



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

REMUNERATION REPORT AS OF 31 DECEMBER

**2022**



# Remuneration report

The remuneration report explains the principles of our remuneration system for the members of the Management Board and Supervisory Board of ProCredit Holding AG & Co. KGaA, Frankfurt am Main, and describes the amount and structure of remuneration for the members of its governing bodies for the 2022 financial year.

ProCredit Holding has the legal form of a partnership limited by shares ("KGaA" – Kommanditgesellschaft auf Aktien). As a KGaA, ProCredit Holding has a supervisory board. Management board duties are incumbent upon the general partner. The sole personally liable general partner of the Company is ProCredit General Partner AG, Frankfurt am Main, whose management board ("Management Board") is thereby responsible for managing the Company's business operations. ProCredit General Partner also has a supervisory board. This remuneration report therefore also reports on the principles of the remuneration system and on the amount and structure of remuneration for members of the Supervisory Board of ProCredit General Partner. The remuneration system for members of the Management Board and Supervisory Board is based on statutory requirements and takes into account the recommendations and suggestions of the German Corporate Governance Code (GCGC).

## REMUNERATION SYSTEM FOR MANAGEMENT BOARD AND SUPERVISORY BOARD

### Management Board of ProCredit General Partner

The compensation of the members of the Executive Board mainly consists of fixed remuneration. This should be appropriate and transparent. As for all employees in the ProCredit group, variable remuneration elements are not contractually set and are only applied on a limited scale.

The Remuneration Control Committee of the Supervisory Board of ProCredit General Partner develops the remuneration system for the members of the Management Board. The remuneration system is reviewed annually. The system is then officially approved by the Supervisory Board.

The remuneration of the Management Board is set by the Supervisory Board. The Supervisory Board determines an appropriate level of remuneration for the members of the Management Board based on the respective duties and performance of each member, the economic situation and development of the group, and the outlook for the group. As is the case for all employees of the group, there are no contractually defined variable compensation components for the members of the Management Board. The Supervisory Board defines an appropriate level of remuneration for the members of the Management Board based on a comparison with the remuneration levels in comparable development-oriented financial institutions as well as on the basis of its assessment of what constitutes appropriate compensation and what reflects, in an ethically appropriate way, their contribution to the company. Consideration is also given to the relationship between the remuneration of the Management, middle management and employees.

The remuneration of the Management Board shall not exceed ten times the average salary of the employees of ProCredit Holding. The maximum fixed remuneration for members of the Management Board is EUR 330,000 per year (with the exception of the Chair of the Management Board). Twenty per cent of the monthly net salary (after statutory deductions) is paid in the form of shares in ProCredit Holding, which are

subject to a vesting period of three years. In view of the extended duties and responsibilities, the Supervisory Board grants the Chairman of the Management Board fixed compensation of EUR 500,000 per year. In this case as well, twenty per cent of the monthly net salary (after statutory deductions) is paid in the form of shares in ProCredit Holding, which are subject to a vesting period of three years.

A relevant share-based component with a vesting period of three years ensures that the interests of the Management Board and of the group are well aligned as well as promoting the implementation of the group's business strategy, the long-term development of the group and long-term commitment. The fact that the share-based component is fixed and does not vary is in line with the group's development-oriented business activity and prudent risk strategy.

The Supervisory Board may grant special remuneration to reward specific cases of extraordinary performance. These decisions are based on a multi-year performance assessment, which generally takes into account the overall performance of the members of the Management Board and their contribution to the ProCredit group. Such decisions take account for the economic situation and outlook of the group. If variable remuneration is granted, then the total remuneration, i.e. both fixed and variable components, may not exceed an amount equivalent to twice the fixed compensation. Variable remuneration elements should in principle be used for the acquisition of shares in the staff investment vehicle, ProCredit Staff Invest. In such cases, the individual commits to hold the shares for a period of five years. There is no possibility on the part of ProCredit Holding to reclaim variable remuneration components.

