

KAIROS INVESTMENT MANAGEMENT LIMITED

Remuneration Disclosure

31 December 2019

The European Capital Requirements Directive (“CRD”) requires certain disclosures to be made by regulated firms which enable market participants to assess information on a firm’s risks, capital and risk management procedures. The FCA has implemented some of these requirements through the Prudential Sourcebook for Banks, Building Societies and Investment Firms (‘BIPRU’) and the Senior Management Systems and Controls Sourcebook (“SYSC”).

The Firm has adopted a remuneration policy which complies with the requirements set out in Article 14 of the Alternative Investment Fund Managers Directive (“AIFMD”) and SYSC 19B of the FCA Handbook (the “AIFM Remuneration Code”), as well as SYSC 19C (“the BIPRU Remuneration Code”). The purpose of these Remuneration Codes is to ensure that firms have risk focused remuneration policies, which are consistent with and promote effective risk management and do not expose themselves to excessive risk.

Role of the relevant stakeholders

The Firm’s Board, acting in lieu of a remuneration committee, takes full account of the Firm’s strategic objectives in setting its remuneration policy and is mindful of its duties to shareholders and other stakeholders. The Firm’s Board seeks to preserve shareholder value by ensuring the successful retention, recruitment and appropriate motivation of employees.

Code Staff criteria

The following groups of employees have been identified as potentially meeting the FCA’s criteria for Code Staff:

1. Senior Management (those holding a Significant Influence Functions SMF1, SMF3, SMF16 and SMF17 inclusive (excluding Non Executive Directors);
2. Staff responsible for heading the Portfolio Management teams;
3. Other risk takers such as any member of staff receiving total remuneration that takes them into the same remuneration bracket as senior management and whose professional activities have a material impact on risk profiles of the Firm or of the AIFs the Firm manages; and
4. Where appropriate categories of staff of entities to which Portfolio Management and/or Risk Management Functions have been delegated by the Firm, whose professional activities have a material impact on the risk profiles of the AIFs that the Firm manages.

The link between pay and performance for Remuneration Code Staff is made up of fixed pay (i.e. salary and ancillary benefits) and discretionary performance-related pay. Performance-related pay is designed to reflect success or failure against a range of objectives.

The Firm provides incentives which are designed to link reward with the long-term success of the Firm and recognise the responsibility participants have in driving its future success and delivering value for stakeholders.

The structure of the remuneration package is such that the fixed element is sufficiently large to enable the Firm to operate a fully flexible variable remuneration policy.

Aggregate and fixed/variable remuneration cost for Code Staff

During the year ended 31 December 2019 there were seven Code Staff. Aggregate fixed/variable remuneration expenditure in respect to Code Staff was £3.86m, of which £1.36m was fixed, comprising base compensation plus benefits.

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