

**PROMISSORY NOTE  
(SCHULDVERSCHREIBUNG)**

representing a

USD 2,250,000.00

USD 6m LIBOR + 4.50 percent

Floating Rate Subordinated Note

due 29 April 2026

issued by

**ProCredit Holding AG & Co. KGaA,**  
Rohmerplatz 33-37,  
Frankfurt am Main, Germany

(the "Issuer")

**§ 1**  
**(Principal Amount, Form, Definitions)**

(1) *Principal Amount.* The note of ProCredit Holding AG & Co. KGaA (the "**Issuer**") is being issued in US Dollars ("**USD**") in the principal amount of **USD 2,250,000.00** (the "**Note**").

(2) *Certain Definitions.* The following applies:

"**Holder**" means [REDACTED]

"**Business Day**" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) or any successor system is operative to effect payments.

"**Relevant Regulator**" means the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**") or any other competent authority assuming the relevant supervisory functions performed by BaFin after the date hereof.

"**Capital Regulations**" means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy adopted by bodies of the European Union or the Federal Republic of Germany or any other competent authority then in effect in the Federal Republic of Germany and applicable to the Issuer.

**§ 2**  
**(Status, Negative Pledge)**

(1) *Status.* The Note shall constitute bank regulatory capital in the form of Tier 2 capital ("**Tier 2 Capital**"). Accordingly, the obligations under the Note shall be unsecured obligations of the Issuer and subordinated to all present and future unsubordinated obligations of the Issuer. In the event of the Issuer's insolvency or liquidation, all claims to the payment of interest and repayment of principal as well as all other claims under the Note ("**Payment Claims**") shall be subordinated to the unsubordinated claims of all other creditors of the Issuer and, in that case, shall only be fulfilled upon satisfaction of all unsubordinated claims against the Issuer. The Payment Claims shall rank at least *pari passu* with all present and future claims of creditors under other subordinated obligations of the Issuer but shall have priority over any present and future claims of creditors under subordinated obligations of the Issuer the terms of which expressly provide for their subordination to the obligations under the Note.

(2) *Regulatory Restrictions.* The Holder may not set off its claims arising under the Note against any claims of the Issuer. No security of whatever kind is, or shall at any time be, provided by the Issuer or any other person to secure rights of the Holder under the Note, and any security that, notwithstanding the aforementioned, may have been provided in the past or may be provided in the future by the Issuer or any third party shall not secure the obligations under the Note.

**§ 3**  
**(Interest)**

(1) *Interest Periods.* The Note bears interest on its principal amount from **29 April 2016** (the "**Issue Date**") (including) to and excluding the First Interest Payment Date (such period the "**First Interest Period**") and after the First Interest Payment Date from each Interest Payment Date (including) to the next following Interest Payment Date (excluding) (each such period, including the First Interest Period, an "**Interest Period**"). Any Interest Period which would otherwise extend beyond the Maturity Date shall, however, be of a duration that it shall end on the Maturity Date.

(2) *Interest Payment Dates.* Interest for each Interest Period will be payable in arrears on **29 October** and **29 April** of each year (each such date, including the First Interest Payment Date, an "**Interest Payment Date**") and on the Maturity Date. The first interest payment will be made on **31 October 2016** (the "**First Interest Payment Date**").

(3) *Rate of Interest.* The Note bears interest on its principal amount for each Interest Period at the quotation (expressed as a percentage rate per annum) offered for deposits in US-Dollar for 6 months which appears on the Screen Page as of 11:00 a.m. (London time) on the Interest Determination Date, as determined by the Issuer, plus the Margin for the relevant period (the "**Rate of Interest**").

"**Interest Determination Date**" means the second Business Day prior to the commencement of the relevant Interest Period.

"**Margin**" means 4.50%.

"**Screen Page**" means the page Bloomberg YCMM0021 INDEX HP or its successor page on Bloomberg or another page designated by the ICE Benchmark Administration Limited (IBA) for the publication of the USD interbank reference rate or any successor page thereto.

(4) *Termination of Interest.* The Note will cease to bear interest at the end of the day preceding the due date.

