

INTREAL

Remuneration Policy

Information on remuneration policy  
and remuneration practice

IntReal Luxembourg S.A.

Potential into Progress

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## 1 Legal basis

INTREAL Luxembourg S.A. (INTREAL Luxembourg) is obliged to implement and apply a fair and transparent remuneration system in accordance with legal and regulatory requirements.

## 2 Scope

### 2.1 General information on remuneration practises

INTREAL Luxembourg is not bound by collective agreements. In March 2023, a works council was elected for the first time as a body representing employees. Employee remuneration is generally freely negotiated and contractually agreed and consists of a fixed basic salary and, in individual cases, a variable remuneration component (discretionary bonus). In individual cases, one-off and voluntary special payments are granted for exceptional individual performance or extraordinary burdens.

The remuneration policy must be consistent with INTREAL Luxembourg's business strategy, objectives, values and long-term interests, such as sustainable growth prospects, and must be compatible with the principles of customer and investor protection in the provision of services and include measures to avoid conflicts of interest.

### 2.2 Governance structure of INTREAL Luxembourg S.A.

INTREAL Luxembourg has a statutory board of directors, which currently comprises three members. In accordance with regulatory requirements, the management team currently consists of three members.

The Board of Directors of INTREAL Luxembourg is responsible for designing and adopting the remuneration policy. It is also responsible for the ongoing supervision of the implementation of the remuneration policy.

In doing so, the Board of Directors also involves the control functions of risk management, compliance and internal audit. The remuneration policy is consistent with sound and effective risk management and does not encourage the taking of risks, including sustainability risks as described in the SFDR.

The remuneration policy therefore pursues sound and effective risk management with regard to sustainability risks. The remuneration ratio does not encourage the taking of risks of any kind, including sustainability risks.

### 2.2.1 Basic salary – fixed remuneration

The criteria for any necessary fixed salary adjustments and for the specific amount of discretionary bonuses include the performance of the individual employee and the respective business area, an analysis of satisfaction or potential turnover risk (including consideration of the internal or external availability of a replacement), length of service and the historical remuneration development of the individual employee.

The agreed remuneration and the basic system are reviewed annually in the first quarter of each calendar year. The aim of the review is to compare the salary structure of comparable employee positions, to examine whether remuneration is in line with market conditions and thus to analyse the optimal effect of the remuneration system on employee satisfaction and, consequently, on employee retention.

### 2.2.2 Variable remuneration

The payment of variable remuneration at management level is based on performance and is determined by a member of the Board of Directors together with a conducting officer. The beneficiaries are generally the conducting officers, executives and other top performers at INTREAL Luxembourg. This is not based on shares or stocks in the managed AIFs or equivalent ownership interests or share-linked instruments or equivalent non-cash instruments.

INTREAL Luxembourg must, in particular, be able to withhold all or part of the remuneration if the performance criteria are not met by the person concerned, the business unit concerned or the company as a whole, or if the person is at high risk of leaving. INTREAL Luxembourg may also withhold remuneration if its situation deteriorates significantly, in particular if it can no longer be assumed that it is or will be able to continue its business activities.

## 2.3 List of identified employee groups

### Employee groups at INTREAL LUX in accordance with ESMA requirements

Due to the tasks and responsibilities assigned to them, the majority of INTREAL Luxembourg employees do not have a significant influence on the risk profiles of the AIFs under management. Without taking into account the significant influence on the risk profile of the AIFM or AIF, the following employee groups can initially be counted among the identified employees at INTREAL LUX:

- Board of Directors
- Conducting officer
- Risk officer

- Chief Compliance Officer
- Other employees who are relevant to risk

## 2.4 Non application of individual requirements in accordance with the principle of proportionality ( )

In accordance with VII.I, paragraph 26 of the ESMA Guidelines, the principle of proportionality may be invoked to justify the non-application of individual, selected requirements, which justifies why these are not applied to all identified employees or individual categories of identified employees.

