



**ProCredit**  
H O L D I N G

## ARTICLES OF ASSOCIATION

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14 December 2016

ProCredit Holding AG & Co. KGaA



# ARTICLES OF ASSOCIATION

for

## ProCredit Holding AG & Co. KGaA

### I. General Provisions

#### Article 1 Company, Registered Office and Financial Year

(1) The Company is a partnership limited by shares and operates under the trading name

#### **ProCredit Holding AG & Co. KGaA**

(2) The Registered Office of the company is in **Frankfurt am Main**.

(3) The financial year is the calendar year.

#### Article 2 Purpose of the Company

(1) The purpose of the Company is to acquire long-term and if possible majority equity participations in financial institutions which serve the financial needs of small and medium-sized enterprises and of private clients in developing countries, emerging economies and Germany. The aim of the Company is to support and manage all financial institutions in which it invests as a group and to ensure that they achieve, over the long term, an optimal rate of return on the capital employed whilst at the same time achieving and maintaining a high degree of orientation towards the target group.

(2) The Company is authorised to carry out all types of transactions and take all measures which are necessary for or are deemed to be beneficial to furthering the achievement of the purpose of the Company, and in particular to acquire equity participations in enterprises of the same or a similar type, or enterprises whose business activities are related to the purpose of the Company, both in Germany and in foreign countries, and to establish branch offices.

#### Article 3 Announcements

- (1) The announcements of the Company are published in the German Federal Gazette.
- (2) Information for the holders of authorised securities of the Company may also be conveyed by means of electronic data interchange.

## **II. Share Capital and Shares**

### Article 4 Amount of Share Capital and Division into Shares

- (1) The share capital of the Company amounts to EUR 267,720,420.00 (in words: two hundred sixty-seven million seven hundred and twenty thousand four hundred and twenty euros).
- (2) The share capital is divided into 53,544,084 non-par value shares.
- (3) The general partner is authorised, with the consent of the Supervisory Board, to increase the share capital in the period until 31 May 2021, once or in several instances, by a total amount of up to EUR 26,772,042 (in words: twenty-six million seven hundred and seventy-two thousand and forty-two euros), by issuing new registered non-par value shares against contributions in cash or in kind (Authorised Capital 2016).

Shareholders will generally be granted subscription rights. The shares may also be acquired by one or more credit institutions or undertakings within the meaning of Article 186 (5) sentence 1 AktG insofar as they accept the obligation to offer them to the Company's shareholders for subscription (indirect subscription rights).

However, with the consent of the Supervisory Board, the general partner is authorised to exclude shareholders' subscription rights for one or more capital increases in connection with the Authorised Capital 2016:

- (i) to exclude fractional amounts from the subscription right
- (ii) as long as the Company's shares already issued are not listed on a stock exchange within the meaning of Article 3 (2) AktG at the time this authorisation is exercised, in case of a capital increase against cash contributions, if the issue price of new shares is not less than 100% of the book value of equity per share already issued at the time this authorisation is exercised. The "book value of equity per issued share" represents the equity attributable to equity holders of the Company as shown in the last audited consolidated financial statements of the Company prepared before the exercise of the

authorisation in accordance with IFRS, divided by the number of shares already issued at the time the authorisation is exercised

- (iii) if the Company's shares already issued are listed on a stock exchange at the time this authorisation is exercised, in case of a capital increase against cash contributions, if the issue price of new shares is not significantly, which means as a target not more than 3% and in no event more than 5%, below the stock exchange price of the Company's shares already listed at the time the issue price is finally determined. This authorisation is subject to the proviso that the total calculated proportion represented by the shares issued with an exclusion of the subscription right pursuant to Article 186 (3) sentence 4 AktG in the Company's share capital must not exceed a limit of 10% of the Company's share capital neither at the time this authorisation becomes effective nor – if this amount is lower – at the time this authorisation is exercised. This limit of 10% of the share capital includes shares which (a) are issued or sold during the term of this authorisation until the time it is exercised, by direct or analogous application of Article 186 (3) sentence 4 AktG, as well as (b) are issued to fulfil subscription rights or to fulfil conversion obligations under convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations thereof) (together "Debt Securities"), to the extent that the relevant Debt Securities are issued with the exclusion of shareholders' subscription rights after this authorisation becomes effective by analogous application of Article 186 (3) sentence 4 AktG; or
- (iv) in the case of a capital increase against contributions in kind, including in particular for acquiring (directly or indirectly) undertakings, operations, parts of undertakings, interests or other assets or entitlements to the acquisition of assets, including claims against the Company or its group companies.