(5) *Interest Amount.* The Issuer will, on the day or as soon as practicable after the day on which the Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") payable on the Note for the relevant Interest Period. Each Interest Amount is to be calculated by applying the Rate of Interest and the Day Count Fraction to the aggregate nominal amount outstanding and rounding the resultant figure to the nearest US Dollar. The Issuer will cause the Rate of Interest and each Interest Amount to be notified to the Holder after their determination without undue delay and in due time so that the Issuer is able to pay the relevant Interest Amount on the relevant due date.

"**Day Count Fraction**" means, with regard to the calculation of the Interest Amount for any Interest Period (the "**Calculation Period**") (A) the actual number of days in the relevant Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in the relevant Calculation Period falling in a non-leap year divided by 365 (Actual/Actual (ICMA)).

(5) *Default Interest.* A default shall occur, irrespective of any reminder, if any amounts payable under the Note are not paid when due. Any due and unpaid amount of principal shall bear from the due date (inclusive) until the date of payment (exclusive) an additional interest of two percent (2%) per annum above the rate set forth in § 3 (3) *Rate of Interest*.

#### § 4

#### **(Redemption, Early Redemption)**

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Note will be redeemed at par on **29 April 2026** (the "**Maturity Date**").

(2) *Early Redemption due to Capital Disqualification Event.* If at any time after the Issue Date immediately prior to the giving of the notice referred to below, a Capital Disqualification Event has occurred and is continuing, the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice (which will be revocable) to be given by notice in accordance with § 9 below, to redeem the Note, in whole but not in part, prior to the relevant redemption date at the Early Redemption Amount. Any such redemption will be subject to the following:

(a) the Relevant Regulator considers such Capital Disqualification Event to be sufficiently certain, and the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the Capital Disqualification Event was not reasonably foreseeable at the time of the Issue Date, or the Issuer otherwise complies, to the satisfaction of the Relevant Regulator, with the requirements applicable to a redemption due to capital disqualification under the Capital Regulations, and

(b) the Relevant Regulator has given its prior consent to such redemption.

"**Capital Disqualification Event**" shall be deemed to have occurred if, as a result of any amendment or supplement to, or change in, the Capital Regulations which are in effect as of the Issue Date, the Note is fully excluded from Tier 2 Capital (as defined in the Capital Regulations) of the financial holding regulatory group, determined in accordance with applicable Capital Regulation of which the Issuer is part of.

(3) *Early Redemption for Taxation Reasons.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or

any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the Issue Date, the Issuer is required to pay Additional Amounts (as defined in § 6) on the next succeeding Interest Payment Date, and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Note may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption at the Early Redemption Amount together with interest accrued to the date fixed for redemption.

However, no such notice of redemption may be given by the Issuer unless it has demonstrated to the satisfaction of the Relevant Regulator that the change in taxation is material and was not reasonably foreseeable at the time of issuing the Note or it otherwise complies, to the satisfaction of the Relevant Regulator, with the requirements applicable to a redemption for tax reasons under the Capital Regulations and if the Relevant Regulator has given its prior consent to such redemption.

Additionally, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Note then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 9. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**"Early Redemption Amount"** means the nominal amount.

(4) *Issuer Redemption Option.* The Issuer may redeem the Note in whole (but not in part only) per **29 April 2021** and thereafter per every following Interest Payment Date (each the **"Relevant Redemption Date"**), by giving not less than 30 days' notice, at the Early Redemption Amount together with interest accrued to but excluding the Relevant Redemption Date. Any such redemption shall be subject to the condition that the Relevant Regulator has given its prior consent to such redemption. Any such notice of redemption shall be given in writing and shall be addressed to the Holder. It shall be irrevocable and must specify the date fixed for redemption.

## § 5 (Payments)

(1) *Manner of payment.* The Issuer undertakes to pay, as and when due, principal, and interest in USD to the following bank account of the Holder:

pay to: [REDACTED]  
for: [REDACTED]  
for further credit to: [REDACTED]  
for final Beneficiary: [REDACTED]  
IBAN no.: [REDACTED]

(2) *Payment Business Day.* If the due date for any payment of principal and/or interest is a day other than a Business Day, payment shall be effected only on the next following Business Day. In this case, the Holder shall have no right to claim payment of any interest or other indemnity with respect to such delay.

