



ProCredit
H O L D I N G

INTERNAL RULES OF PROCEDURE FOR THE SUPERVISORY BOARD

8 November 2021

ProCredit Holding AG & Co. KGaA



**INTERNAL RULES OF PROCEDURE
FOR THE SUPERVISORY BOARD**

of

ProCredit Holding AG & Co. KGaA, Frankfurt am Main

At its meeting on 8 November 2021, the Supervisory Board of the Company approved its

Internal Rules of Procedure

as follows:

Article 1 General Provisions

- (1) The Supervisory Board regularly advises and supervises the general partner in the management of the Company. The Supervisory Board also oversees the general partner with regard to its adherence to the applicable prudential supervisory requirements, devoting sufficient time to the discussion of strategies, risks and remuneration systems for Management members and employees.
- (2) The Supervisory Board carries out its activities in accordance with the applicable laws, the Articles of Association and these Internal Rules of Procedure. Its members all have the same rights and obligations, to the extent that the law, the Articles of Association or these Internal Rules of Procedure do not stipulate otherwise. They are not bound by instructions.
- (3) In carrying out its tasks, the Supervisory Board works together closely with the general partner on a basis of trust and co-operation for the good of the Company.
- (4) The Supervisory Board shall review the efficiency of its activities, those of its committees, and those of the Management at regular intervals, at least once a year.

Article 2 Chairperson

- (1) The Chairperson of the Supervisory Board shall maintain regular contact with the general partner, consulting with it on issues of strategy, planning, business development, risk situation, risk management and compliance of the Company and the group.
- (2) If he is informed by the general partner of important events which are of material significance in terms of evaluating the situation and development of the Company and the group, as well as for the management of the Company and the group, then he shall in turn inform the Supervisory Board and, if necessary, convene an extraordinary meeting of the Supervisory Board.

Article 3 Calling of Meetings

- (1) As a rule, the meetings of the Supervisory Board are convened at least 14 days in advance, stipulating the form of the meeting, in writing, via e-mail transmission with read-receipt confirmation, or, if requested in writing by a member of the Supervisory Board, via facsimile transmission to that member. The day on which the invitation is sent and the day on which the meeting is held are not counted as part of the period of notice. In urgent cases, the Chairperson can shorten this period of notice to an appropriate extent.
- (2) The notification that a meeting is called should be accompanied by notification of the topics on its agenda, indicating those topics for which a resolution is to be voted on. Any preparatory documents should be sent to the Supervisory Board members as far in advance of the meeting as possible. If an item on the agenda was not announced in a due and proper manner, a resolution regarding this item may be put to the vote only if no Supervisory Board member objects. In such cases, absent Supervisory Board members are to be given the opportunity to either object to the vote on the resolution in question, or to submit their votes in writing, via facsimile transmission, via e-mail transmission or via other usual forms of telecommunication, within an appropriate period of time, which is to be set by the Chairperson. The resolution will only take effect if the absent Supervisory Board members have not submitted an objection to the resolution within the established period of time, or have approved the resolution.

- (3) No special invitation is required for the founding meeting of the Supervisory Board (Article 12 (1) of the Articles of Association and Article 7 (2) of these Internal Rules of Procedure). For the resolutions to be adopted at this meeting regarding the election of the Chairperson of the Supervisory Board and his/her deputy, and for the establishment of committees and the appointment of their members, it is not necessary to provide notification of the agenda or to provide a list of the items on which a vote is to be taken.
- (4) The general partner shall attend the meetings of the Supervisory Board unless the Supervisory Board stipulates otherwise in individual cases.

Article 4 Manner in Which Meetings Are to Be Conducted, Adoption of Resolutions

- (1) As a rule, resolutions of the Supervisory Board are adopted at meetings. The adoption of resolutions may also take place orally, by telephone, in writing, via facsimile transmission, via e-mail transmission or via other usual forms of telecommunication if the Chairperson of the Supervisory Board so stipulates. An objection to the procedure stipulated by the Chairperson for the adoption of resolutions will be considered only if it is brought by at least two of the members of the Supervisory Board.
- (2) Absent Supervisory Board members can participate in the adoption of resolutions by the Supervisory Board by providing their votes to other Supervisory Board members, or to other individuals who are authorised to take part in the meeting in accordance with Article 109 (3) of the German Stock Corporation Act [Aktiengesetz (AktG)] in conjunction with Article 13 (5) of the Articles of Association, in writing for submission during the meeting. In addition, absent Supervisory Board members can submit their votes either during the meeting or thereafter, within an appropriate period of time to be stipulated by the Chairperson of the meeting, orally, by telephone, in writing, via facsimile transmission, via e-mail transmission or via other usual forms of telecommunication. The other Supervisory Board members are not entitled to raise objections to the manner in which voting is to be conducted.
- (3) Minutes are to be taken at the meetings of the Supervisory Board, detailing all resolutions adopted, and such minutes shall be signed by the Chairperson of the Supervisory Board. The minutes must be conveyed to all members of the Supervisory Board without delay.