The general partner is authorised, with the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation; this also includes determining the dividend rights of new shares which may also be declared, notwithstanding Article 60 (2) AktG, for a financial year already ended. The authorisation does, however, not allow the general partner to issue shares of a new type.

The Supervisory Board is authorised, after using the Authorised Capital 2016 or after expiry of the period for using the Authorised Capital 2016, to amend the Articles of Association accordingly.

#### Article 5 Registered Shares

- (1) All of the Company's shares are registered shares.

- (2) The shareholders are not entitled to the issuance of individual share certificates, unless such issuance is required according to the rules applicable for a stock exchange where the shares have been admitted. The Company may issue certificates for individual shares (single-share certificates) or for more than one share (multiple-share certificates). Additionally, the shareholders are not entitled to the issuance of dividend and renewal coupons.
- (3) The form and content of share certificates, dividend and renewal coupons, and bonds and interest coupons is determined by the general partner, subject to the approval of the Supervisory Board.

### III. General Partner

#### Article 6 General Partner and its Capital Contribution

- (1) The general partner without capital contribution is

**ProCredit General Partner AG**

whose registered office is located in Frankfurt am Main.

- (2) The general partner is neither authorised nor obligated to make capital contributions in the sense of Article 281 (2) AktG. It does not participate in profit sharing nor does it have a claim to the assets of the Company (including the hidden reserves). Additionally, it is not entitled to proceeds from the liquidation of the Company.

#### Article 7 Representation of the Company

The Company is represented by the general partner. In its dealings with the general partner, the Company is represented by the Supervisory Board.

#### Article 8 Management

- (1) The general partner is responsible for the management of the Company.
- (2) The authorised management activities of the general partner also include implementing extraordinary management measures. The shareholders are not permitted to approve or reject extraordinary management measures at the Shareholders' Meeting.

Article 9 Remuneration and Reimbursement of Expenses

- (1) The general partner will be duly compensated for all expenses in connection with the management of the Company's operations, including the remuneration of its board members. The general partner shall submit invoices for reimbursement of its expenses on a monthly basis and is entitled to advanced compensation.
- (2) As remuneration for the assumption of management activities of the Company and for the assumption of liability, the general partner of the Company shall receive adequate compensation which is commensurate with its time and effort.
- (3) The general partner is not authorised to conduct operations outside of its scope of responsibility in the Company, either on its own behalf or on behalf of third parties.
- (4) The Company shall provide the members of the Management Board and the Supervisory Board of ProCredit General Partner AG with insurance cover during the performance of their duties on behalf of ProCredit General Partner AG.

Article 10 Leaving the Company

- (1) The general partner shall leave the Company within a period of three months as soon as the shareholders of the general partner no longer possess at least 20% of the share capital of the Company, held directly or indirectly by a dependent company as defined by Article 17 (1) AktG. The remaining statutory reasons for the general partner to leave the Company are not affected by this provision.
- (2) Should the general partner leave the Company, or if this is foreseeable, the Supervisory Board is obligated to call a Shareholders' Meeting within three months. This Shareholders' Meeting can, with a simple majority of the votes cast, decide on a conversion of the Company into a stock corporation (*Aktiengesellschaft*) or on the entry of a new general partner.  
  
The Supervisory Board is authorised to amend the wording of the Articles of Association in accordance with the change in general partners.
- (3) The Company shall absolve the departing general partner from responsibility for the liabilities of the Company, unless a creditor brings forth a claim that is founded on the result of actions taken by the general partner which are not in accordance with the principles of due diligence or is a result of neglect on the part of the general partner. The general partner may not demand to be absolved from the liabilities of the Company towards third parties or

demand to be provided with advance payment for claims that may be raised by creditors in the future.