It should be noted that only the non-application of the following requirements is possible:

- Variable remuneration in the form of instruments; (here only all or nothing, i.e. if: at least 50% of variable remuneration is paid in instruments)
- Lock-up period;
- Deferral (here only all or nothing, i.e. if deferral, then 3-5 years, at least 40%);
- Ex-post consideration of risk in variable remuneration; and
- Establishment of a remuneration committee

### 2.4.1 Company

As an AIFM and central administrator, INTREAL Luxembourg is currently a medium-sized company whose structures are manageable, transparent and not comparable to those of a listed company.

INTREAL Luxembourg is a wholly owned subsidiary of IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH, which is based in Hamburg, Germany, is supervised by the Federal Financial Supervisory Authority and manages real estate funds.

Only transactions that are in line with the AIFM and the central administration are carried out. The remuneration policy is consistent with the business strategy, objectives, values and interests of the AIFM and the AIFs it manages or the investors in those AIFs, and includes measures to avoid conflicts of interest.

The employee groups are explained individually below:

#### 1) Shareholders

The identified shareholders are non-executive and are not considered further as they do not receive any remuneration. Furthermore, they are not involved in operational activities.

## **2) Board members**

The identified persons who form the board of directors of INTREAL Luxembourg have a significant influence on the risk profile of INTREAL Luxembourg and the AIFs it manages, as they determine the strategy and risk appetite. Their influence is further documented by their existing final decision-making authority, e.g. in connection with transactions, changes to contractual terms and conditions, etc.

Although the internal directors have a significant influence on the risk profile of INTREAL and the AIFs it manages, as they do not receive any remuneration, INTREAL Luxembourg is of the opinion that the principle of proportionality should be applied to the directors and that the aforementioned requirements should therefore not be applied. External directors (independent directors) may receive remuneration in line with market conditions.

## **3) Conducting Officer**

s have a significant influence on the risk profile of INTREAL Luxembourg and the AIFs it manages, as they prepare, for example, the decision papers for the board of directors and the individual committees established to oversee transactions and fund requirements or to monitor the entire risk process. This also applies to their role as voting members of these committees.

Although the conducting officers have a significant influence on the risk profile of INTREAL Luxembourg and the AIFs it manages, in view of the complexity of the transactions carried out and the circumstances within the organisation already described, INTREAL Luxembourg is of the opinion that the principle of proportionality should be applied to the conducting officers and that the aforementioned requirements should therefore not be applied.

### **3a) Risk management**

A conducting officer (CO Risk) is responsible for the risk management of INTREAL Luxembourg and the AIFs under management. He monitors the entire risk process, which includes risk inventory and, at the AIF level, risk reporting and transaction assessment.

The variable portion of remuneration that is not based on the performance of individual AIFs may not exceed the fixed portion of remuneration.

### **3b) Portfolio management**

The Conducting Officer (CO PM), who is responsible for portfolio management, monitors the financing matters of the individual AIFs. He is in direct contact with the initiators of the AIFs and coordinates continuously with the investment advisors on planned transactions and the current situation of the portfolio properties.

The CO PM prepares decision papers, e.g. in the context of transactions or fund requirements, and thus influences the quality of the transactions. He can therefore comment on certain proposals from the initiators regarding possible transactions and prepare them for decision-making.

The CO PM can thus influence transactions and portfolio development by commenting on and controlling processes. However, in view of the complexity of the transactions carried out and the circumstances already described within the organisation, INTREAL Luxembourg is of the opinion that the principle of proportionality should be applied to the CO PM and that the aforementioned requirements should therefore not be applied.

His variable remuneration is linked to targets that are not related to the risk profiles or performance of the AIFs under management. The variable portion of remuneration that is not measured against the performance of individual AIFs may not exceed the fixed portion of remuneration.

### **3c) UCI Administration**

The Conducting Officer (CO CA), who is responsible for Central Administration, monitors the financing matters of the individual AIFs. He is in direct contact with the initiators of the AIFs and performs the tasks of the registrar function, the NAV calculation and settlement function and the customer communication function.