Members of the Management Board are not remunerated for group-internal supervisory board mandates.

In the event of premature termination of management board membership, the scope of claims shall be limited to the remainder of the employment contract or a maximum of two years' remuneration (severance cap). In the case of Supervisory Board mandates in companies outside the group, the Supervisory Board decides whether and to what extent the compensation is to be taken into account.

### **Supervisory Board of ProCredit Holding**

The remuneration of the members of the Supervisory Board shall be balanced overall and be commensurate with the responsibilities and duties of the Supervisory Board members and the situation of the company, also taking into account the compensation arrangements of other development-oriented listed companies. At the same time, appropriate and commensurate compensation makes an important contribution in light of the competition for outstanding individuals to fill positions on the Supervisory Board and thus to provide the best possible supervision and advice to the Management Board. These, in turn, are required for long-term corporate success.

The members of the Supervisory Board shall receive fixed remuneration based on their function. No performance-related compensation or financial or non-financial performance criteria are provided for. In this way, we would like to take account for the independent control and advisory function of the Supervisory Board, which is not geared towards short-term corporate success but towards the long-term development of the company.

The compensation of the members of the Supervisory Board is set by the General Meeting in the Articles of Association or by resolution at the proposal of the General Partner and the Supervisory Board. Currently, the remuneration is set forth in the Articles of Association.

The General Meeting shall decide on the compensation of the members of the Supervisory Board at least every four years. The Supervisory Board's remuneration system was last revised in 2022. Accordingly, the

General Meeting of 31 May 2022 adopted a resolution on the remuneration of the members of the Supervisory Board.

The members of the Supervisory Board receive fixed annual compensation in the amount of EUR 10,000. The Chair receives fixed annual compensation of EUR 30,000, with the Deputy Chair receiving fixed annual compensation of EUR 15,000.

For their work on the Risk and Audit Committee, the members of the Supervisory Board receive additional fixed annual remuneration of EUR 5,000; the Chair of the Risk and Audit Committee receives additional fixed annual remuneration of EUR 10,000. For their work on the Nomination Committee, the members of the Supervisory Board receive additional fixed annual remuneration of EUR 2,500; the Chair of the Nomination Committee receives an additional fixed annual remuneration of EUR 5,000. This applies accordingly to other committees comprising members of the Supervisory Board.

For every meeting of the Supervisory Board that they attend, the members of the Supervisory Board shall receive an attendance fee of EUR 500.00. For every meeting of the Risk and Audit Committee that they attend, the members of the Risk and Audit Committee shall receive an attendance fee of EUR 1,000.00. For every meeting of the Nomination Committee that they attend, the members of the Nomination Committee shall receive an attendance fee of EUR 500.00. This applies accordingly to other committees comprising members of the Supervisory Board. Members who participate in the committees via telephone or video conference or using other comparable common means of telecommunication shall also be entitled to attendance fees. In the event that several meetings of the Supervisory Board and/or its committees take place on one calendar day, the attendance fee shall be paid only once. The attendance fees are accounted for as short-term variable remuneration.

The remuneration is due at the end of the financial year during which the person served as a member of the Supervisory Board. If members of the Supervisory Board leave the Supervisory Board in the course of a financial year, they receive the remuneration on a pro rata basis. This shall apply analogously if a member of the Supervisory Board resigns from a position involving additional compensation. Pro rata remuneration for committee activities requires that the committee concerned has met during the relevant period in order to perform its duties.

ProCredit Holding reimburses its Supervisory Board members for their expenses incurred in the performance of their duties and for any value-added tax payable on their expenses. In addition, for the execution of Supervisory Board activities, the members of the Supervisory Board shall be provided with insurance coverage.

Additional remuneration can be granted for Supervisory Board activities at individual ProCredit institutions. Such activities are accounted for as short-term variable remuneration.

