

ProCredit Holding AG & Co. KGaA

Explanations pursuant to sections 278 (3), 121 (3) sentence 3 no. 3 of the German Stock Corporation Act [AktG] on the rights of shareholders pursuant to sections 278 (3), 122 (2), 126 (1), 127 and 131 (1) AktG in conjunction with section 1 (2) of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic

The convocation of the General Meeting contains information concerning the rights of shareholders pursuant to sections 278 (3), 122 (2), 126 (1) and 131 (1) AktG which, in accordance with sections 278 (3) and 121 (3) no. 3 AktG, largely concern the timeframe during which these rights may be exercised. The deadlines as well as certain modalities of AktG have been modified in this regard by section 1 (2) of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic [*GesRuaCOVBekG – COVID-19 Act*], as published in the Federal Law Gazette Part I no. 14 of 27 March 2020, p. 569ff, last amended by Art. 15 of the Act on the Establishment of a Special Fund “Reconstruction Assistance 2021” and on the Temporary Suspension of the Obligation to File an Insolvency Application due to Heavy Rainfall and Floods in July 2021 and on the Amendment of Other Acts [*AusbhG 2021*] of 10 September 2021, as published in the Federal Law Gazette Part I no. 63 of 14 September 2021, p. 4147ff. The following information provides a more detailed explanation.

In the case of a KGaA (partnership limited by shares), the General Partner is authorised to manage and represent the company. Where the Management Board is referred to in the provisions of AktG or the COVID-19 Act, these provisions shall also apply mutatis mutandis to the General Partner (cf. section 1 (8) sentence 1 COVID-19 Act).

1. Requests to add items to the agenda pursuant to sections 278 (3) and 122 (2) AktG

According to sections 278 (3) and 122 (2) AktG, shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent an amount of the share capital corresponding to EUR 500,000.00 (the latter corresponding to 100,000 shares) may demand that items be added to the agenda and published. Any new item must be accompanied by a declaration of the grounds or a draft proposal. The request must be addressed to the General Partner of the Company in writing (section 126 of the German Civil Code [*Bürgerliches Gesetzbuch – BGB*]) or in electronic form, i.e. using a qualified electronic signature (section 126a BGB), and must be received by the Company at least 30 days before the date of the General Meeting; the day of the General Meeting and the day of receipt shall not be counted. The deadline for receipt is therefore midnight on 30 April 2022 (24:00 hours CEST); therefore, requests to add items to the agenda must be received by the General Partner no later than this time at the following postal or e-mail address:

ProCredit Holding AG & Co. KGaA
ProCredit General Partner AG
Management Board
Annual General Meeting 2022
Rohmerplatz 33-37
60486 Frankfurt am Main
or by e-mail: PCH_HV@procredit-group.com

Any submission received after this time cannot be considered. In accordance with sections 278 (3) and 122 (2) and in conjunction with section 122 (1) AktG, the shareholders in question must prove that they have owned the shares for at least 90 days before the demand was received and that they will continue to hold the requisite number of shares until the General Partner has made its decision regarding the motion. Sections 278 (3) and 70 AktG shall apply when calculating the period of share ownership. Sections 278 (3) and 121 (7) AktG shall also be applied accordingly. The timeframe shall then be calculated backwards, whereby the date of receipt of the request shall not be counted and no transfer of the deadline from a Sunday, Saturday or public holiday to a previous or subsequent working day will be considered. An appropriate entry in the share register shall suffice as proof of ownership of the shares.

With regard to ownership, the right to transfer title from a bank, financial services institution, securities institution or a company operating in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) KWG shall be deemed equivalent to ownership of the shares. The period of ownership of a predecessor in title shall be attributed to the shareholder if he or she acquired the share free of charge, from his or her trustee, as universal successor, in the course of the dissolution of a community of interest or in the course of a portfolio transfer pursuant to section 13 of the Insurance Supervision Act [VAG] or section 14 of the Building Societies Act [BauSparkG] (cf. sections 278 (3) and 70 AktG).

Additions to the agenda which are subject to disclosure shall – unless announced with the notice of convocation of the General Meeting – be published in the Federal Gazette immediately upon receipt and in the same manner as the convocation. Moreover, immediately upon receipt by the Company, such additions will also be published on the Company's website (<https://procredit-holding.com/investor-relations/general-meetings/>) and communicated to the shareholders listed in the share register in compliance with sections 278 (3) and 125 (2) and (1) sentence 3.

This shareholder right is based on certain provisions of AktG, which are worded as follows:

Section 122 (1) and (2) AktG (Convocation of a general meeting at the request of a minority)

- (1) *The general meeting shall be called if shareholders, whose holding in aggregate equals or exceeds one-twentieth of the share capital, demand such meeting in writing, stating the purpose and the reasons of such meeting; such demand must be addressed to the management board. The Articles of Association may provide that the right to demand a general meeting shall require another form or the holding of a lower proportion of the share capital. The applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the Management Board decides on the request. Section 121 (7) shall apply mutatis mutandis.*
- (2) *In the same manner, shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent an amount of the share capital corresponding to EUR 500,000 can request that items be placed on the agenda and published. Each new item must be accompanied by a declaration of the grounds or a draft proposal. The demand within the meaning of sentence 1 must be provided to the company at least 24 days, in case of listed companies at least 30 days, prior to the meeting; the day of receipt is not counted in this calculation.*

Section 121 (7) AktG (General provisions)

In the case of periods and deadlines that are counted back from the date of the general meeting, the date of the general meeting itself is not to be counted. Rescheduling the general meeting from a Sunday, a Saturday, or a holiday to a preceding or subsequent business day is not an available option. Sections 187 to 193 of the Civil Code [BGB] shall have no corresponding application. In the case of companies not listed on the stock exchange, the articles of association may provide for a different calculation of the period.