- (4) The Chairperson of the Supervisory Board may invite to attend the meeting an individual who shall be responsible for taking the minutes. The Supervisory Board members may decide, via a simple majority, to invite technical experts, in particular auditors, lawyers and/or tax advisers, to attend meetings of the Supervisory Board.

Article 5 Obligation to Maintain Confidentiality

- (1) The Supervisory Board members are obligated to maintain confidentiality regarding confidential data and secrets of the Company, namely operating and business secrets, which become known to them through their activities as members of the Supervisory Board. This applies, in particular, to confidential reports and consultations. This obligation remains in effect even after the individual is no longer a member of the Supervisory Board. Upon termination of their membership of the Supervisory Board, departing members are to return all confidential documents to the Chairperson of the Supervisory Board.
- (2) Every Supervisory Board member may provide information which has become known to him/her in his/her capacity as a member of the Supervisory Board to third parties only with the prior approval of the Supervisory Board Chairperson, unless the information in question clearly is not subject to confidentiality as defined by (1) above. This does not apply to the forwarding of information to consultants who, for their part, are obligated to maintain confidentiality. Every Supervisory Board member must ensure that any employees with whom he/she may consult is likewise obligated to maintain confidentiality.

Article 6 Personal Requirements for Members of the Supervisory Board

- (1) When determining the composition of the Supervisory Board (selection, appointment, re-appointment and succession planning of its members), section 25 d of the German Banking Act [Kreditwesengesetz (KWG)] and other applicable legal provisions shall be observed. The members of the Supervisory Board must, in particular, be reliable and must possess the necessary specialist knowledge required to perform their control function properly and to assess and monitor the business operations conducted by the Company, and they must devote sufficient time to the performance of

their duties. The members must as a whole have close knowledge of the sector in which the Company operates; at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing.

- (2) The members of the Supervisory Board shall immediately disclose to the Supervisory Board existing memberships of management or supervisory bodies of companies outside the ProCredit group as well as the assumption or termination of such memberships.
- (3) Persons may not be elected to the Supervisory Board who are already supervisory board members of four other undertakings, or are management board members of an undertaking and also supervisory board members of two other undertakings, unless a higher number of mandates is permitted by the German Federal Financial Supervisory Authority. Several management board or supervisory board mandates shall be considered to be one mandate if carried out at undertakings: which belong to the same group of institutions, financial holding group or mixed financial holding group; which are members of the same institutional protection scheme; or in which the institution has a significant holding. Mandates at undertakings which provide public services shall not be included in the maximum number of mandates permissible pursuant to the first sentence.
- (4) The Supervisory Board shall include no more than two former members of the Management Board of the general partner. Management Board members may not become members of the Supervisory Board of the general partner within two years after the end of their appointment, unless they are appointed upon a motion presented by shareholders holding more than 25% of the voting rights in the Company. In the latter case, appointment to the Chairperson of the Supervisory Board shall be an exception to be justified to the Shareholders' Meeting.
- (5) The Supervisory Board shall include what it considers to be an adequate number of independent members from the group of shareholder representatives, thereby taking into account the shareholder structure. In this regard, a Supervisory Board member is considered independent if he/she is independent from the Company and the Management Board of the general partner, and independent from any controlling shareholder.

- (6) More than half of the shareholder representatives shall be independent from the Company and the Management Board of the general partner. In this regard, Supervisory Board members are to be considered independent from the Company and the Management Board of its general partner if they have no personal or business relationship with the Company or the Management Board of its general partner that may cause a substantial – and not merely temporary – conflict of interest.
- (7) Recommendations concerning the election of Supervisory Board members shall take into account the objectives established by the Supervisory Board with regard to its composition, as well as other requirements defined by the Supervisory Board for recommendations to the Shareholders' Meeting concerning the election of new Supervisory Board members. The recommendations shall aim to fulfil the overall profile of required skills and expertise of the Supervisory Board.
- (8) Elections to the Supervisory Board shall be made on an individual basis. An application for the judicial appointment of a Supervisory Board member shall be limited in time up to the next Shareholders' Meeting. Proposed candidates for Chairperson of the Supervisory Board shall be announced to the shareholders.
- (9) The members of the Supervisory Board shall, on their own responsibility, participate in training measures necessary for the performance of their duties. In this regard and upon their appointment, they will receive appropriate support from the Company. Any such measures will be disclosed to the Shareholders' Meeting in the report of the Supervisory Board.
- (10) It shall be reviewed at regular intervals, at least once per year, to what extent the members of the Supervisory Board meet the above criteria and to what extent the composition of the Supervisory Board is still in line with the diversity requirements and the competence profile.