#### **IV. Supervisory Board**

##### Article 11 Composition, Appointment, Term of Office, Resignation from Office

- (1) The Supervisory Board of the Company shall comprise six members, insofar as another number of members is not mandatorily required according to legal provisions.
- (2) Provided that the Shareholders' Meeting does not adopt a resolution stipulating otherwise, the members of the Supervisory Board shall be appointed to a term of office which shall end when the Shareholders' Meeting ends which votes on whether to ratify the acts of the Supervisory Board during the fourth financial year after the beginning of the term of office. The financial year in which the term of office begins shall not be counted. Members may be re-elected to the Supervisory Board.
- (3) If a Supervisory Board member is elected to replace a member who is leaving prior to the expiration of his/her term, then the newly elected member shall hold office for the remainder of the term of office of the departing member, provided that a shorter term of office is not defined at the time of appointment.
- (4) Any member of the Supervisory Board may resign from his/her office if he/she gives four weeks' prior notice of his/her intention to do so. The declaration announcing the resignation shall be submitted in writing to the general partner, with the Chairman of the Supervisory Board being notified thereof. A shortening of this time period is permissible if mutually agreed upon. The right to resign from office for good cause remains unaffected by this provision.

##### Article 12 Chairman and Deputy Chairman

- (1) The Supervisory Board shall select a Chairman and a Deputy Chairman from among its members during its first meeting after being appointed to office. The Chairman and Deputy Chairman shall serve for the duration of their terms of office as members, unless the Supervisory Board has set a shorter duration.

- (2) If the Chairman or the Deputy Chairman leaves office prior to the end of his/her term of office, the Supervisory Board must immediately elect a replacement for the remainder of the term of office of the departing individual.

Article 13      Calling of Meetings of, and Voting by, the Supervisory Board

- (1) The Supervisory Board shall as a general rule hold a meeting each quarter of the calendar year, with at least two meetings during each half of the calendar year being mandatory. Furthermore, meetings must also be held if required by law or if otherwise deemed to be in the interest of the Company.
- (2) The Supervisory Board shall be convened by the Chairman of the Supervisory Board.
- (3) A meeting of the Supervisory Board shall be regarded as constituting a quorum if all of the members are invited in a due and proper manner and at least half of the total number of members participate in the voting.
- (4) To the extent that the applicable laws do not set mandatory provisions stipulating otherwise, resolutions of the Supervisory Board are passed with a simple majority of the votes cast. In the event of a tied vote, the deciding vote shall be cast by the Chairman of the Supervisory Board or, if he or she does not participate in the resolution, by the Deputy Chairman of the Supervisory Board.
- (5) The Chairman of the Supervisory Board is authorised to issue, in the name of the Supervisory Board, the manifestations of intent which are required in order to carry out resolutions of the Supervisory Board. Only the Chairman of the Supervisory Board is authorised to accept manifestations of intent directed to the Supervisory Board.

Article 14      Remuneration, Reimbursement of Expenses and Insurance Cover

- (1) Each member of the Supervisory Board shall receive a fixed annual remuneration of EUR 10,000 for his/her service until an alternative decision is taken by the Shareholders' Meeting. Persons serving as members of the Supervisory Board for less than a full financial year shall be remunerated on a pro-rata basis. The remuneration is due at the end of the financial year during which the person served as a member of the Supervisory Board. Remuneration for simultaneous membership on the Supervisory Board of ProCredit General Partner AG shall count towards remuneration.

- (2) The members of the Supervisory Board shall be reimbursed for expenses incurred in connection with the performance of their duties, including any value added tax which may apply.
- (3) For the execution of Supervisory Board activities, the Company shall provide the members of the Supervisory Board with insurance coverage.

Article 15 Internal Rules of Procedure

The Supervisory Board shall, in accordance with the statutory regulations and the provisions of these Articles of Association, create for itself a set of Internal Rules of Procedure.

Article 16 Committees

The Supervisory Board may form committees drawn from among its own members, subject to the provisions of the applicable laws. The tasks, scope of authority and procedures of the committees are determined by the Supervisory Board. To the extent legally permissible, the Supervisory Board may also delegate decision-making powers to the committees.

Article 17 Changes to the Wording of the Articles of Association

The Supervisory Board is authorised to make changes to the Articles of Association which affect only their wording.

