



ProCredit
H O L D I N G

INTERNAL RULES OF PROCEDURE FOR THE RISK COMMITTEE

of ProCredit Holding AG, Frankfurt am Main



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27 September 2023

Article 1 Composition and Chair

- (1) The Risk Committee consists of at least three members of the Supervisory Board.
- (2) The members of the Risk Committee shall individually and collectively possess sufficient knowledge, skills and experience in the field of risk management and control procedures.
- (3) The Risk Committee elects one of its members to serve as its Chair. He/she shall not be the Chair of the Supervisory Board nor the Chair of any other Supervisory Board committee. This person shall be independent of the Company and its Management Board as well as independent of any controlling shareholder.

Article 2 Duties

- (1) The Risk Committee's duties are defined by resolution of the Supervisory Board or stipulated in these Rules of Procedure. It deals with the overall risk appetite and the risk strategy.
- (2) Through its Chair, the Risk Committee shall be entitled to obtain information relevant to its activities from the Management Board and senior employees of the Company who report directly to the Management Board, in particular the Anti-Money Laundering Officer and the heads of Internal Audit and Risk Control. If the information is not obtained directly from the Management Board, it must be informed of this without delay. The Chair shall communicate the information obtained to all members of the Risk Committee.
- (3) The Risk Committee may, at its discretion, seek advice from external auditors, lawyers and other external and internal consultants. The costs shall be borne by the Company.

Article 3 Responsibilities with regard to Risk Management

- (1) The Risk Committee advises the Supervisory Board on the Company's current and future overall risk appetite and risk strategy and supports the Supervisory Board in monitoring the implementation of the risk strategy by senior management.
- (2) The Risk Committee monitors the risk management system and deals with the risks of both the Company and the ProCredit group.
- (3) The Risk Committee discusses risk management issues with the Management Board, in particular the overall risk appetite and the risk strategy. Furthermore, the Risk Committee maintains an overview of the internal capital adequacy of the ProCredit group, including its overall risk profile. The Risk Committee defines nature, scope, format and frequency of information to be provided by the Management Board with regard to strategy and risk. For this purpose, it addresses in particular the following documents, which are to be placed at its disposal by the Management Board:
 - a. the Management Board's annual business and risk strategy for the group;
 - b. the annual external auditor's report on the group's risk management and the evaluation thereof by the Management Board;
 - c. the Management Board's quarterly risk report, which presents and assesses the risk situation of the group;
 - d. ad hoc reports by the Management Board containing information of material importance to the group from a risk perspective.
- (4) The Risk Committee considers whether the incentives provided by the remuneration system take into account the risk, capital and liquidity structure as well as the impact orientation of the Company as well as the likelihood and due dates of revenues. It shall cooperate with the Remuneration Control Committee.

Article 4 Meetings and Resolutions

- (1) The Risk Committee shall meet at least four times per financial year at the invitation of the Chair of the Committee. Meetings are to be convened by the Chair; however, in the event that the Chair is unable to do so, they can be convened by another member of the Risk Committee, giving a minimum of two weeks' notice.
- (2) The Risk Committee shall be deemed to have a quorum if at least three members participate in the adoption of the resolution.

- (3) In all other respects, the provisions of the Rules of Procedure of the Supervisory Board shall apply mutatis mutandis regarding the convening, form and minutes of meetings and resolutions passed, regarding the quorum and voting of the Risk Committee as well as to the obligation of the members of the Risk Committee to maintain confidentiality.

Article 5 Participation in Meetings

- (1) The Management Board of the Company, the heads of Risk Control and Internal Audit, the heads of units involved in risk management, the Compliance Officer and the Anti-Money Laundering Officer, as well as the external auditor may attend the meetings of the Risk Committee at the request of its Chair.
- (2) The Chair may also permit additional persons to participate in the Risk Committee meetings.

Article 6 Reports and Declarations

- (1) The Chair of the Risk Committee shall make regular reports to the Supervisory Board on the work of the Risk Committee.
- (2) Insofar as declarations are to be made or received for the implementation of resolutions of the Risk Committee or otherwise for the fulfilment of its duties, the Chair of the Risk Committee shall act in this capacity.



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