### **Supervisory Board of ProCredit General Partner**

If members of the Supervisory Board of ProCredit Holding are at the same time members of the Supervisory Board of the General Partner (i.e. ProCredit General Partner), then the remuneration paid by the General Partner shall not, as from 2022, be offset against the remuneration paid by ProCredit Holding. ProCredit Holding reimburses the Supervisory Board remuneration paid by the general partner. The type and amount of Supervisory Board remuneration is determined by the General Meeting of ProCredit General Partner.

The fixed annual compensation is EUR 30,000 for the Chair of the Supervisory Board, EUR 15,000 for the Deputy Chair, and EUR 10,000 for each other member of the Supervisory Board. For their work in a

committee, the members receive an additional fixed annual remuneration of EUR 2,500 per committee, with the chair of the respective committee receiving EUR 5,000. Currently, ProCredit General Partner AG has a Nomination Committee and a Remuneration Control Committee. For each meeting of the Supervisory Board and for each meeting of a committee, members who participate shall each receive an attendance fee of EUR 500.00. Members who participate in the committees via telephone or video conference or using other comparable common means of telecommunication shall also be entitled to attendance fees. In the event that several meetings of the Supervisory Board and/or its committees take place on one calendar day, the attendance fee shall be paid only once. The attendance fees are accounted for as short-term variable remuneration.

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#### **Liability remuneration of ProCredit General Partner / Reimbursement of expenses**

As in previous years, ProCredit General Partner received annual remuneration of EUR 30,000 (plus VAT) for assuming the management and personal liability in its function as general partner.

In addition, ProCredit General Partner has a claim against ProCredit Holding for reimbursement or assumption of all expenses incurred in connection with managing the business of ProCredit Holding.

## **REMUNERATION FOR MANAGEMENT BOARD AND SUPERVISORY BOARD**

The following remuneration elements generally apply for members of the Management Board:

- Fixed remuneration (of which 20% in the form of shares in ProCredit Holding)
- contributions to private health insurance (if applicable)
- contributions to retirement provisions and life insurance (if applicable)
- Directors and officers liability insurance (D&O insurance) coverage with a deductible in accordance with section 93 (2) sentence 3 AktG

in '000 EUR	2022		2021	
	Remuneration granted and due	Proportion	Remuneration granted and due	Proportion
<b>Management Board</b>				
<b>Hubert Spechtenhauser (from 1.3.2022), Chairman of the Management Board from 9.11.2022</b>				
Basic Salary	234	100 %	-	-
Total remuneration	234		-	
<b>Dr Gian Marco Felice</b>				
Basic Salary	223	100 %	200	99 %
Pension cost*	-	-	3	1 %
Total remuneration	223		204	
<b>Sandrine Massiani</b>				
Basic Salary	222	100 %	200	100 %
Total remuneration	222		200	
<b>Dr Gabriel Schor</b>				
Basic Salary	178	100 %	146	82 %
Pension cost*	-	-	33	18 %
Total remuneration	178		179	

\*This includes: Disability insurance and life insurance, contributions to company pension insurance and voluntary/private health insurance, expense allowance as well as statutory allocations.

The remuneration presented here does not contain employer contributions to health and long-term care insurance.

The defined maximum compensation was complied with.

The following table shows the remuneration of Supervisory Board members:

