

Non-binding translation

Remuneration System for Management (*Vergütungssystem*)

Principles

The group remuneration approach that applies to all employees of ProCredit applies equally to the Management Board members of ProCredit General Partner AG. Remuneration of the members of the management should be fair and transparent. The remuneration of members of the management mainly consists of a fixed salary. Variable remuneration elements are applied only to a limited scale and are not contractually fixed. The remuneration of the members of the Management Board is set by the Supervisory Board of ProCredit General Partner AG.

The remuneration system is developed, and reviewed on a yearly basis, by the Remuneration Control Committee of the Supervisory Board before being formally approved by the Supervisory Board. The remuneration of each manager is determined individually on the basis of the remuneration system. ProCredit General Partner AG and the Supervisory Board, with the support of the Remuneration Control Committee, prepare a joint yearly remuneration report (*Vergütungsbericht*) on, inter alia, the remuneration paid during the preceding financial year to each of the members of the Management Board of ProCredit General Partner AG.

Elements of remuneration

The Supervisory Board sets the fixed monetary remuneration of the members of the management by taking into account the respective duties and performance of each member as well as and the overall economic situation and performance of the group as well as the institutional outlook. As for the rest of the employees of the group, there is no contractually-fixed variable element of remuneration for the members of management. The Supervisory Board defines an adequate remuneration level for members of the management board based on both a benchmarking against the levels of remuneration in comparable financial institutions and their assessment of what constitutes a reasonable remuneration, reflecting the contribution of their role in the society in an ethically adequate way. It also takes into account the relationship between the remuneration of the management, the middle managers and employees. The remuneration level of the management does not exceed 10 times the average salary of the ProCredit Holding employees.

With the exception of the Chairperson of the Management Board, the maximum fixed remuneration for members of the Management Board is EUR 330,000 per annum, whereas 80% of the fixed remuneration is paid in cash and 20% in a share-based form (with a vesting period of three years).

Paying tribute to the enhanced duties and responsibilities, the Supervisory Board applies to the Chairperson of the Management Board a fixed remuneration of EUR 500,000 per annum, also paid 80 % in cash and 20 % in a share-based form (with a vesting period of three years).

A relevant share-based component with a 3-year vesting period will ensure good alignment between the interests of management and the group, fostering the implementation of the group business strategy, long term performance of the group and long-term affiliation. That the share-based component is fixed not variable is consistent with the group's development-oriented business and

prudent risk strategy, and a remuneration system which does not reward short-term or inappropriate risk-taking behaviour.

The Supervisory Board may apply a special remuneration to reward specific cases of extraordinary performance of the members of the management. Such decisions are based on a multiyear performance assessment which typically takes into account the overall performance of the members of the Management Board to the group and their contribution to the ProCredit *Res-Publica*. Such decisions also take into account the economic situation of the company and the institutional outlook of the group. Those variable remuneration elements can be used for the acquisition of shares in ProCredit Staff Invest. In such cases, the member of the Management Board commits to hold the shares for a period of five years. There is no possibility to reclaim variable components of the remuneration.

In case a variable remuneration is granted, in line with the KWG §25a section (5) sentence 2, the total remuneration, i.e. fixed and variable, shall not exceed twice the fixed monetary remuneration.

Intra-group supervisory board mandates of members of the Management Board are not remunerated.

Severance payment in case of termination of a Management Board contract

In case of early termination of the contract of a Management Board member, payments made shall not exceed twice the annual remuneration (severance cap) and shall not constitute remuneration for more than the remaining term of the employment contract. In case supervisory board mandates at non-group entities are assumed, the Supervisory Board shall decide whether or not and to which extent the remuneration shall be taken into account.