Article 7 Conflicts of Interest

- (1) All members of the Supervisory Board are bound by the enterprise's best interests. No member of the Supervisory Board may pursue personal interests in his/her decisions or use business opportunities intended for the enterprise for himself/herself.

- (2) Every Supervisory Board member will disclose conflicts of interest to the Chairperson of the Supervisory Board without undue delay, in particular those which result from an advisory function to, or service as a member of a corporate body of, customers, suppliers, lenders or other business partners. In the case of conflicts of interest which are of a material nature, and are not only temporary, having to do with the person of a Supervisory Board member, the individual's mandate shall be terminated. Supervisory Board members shall not be members of governing bodies of, or exercise advisory functions at, and shall not hold any personal relationships with, a significant competitor of the Company or the group.
- (3) The Supervisory Board shall inform the Shareholders' Meeting in its report of any conflicts of interest which have emerged, and the measures taken to address them.

Article 8 Committees

- (1) The Supervisory Board may form committees, with the members of such committees drawn from among the members of the Supervisory Board. It shall appoint the Risk and Audit Committee and the Nominations Committee as standing committees.
- (2) The members of the committees, both individually and collectively, must have the knowledge, skills, and experience necessary to perform their respective committee duties.
- (3) Each committee shall consist of at least three members and designate as Chairperson a member who is capable of facilitating impartial decision-making. The members of the committees are elected by a simple majority of the votes cast. Their period of office shall be equal to their period of office as members of the Supervisory Board, unless a shorter period of office is determined at the time of the election. At least one member of each committee shall be a member of another committee.
- (4) Committees of the Supervisory Board are formed at the founding Supervisory Board Meeting, if so required by mandatory legal regulations, the Articles of Association or these Internal Rules of Procedure. Furthermore, formation of committees at a subsequent point in time is not ruled out. If a committee member leaves a committee, an election to replace

the departing individual must be held without delay, in accordance with Article 3 (3).

- (5) The committees shall have a quorum only when at least three members participate in the vote on a resolution.
- (6) Unless the Articles of Association, these Internal Rules of Procedure or the internal rules of procedure of a committee contain provisions applying specifically to that committee, the provisions of the Articles of Association regarding the Supervisory Board and these Internal Rules of Procedure shall apply analogously to the Supervisory Board committees, subject to any applicable legal regulations. References to the Chairperson of the Supervisory Board shall be read as references to the Chairperson of the committee.
- (7) The chairpersons of the respective committees shall report regularly to the Supervisory Board on the work of the committees.

Article 9 Risk and Audit Committee

- (1) One member of the Risk and Audit Committee must have expertise in the fields of accounting and auditing as well as specific knowledge and experience in the application of accounting principles, internal control procedures and risk management issues and practices. This individual shall be the Chairperson of the Risk and Audit Committee. This individual may not serve concurrently as the Chairperson of the Supervisory Board or any other committee. The Chairperson must in addition be independent and may not be a former member of the Management Board of ProCredit General Partner AG whose appointment ended less than two years ago.
- (2) The members of the Risk and Audit Committee must as a whole be familiar with the sector in which the company operates and individually and collectively have sufficient knowledge, skills and experience regarding risk management and control procedures.
- (3) The Risk and Audit Committee shall have the duties set out in the Internal Rules of Procedure for the Risk and Audit Committee.

Article 10 Nominations Committee

- (1) The Nominations Committee shall be chaired by the Chairperson of the Supervisory Board.
- (2) Members of the Nominations Committee must have a sufficient level of collective knowledge, skills and experience relating to the Company's business to assess the appropriate composition of the Supervisory Board, including recommending candidates to fill vacancies on the Supervisory Board. To this end, the members must have sufficient knowledge, skills and experience, individually and collectively, concerning the selection procedure and the eligibility requirements.
- (3) The Nominations Committee shall have the duties set out in the Internal Rules of Procedure for the Nominations Committee.



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