in '000 EUR	2022		2021	
	Remuneration granted and due	Proportion	Remuneration granted and due	Proportion
<b>Supervisory Board</b>				
<b>Rainer Ottenstein, Chairman of the Supervisory Board from 7.3.2022, Deputy Chairman of the Supervisory Board until 7.3.2022</b>				
Basic remuneration	70	56 %	10	13 %
Short-term variable remuneration	56	44 %	68	87 %
Donation	-65		-	
<b>Total remuneration</b>	<b>62</b>		<b>78</b>	
<b>Dr H.P.M. Ben Knapen, Deputy Chairman of the Supervisory Board from 3.6.2022</b>				
Basic remuneration	38	71 %	10	100 %
Short-term variable remuneration	16	29 %	-	-
Donation	-27		-	
<b>Total remuneration</b>	<b>27</b>		<b>10</b>	
<b>Helen Alexander (from 31.05.2022)</b>				
Basic remuneration	15	69 %	-	-
Short-term variable remuneration	7	31 %	-	-
Donation	-11		-	
<b>Total remuneration</b>	<b>11</b>		<b>-</b>	
<b>Marianne Loner</b>				
Basic remuneration	28	66 %	10	70 %
Short-term variable remuneration	15	34 %	4	30 %
Donation	-21		-	
<b>Total remuneration</b>	<b>21</b>		<b>14</b>	
<b>Jovanka Joleska Popovska (from 27.05.2021)</b>				
Basic remuneration	30	68 %	6	100 %
Short-term variable remuneration	14	32 %	-	-
Donation	-22		-	
<b>Total remuneration</b>	<b>22</b>		<b>6</b>	
<b>Dr Jan Martin Witte (from 27.05.2021)</b>				
Basic remuneration	30	72 %	-	-
Short-term variable remuneration	12	28 %	-	-
Donation	-21		-	
<b>Total remuneration</b>	<b>21</b>		<b>-</b>	
<b>Dr Claus-Peter Zeitinger (until 31.5.2022), Chairman of the Supervisory Board until 7.3.2022</b>				
Basic remuneration	23	75 %	10	100 %
Short-term variable remuneration	8	25 %	-	-
<b>Total remuneration</b>	<b>30</b>		<b>10</b>	
<b>Christian Krämer (until 27.05.2021)</b>				
Basic remuneration	-	-	-	-
<b>Total remuneration</b>	<b>-</b>		<b>-</b>	
<b>Petar Slavov (until 27.05.2021)</b>				
Basic remuneration	-	-	4	100 %
<b>Total remuneration</b>	<b>-</b>		<b>4</b>	

The members of the Supervisory Board active as of 31 December 2022 have waived their compensation for the 2022 financial year on a pro rata basis on condition that it is donated. The donation will be made during the 2023 financial year. In 2021, two Supervisory Board members waived their compensation due to the COVID-19 pandemic.

In the event that payments are not due until after the financial year, the timing for granting payment is nevertheless deemed to be the financial year if the activity has already been performed in full and is recognised as part of the remuneration granted and due for the financial year. Furthermore, ProCredit

Holding has a D&O liability insurance policy which provides coverage for the members of the Supervisory Board.

## ANNUAL CHANGE IN REMUNERATION

	Change from previous year in percent				
	2018	2019	2020	2021	2022
<b>Management Board remuneration</b>					
Hubert Spechtenhauser (from 1.3.2022), Chairman of the Management Board from 9.11.2022	-	-	-	-	-
Dr Gian Marco Felice	-	-	-	77.5%	9.3%
Sandrine Massiani	33.7%	6.7%	-0.2%	0.3%	11.2%
Dr Gabriel Schor	6.9%	-4.6%	-0.2%	0.2%	-0.3%
<b>Supervisory Board remuneration</b>					
Rainer Ottenstein (from 30.11.2016)	0.0%	0.0%	0.0%	681.4%	-21.2%
Dr H.P.M. Ben Knapen (from 26.05.2020), Deputy Chairman of the Supervisory Board from 3.6.2022	-	-	-	50.0%	6.3%
Helen Alexander (from 31.05.2022)	-	-	-	-	-
Marianne Loner (from 17.05.2017)	50.0%	0.0%	0.0%	42.7%	49.5%
Jovanka Joleska Popovska (from 27.05.2021)	-	-	-	-	273.8%
Dr Jan Martin Witte (from 27.05.2021)	-	-	-	-	-
Dr Claus-Peter Zeitinger (until 31.05.2022), Chairman of the Supervisory Board until 7.3.2022	0.0%	0.0%	0.0%	0.0%	202.0%

In the case of new members of governing bodies, no figure is available for the year of entry, as no "change" from the previous year can be calculated. The figure for the second year after entry is not comparable with the previous year due to the difference in the time periods. Thus, a full comparison is not possible until the third year after entry. Similarly, for departing board members, the figure for the year of departure is not comparable with the previous year due to the difference in the time periods.

