements and the Firm's business model.

In accordance with MIFIDPRU 8.6.2R, the Firm's remuneration governance arrangements are designed to ensure that remuneration decisions are consistent with effective risk management and do not encourage excessive risk-taking. The Firm has not engaged external remuneration consultants in the development of its remuneration policy.

Objectives of the Remuneration Policy

The objectives of the Firm's remuneration policy are to:

- promote sound and effective risk management;

- discourage excessive risk-taking;
- align the interests of staff with the long-term interests of investors and the Firm;
- support the Firm's long-term venture capital investment strategy; and
- ensure remuneration practices are consistent with the Firm's regulatory obligations.

The Firm's remuneration policy is designed to be gender neutral and consistent with principles of equal pay for equal work.

Remuneration Framework

The Firm's remuneration structure comprises a combination of fixed remuneration and variable remuneration, depending on the role of the individual.

Fixed remuneration

Fixed remuneration consists of salaries paid to employees. Salaries are determined with reference to:

- seniority and level of responsibility;
- performance and contribution to the Firm; and
- market benchmarking within the London venture capital industry.

Salary increases are considered annually and agreed collectively by the partners.

Partners of the Firm are all equity partners and therefore do not have fixed salaries or draws, but rather are entitled to a profit share which is based on net management fees and since that income is contracted, partners may take monthly draws based on forecasted profit shares.

Variable remuneration

Variable remuneration within the Firm primarily takes the form of carried interest participation in the Firm's investment funds.

As at the end of the financial year 2025/26, carried interest arrangements existed in relation to:

- Passion Capital IV LP
- Passion Capital Select LP
- Legacy Conviction VC assets

Carried interest allocations are typically determined at the closing of each fund and represent a contingent economic participation in the future performance of that fund.

Key characteristics of the Firm's carried interest arrangements include:

- Participation is allocated to partners and employees based primarily on seniority and role within the Firm.
- All staff employed at the time of a fund's closing are typically granted a carried interest allocation.

- Distributions arise only when underlying portfolio investments are realised and investors have received their contractual entitlements under the relevant fund documentation.
- Payments are made in cash, through PAYE for employees, and those who were allocated but have since left the Firm are entitled to only their vested portion of their initial allocation.

Carried interest represents a long-term and contingent form of remuneration, reflecting the long investment horizon typical of venture capital funds.

In addition to carried interest, the Firm may from time to time make discretionary bonus payments to employees from partners' profit share, although such payments are infrequent and modest in value.

The Firm maintains an appropriate balance between fixed and variable remuneration to ensure that the fixed component represents a sufficiently high proportion of total remuneration to allow the operation of a fully flexible variable remuneration policy, including the possibility of paying no variable remuneration.

Performance Assessment Criteria

The assessment of performance used to determine remuneration outcomes considers both financial and non-financial criteria.

Financial criteria may include:

- performance of the Firm's managed funds;
- investment realisations and value creation;
- overall financial performance of the Firm.

Non-financial criteria may include:

- individual contribution to the Firm's investment activities;
- collaboration and contribution to the Firm's culture;
- compliance with regulatory obligations; and
- adherence to risk management and governance standards.

Risk Adjustment and Alignment with Risk Management

The Firm's remuneration arrangements are designed to support sound and effective risk management.

In particular:

- Carried interest rewards long-term value creation and therefore encourages long-term decision-making consistent with investor outcomes.
- Payments of carried interest occur only after investment returns have been realised and contractual fund hurdles met.
- Participation in carried interest may be forfeited in the event of misconduct.

The structure of remuneration therefore promotes prudent risk-taking and aligns the interests of partners, employees and investors.

Guaranteed Variable Remuneration

The Firm does not award guaranteed variable remuneration.

Severance Payments

The Firm does not operate any specific severance payment schemes linked to variable remuneration. Any severance payments that may arise would be determined on a case-by-case basis and would reflect performance achieved over time and the circumstances of the individual's departure.

Material Risk Takers

The Firm has identified the following categories of staff as Material Risk Takers (MRTs):

- all partners of the Firm.

These individuals are considered to have professional activities that may have a material impact on the risk profile of the Firm.

Quantitative Remuneration Disclosures

In accordance with MIFIDPRU 8.6.8R, the following quantitative information relates to remuneration awarded during the 2025/26 financial year and is extracted from the annual report and accounts.

Category	Number of Staff*	Total Fixed Remuneration	Total Variable Remuneration	Total Remuneration
Senior management / Partners	**5**	**£0**	**£328,251**	**£328,251**
Other staff	**3**	**£129,914**	**£0**	**£129,914**
Total	**8**	**£129,914**	**£328,251**	**£458,165**

*One employee who both joined and left during the financial year is not included. The segmentation of staff is based on the situation as at 31 March 2026. There are two regulated managers within the Passion Capital group but only one of those is subject to the MIFIDPRU 8 disclosure requirements and so the table relates only to one manager, the Firm, and the amounts paid by that sole manager.

Variable remuneration consists primarily of carried interest allocations and occasional discretionary bonuses.

Remuneration and Capital

The Firm ensures that variable remuneration does not adversely affect its ability to maintain a sound capital base.

Carried interest is distributed only after fund realisations and after investors have received their contractual entitlements. As such, these payments do not place pressure on the Firm's regulatory capital.

Equality and Non-Discrimination

The Firm's remuneration policies are gender-neutral and non-discriminatory.

Remuneration decisions are based on objective criteria including:

- seniority
- role and responsibilities
- contribution to the Firm
- market benchmarks

Carried interest allocations are determined on the basis of role and seniority rather than protected characteristics.

Further Information

This disclosure is made available on the Firm's website in accordance with the public disclosure requirements of MIFIDPRU 8 and will be updated at least annually.