His variable remuneration is linked to targets that are not related to the risk profiles or performance of the AIFs under management. The variable portion of remuneration that is not linked to the performance of individual AIFs may not exceed the fixed salary portion. The CO CA is not involved in the remuneration system of INTREAL Luxembourg.

### **4) Risk Manager**

The full-time risk management employee provides operational support to the conducting officer responsible for risk management. Their activities therefore include, for example, carrying out a risk assessment in the area of transactions, followed by a recommendation, which is then issued by the conducting officer (risk management). Compliance with the fund strategy is also checked as part of the risk assessment.

As a risk manager, the employee thus has an influence on the risk profile of INTREAL Luxembourg and the AIFs it manages.

However, in view of the complexity of the transactions carried out and the circumstances within the organisation as described above, INTREAL Luxembourg is of the opinion that the principle of proportionality should be applied to the Risk Manager and that the aforementioned requirements should therefore not be applied.

The variable portion of the remuneration, which is not measured by the performance of the individual AIFs, may not exceed the fixed portion of the salary.

## **5) Chief Compliance Officer/AML (RC)**

The full-time employee responsible for compliance and AML management provides operational support to the Conducting Officer responsible for compliance. In the area of compliance, for example, this includes regularly monitoring and evaluating the adequacy and effectiveness of the measures, principles and procedures put in place to achieve the objectives, as well as the steps taken to remedy any shortcomings in the company's compliance with its obligations. In addition, he or she supports compliance with the strategies, procedures, controls and monitoring activities specified in regulations, laws, guidelines and circulars for combating money laundering and terrorist financing.

The remuneration of the Chief Compliance Officer is not linked to the performance of the areas under control and is not determined by other criteria that would compromise the objectivity of the work performed by the Chief Compliance Officer. The compliance function operates independently and adheres to the principle of separation of duties.

## **6) Valuation Officer**

The remuneration of the employee responsible for valuation is not linked to the performance of the controlled area and is not determined by other criteria that could compromise the objectivity and independence of the function, thus complying with the principle of separation of duties.

The variable portion of remuneration that is not based on the performance of individual AIFs may not exceed the fixed portion of remuneration.

## **7) Summary**

In conclusion, it can be stated that the identified employees of INTREAL LUX can influence the risk profile of the AIFM or its AIFs to varying degrees. Due to the characteristics already explained with regard to the general business model, the complexity and risk profiles of the AIFs, and the circumstances described in the remuneration practice, the aforementioned requirements are not applied to the identified employees, thus applying the principle of proportionality.

The requirements regarding the payment of variable remuneration in the form of instruments, the introduction of a vesting period, deferral and ex-post consideration of risk in variable remuneration are therefore not applied to the identified employees.

As a matter of principle, it is guaranteed that the above-mentioned employees make decisions jointly at all levels (Business Relationship Acceptance Committee, Valuation Committee), so that no individual has direct influence on the assessments and decisions made. Care is also taken to ensure that no incentives are created for relevant persons that could impair customer interests and/or create conflicts of interest.



Controls and procedures have been implemented in the various departments for this purpose.

Payments in connection with the early termination of a contract, whether granted on a contractual basis or voluntarily, must be linked to performance over time and designed in such a way that failure is not rewarded.

The Board of Directors of INTREAL LUXEMBOURG may require employees to repay, in whole or in part, bonuses granted for performance based on data that later proved to be fraudulent.

Specific reference is made to the new AIFM II (Annex II) on ESG factors.

By incorporating ESG factors into its remuneration policy, INTREAL LUX strengthens its commitment to sustainable finance and responsible investment practices and ensures that remuneration structures support long-term value creation and regulatory compliance.

### 3 Owner of this policy

The Chief Compliance Officer is responsible for implementing this policy. Changes to this policy may be made by the Chief Compliance Officer and/or the management. These must be approved by the Board of Directors. The policy must be updated and approved at least once a year or on an ad hoc basis.

Exceptions to this policy are approved by the Board of Directors, the Executive Board and the Chief Compliance Officer and communicated immediately to all employees of the company.