## § 6 (Taxes)

All payments by the Issuer under the Note will be made without deduction or withholding for or on account of any present or future taxes, duties or charges of whatsoever nature imposed by or on behalf of or levied within the Federal Republic of Germany (the **"Relevant Tax Jurisdiction"**) or any province, municipality or other political subdivision or taxing authority therein or thereof (together **"Withholding Taxes"**), unless the deduction or withholding of such taxes, duties or charges is required by law. In such event, the Issuer will pay such additional amounts (the **"Additional Amounts"**) as may be necessary in order that the net amounts received by the Holder after such deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Note, in the absence of such deduction or withholding, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of the

Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or

- (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Relevant Tax Jurisdiction and not merely by reason of the fact that payments in respect of the Note is, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Relevant Tax Jurisdiction, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Tax Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are deducted or withheld by a paying agent and such deduction or withholding could be avoided if payments could be made by another paying agent without such deduction or withholding, or
- (e) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with § 9, whichever occurs later; or
- (f) are avoidable or would have been avoidable through fulfilment of statutory requirements or through the submission of a declaration of non-residence or by otherwise enforcing a claim for exemption vis à vis the relevant tax authority; or
- (g) are deducted or withheld because the beneficial owner of the Note is not himself the legal owner (Holder) of the Note and the deduction or withholding in respect of payments to the beneficial owner would not have been made or the payment of Additional Amounts in respect of a payment to the beneficial owner in accordance with the above provisions could have been avoided if the latter had also been the legal owner (Holder) of the Note.

*For the avoidance of doubt:* The tax on interest payments (*Zinsabschlagsteuer*, since 1 January 2009: *Kapitalertragsteuer*) which has been in effect in the Federal Republic of Germany since 1 January 1993 and the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon as from 1 January 1995 do not constitute a tax on interest payments as described above in respect of which Additional Amounts would be payable by the Issuer.

#### **§ 7 (Events of Default)**

- (1) *Events of default.* The Holder shall be entitled to declare the Note due and demand immediate redemption thereof at par plus accrued interest (if any) to the date of repayment, in the event that insolvency proceedings are instituted against the Issuer by a German court having jurisdiction over the Issuer.
- (2) *Notice.* Any notice, including any notice declaring the Note due, in accordance with subparagraph (1) shall be made by delivery of a written notice to the Issuer.

#### **§ 8 (Notices)**

- (1) *Notification of Holder.* The Issuer shall deliver any notice relating to the Note to the following address:



- (2) *Notification of Issuer.* The Holder shall deliver any notice relating to the Note to the following address of the Issuer:

Handwritten initials or a signature in the bottom right corner of the page.

ProCredit Holding AG & Co. KGaA  
attn.: Management  
Rohmerplatz 33-37  
60486 Frankfurt am Main  
Germany

Facsimile: +49-69-951437-168

**§ 9**  
**(Assignments)**

(1) *Assignment.* The Holder shall be entitled to assign in full its rights under this Note to the extent this does not cause any additional costs to the Issuer.

(2) *No Transfer of Rights.* The Issuer shall not be entitled to assign to third parties any rights under this Note.

**§ 9**  
**(Final Provisions)**

(1) *Applicable Law.* The Note, both as to form and content, as well as the rights and duties of the Holder and the Issuer shall in all respects be determined in accordance with German law.

(2) *Place of Performance.* Place of performance shall be Frankfurt am Main.

(3) *Place of jurisdiction.* Place of jurisdiction for all proceedings arising from matters provided for in these Conditions of Issue shall be, as far as permitted by law, Frankfurt am Main. The Holder is entitled to assert its claims also before any other competent court. The Issuer hereby submits to the jurisdiction of the courts which are competent pursuant to this subparagraph.

Frankfurt am Main,

ProCredit Holding AG & Co. KGaA

  
Alexander

29.04.2016



ProCredit  
HOLDING

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