There was no retrospective recalculation of Management Board and Supervisory Board remuneration. In calculating the annual change in remuneration, the remuneration for previous financial years was based on remuneration pursuant to the German Commercial Code (HGB). From 2021 onwards, the amounts shown also include the remuneration for any board activities in group companies. The change in 2021 compared with the previous year is thus only comparable with the previous changes to a limited extent. The changes in 2022 result from the revision of the remuneration system.

	Change from previous year in percent				
	2018	2019	2020	2021	2022
Net income (-loss) for the year ProCredit Holding	-41.0%	-203.8%	-135.7%	245.0%	-139.0%
Consolidated profit of the period ProCredit group	13.3%	-0.3%	-23.8%	92.4%	-79.3 %
Employee remuneration	-	-	-	0.5%	8.1%

Due to utilisation of the exemptions provided for in section 26j (2) sentence 2 of the Introductory Act to the German Stock Corporation Act (EGAktG), the change in employee remuneration is presented for the first time for 2021. Employees include all employees of the group companies based in Germany: ProCredit Holding AG & Co. KGaA, ProCredit Bank AG, Quipu GmbH and ProCredit Academy GmbH; this excludes the Management,



temporary staff, exchange staff from foreign banks, interns and student trainees or dual education students. Remuneration is calculated on a full-time equivalent basis.

## **VOTING ON THE 2021 REMUNERATION REPORT**

The Annual General Meeting of ProCredit Holding on 31 May 2022 approved the remuneration report for the 2021 financial year as prepared and audited in accordance with section 278 (3), 162 AktG.

Frankfurt am Main, 22 March 2023

Management Board of  
ProCredit General Partner AG

Supervisory Board of  
ProCredit Holding AG & Co. KGaA

Note: This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

## **REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT PERSUANT TO § 162 (3) AKTG**

To ProCredit Holding AG & Co. KGaA, Frankfurt am Main

### ***Audit Opinion***

We have formally audited the remuneration report of ProCredit Holding AG & Co. KGaA, Frankfurt am Main, for the financial year from 1 January 2022 to 31 December 2022, to determine whether the disclosures pursuant to § 162 (1) and (2) AktG (Aktiengesetz: German Stock Corporation Act) have been made in the remuneration report. In accordance with § 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to § 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report.

### ***Basis for the Audit Opinion***

We conducted our audit of the remuneration report in accordance with § 162 (3) AktG and in compliance with the IDW Auditing Standard: The Audit of the Remuneration Report pursuant to § 162 (3) AktG (IDW PS 870 (08.2021)). Our responsibilities under this regulation and this standard are further described in the "Auditor's Responsibilities" section of our auditor's report. Our audit firm has applied the requirements of the IDW Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1). We have complied with our professional duties pursuant to the German Public Auditors Act (WPO) and the Professional Charter for Auditors/Chartered Accountants (BS WP/vBP), including the independence requirements.

### ***Responsibilities of the Executive Directors and the Supervisory Board***

The Executive Directors and the Supervisory Board of ProCredit Holding AG & Co. KGaA are responsible for the preparation of the remuneration report, including the related disclosures, in compliance with the requirements of § 162 AktG. They are also responsible for internal controls they consider to be necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities***

Our responsibility is to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to § 162 (1) and (2) AktG, and to issue an auditor's report that includes our opinion.

We planned and performed our audit to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by § 162 (1) and (2) AktG. In accordance with § 162 (3) AktG, we have not audited whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Frankfurt am Main, 22 March 2023

BDO AG

Wirtschaftsprüfungsgesellschaft

Signed by Grunwald

Wirtschaftsprüfer

(German Public Auditor)

Signed by Zheng

Wirtschaftsprüferin

(German Public Auditor)



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