**V. Shareholders' Meeting**

Article 18 Location and Convening of Meeting

- (1) The Shareholders' Meeting shall be held at the Registered Office of the company, at a German stock exchange or in another large German city with at least 100,000 inhabitants.
- (2) The Shareholders' Meeting is called by the general partner or, in the cases stipulated by law, by the Supervisory Board.
- (3) The Shareholders' Meeting must, unless the law permits a shorter period of notice, be called at least 30 days before the last day by which the shareholders must have registered to

participate, as set forth in Article 19 of the Articles of Association. The day on which the meeting is called and the last day of the registration period shall not be counted.

Article 19      Participation

- (1) Only shareholders who have been registered in a timely manner and for the shares registered in the share ledger shall be entitled to participate and vote in the Shareholders' Meeting.
- (2) Registration must have been received by the Company, using the address indicated for this purpose, at least six days prior to the Shareholders' Meeting. The date of the Shareholders' Meeting and the day on which the registration is received shall not be counted. Registration must be performed in written form using either German or English.

Article 20      Exercising of Voting Rights

- (1) Every ordinary share confers one vote at the Shareholders' Meeting.
- (2) Voting rights may be exercised through a power of attorney. The granting of a power of attorney, its revocation and the proof of authority have to be in writing; Article 135 AktG remains unaffected. In the calling of the Shareholders' Meeting, it may be decided to relax the form requirement.
- (3) The general partner is authorised to allow shareholders to cast their votes in writing or through electronic means, even without participating in the meeting (absentee vote).

Article 21      Chair of the Shareholders' Meeting

- (1) The Shareholders' Meeting is chaired by the Chairman of the Supervisory Board, or by another member of the Supervisory Board as chosen by the Chairman of the Supervisory Board. In the event that neither the Chairman of the Supervisory Board nor the other Supervisory Board member chosen by the Chairman of the Supervisory Board assume the role of Chairperson, then a meeting spokesperson shall be appointed by the Supervisory Board.
- (2) The Chair directs the proceedings of the Shareholders' Meeting, decides the order in which the agenda items are to be handled and decides on the type and form of voting. The Chair may set reasonable limits on the time allotted to shareholders for questions and statements. The Chair may authorise the partial or complete transmission of the Shareholders' Meeting

in audio or video format. The transmission may also be undertaken in a manner which provides unrestricted public access.

Article 22      Resolutions of the Shareholders' Meeting and Minutes

- (1) The resolutions of the Shareholders' Meeting shall, unless otherwise stipulated by law or the Articles of Association, be passed by a simple majority of the votes cast, or, if a majority of shares is required by law, by a simple majority of the share capital represented at the time of the resolution.
- (2) Resolutions of the Shareholders' Meeting require the approval of the general partner, insofar as they relate to matters for which, in the case of a limited partnership, the agreement of the general partners and the limited partners is required. Insofar as resolutions of the Shareholders' Meeting require approval from the general partner, the general partner shall declare at the Shareholders' Meeting whether the resolutions are approved or rejected.

**VI. Financial Reporting**

Article 23      Annual Financial Statements

- (1) Within the legally prescribed time limit after the end of the financial year, the general partner shall prepare the annual consolidated and unconsolidated financial statements and management reports for the preceding financial year and submit these without delay to the Supervisory Board and the auditor.
- (2) After the audit report is delivered to the general partner by the Supervisory Board, the Ordinary Shareholders' Meeting shall be convened without delay.
- (3) The annual financial statements shall be adopted by the Shareholders' Meeting with the approval of the general partner.

**VII. Termination of the Company**

Article 24      Termination by the Shareholders

The Company may neither be terminated by an individual shareholder nor by all of the shareholders together.

## **VIII. Final Provisions**

### Article 25 Severability Clause

Should any provision of these Articles of Association prove to be fully or partially null or void, should any provision become invalid or unenforceable at any point in the future or should any provision be missing, the remaining provisions of these Articles of Association shall remain unaffected. Insofar as legally possible, an appropriate provision which comes as close as possible to capturing the aim and purpose of these Articles of Association shall take the place of the invalid or missing provision.

### Article 26 Costs Associated with the Incorporation and Conversion of the Company

- (1) The Company shall bear the costs arising in connection with the incorporation of the Company, in particular legal costs and notary fees as well as publishing costs of up to DM 30,000 (plus VAT).
- (2) The Company shall bear the costs arising in connection with its conversion from ProCredit Holding AG to ProCredit Holding AG & Co. KGaA in the total amount of approximately EUR 415,000.00 (plus VAT).



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