Section 70 AktG (Calculation of the period of possession of the share of stock)

Where the exercise of rights attaching to the share of stock is contingent upon the shareholder having been holder of the share of stock for a specified period of time, a claim to transfer of title against a credit institution, a financial services provider, a securities institution, or an enterprise pursuing activities in accordance with sections 53 (1) sentence 1, or 53b (1) sentence 1, or 53b (7) of the Banking Act [KWG] shall be equivalent to ownership of the share of stock. The period of ownership of a predecessor in title shall be attributed to the shareholder if he or she acquired the share free of charge, from his or her trustee, as universal successor, in the course of the dissolution of a community of interest or in the course of a portfolio transfer pursuant to section 13 of the Insurance Supervision Act [VAG] or section 14 of the Building Societies Act [BauSparkG].

2. Counter-motions and election proposals pursuant to sections 278 (3), 126 (1) and 127 AktG in conjunction with section 1 (2) sentence 3 COVID-19 Act.

Shareholders may submit counterproposals against a proposal of the General Partner and/or the Supervisory Board on individual agenda items (cf. sections 278 (3) and 126 AktG). They may also submit nominations for the election of Supervisory Board members or external auditors, provided such votes are on the agenda (cf. sections 278 (3) and 127 AktG). According to sections 278 (3), 126 and 127 AktG, each shareholder shall be entitled to have their counter-motion or election nomination made available to the persons named in sections 278 (3) and 125 (1) – (3) in accordance with the requirements stipulated therein. Counter-motions and nomination proposals may only be submitted in writing to the following postal or e-mail address:

ProCredit Holding AG & Co. KGaA
ProCredit General Partner AG
Management Board
Annual General Meeting 2022
Rohmerplatz 33-37
60486 Frankfurt am Main
or by e-mail: PCH_HV@procredit-group.com

Countermotions and election nominations otherwise addressed will not be considered. According to sections 278 (3) and 127 (3) AktG, election nominations must contain the information specified in sections 278 (3), 124 (3) sentence 4, and 125 (1) sentence 5 AktG. These are the name, occupation and place of residence of the auditor or Supervisory Board candidate (or, in the case of auditing companies, the company name and registered office) as well as information on memberships of the Supervisory Board candidate in other statutory Supervisory Boards. A proposal for the election of Supervisory Board members must also be accompanied by information on their membership in comparable domestic and foreign supervisory bodies of commercial enterprises.

Counter-motions and nomination proposals will only be taken into consideration if received at one of the addresses above by midnight (24:00 CEST) on 16 May 2022 at the latest.

There is no obligation to make counter-motions and election proposals accessible, even if the aforementioned conditions are fulfilled, provided that the grounds specified in sections 278 (3) and 126 (2) AktG are present and, with respect to election proposals, if the case described in sections 278 (3) and 127 sentence 3 AktG applies.

Counter-motions within the meaning of sections 278 (3) and 126 AktG and election proposals within the meaning of sections 278 (3) and 127 AktG that are received in good time will be made accessible on the Company's website (<https://procredit-holding.com/investor-relations/general-meetings/>), together with the name of the shareholder and, in the case of counter-motions, any grounds therefor as well as any comments by the Management Board.

Motions or election proposals by shareholders that are to be published pursuant to sections 278 (3) and 126 or 278 (3) and 127 AktG shall be deemed to have been made at the meeting if the shareholder making the motion or submitting the election proposal is duly legitimised and registered for the General Meeting (c.f. section 1 (2) sentence 3 and section 1 (8) sentence 1 of the COVID-19 Act).

The provisions of AktG on which these shareholder rights are based and which also specify under which conditions counter-motions and election nominations need not be made available, are as follows:

Section 126 AktG: (Motions by Shareholders)

- (1) *Motions by shareholders are to be made accessible to the beneficiaries set out in section 125 (1) to (3), subject to the pre-requisites listed therein, including the name of the shareholder, the reasons for which the motions are being made, and a statement, if any has been made, by the management regarding its position, provided that the shareholder has sent, at the latest fourteen (14) days prior to the date of the general meeting, a counter-motion opposing a proposal or guidance by the management board and the supervisory board regarding a certain item of business set out in the agenda, specifying the reasons therefor, to the address set out for this purpose in the invitation convening the general meeting. The date on which the counter-motion is received shall not be included in calculating the period. In the case of companies listed on the stock exchange, the counter-motion shall be made accessible via the company's website. Section 125 (3) shall apply mutatis mutandis.*
- (2) *A counter-motion and the reasons for which it is being made need not be made accessible:*
 1. *Inasmuch as the management board would be liable to punishment under law, were it to make such proposal accessible*
 2. *If the counter-motion were to result in the general meeting adopting a resolution that is in violation of the law or of the by-laws*
 3. *If the reasons make manifestly false or misleading statements regarding essential aspects, or if they are insulting*
 4. *If a counter-motion made by the shareholder based on the same facts and circumstances has already been made accessible pursuant to section 125 for a general meeting of the company*
 5. *If the same counter-motion of the shareholder, citing essentially the same reasons, has been made accessible pursuant to section 125 in the past five (5) years to at least two*

- (2) general meetings of the company, and if less than one twentieth of the share capital represented voted for this counter-motion at the general meeting
6. If the shareholder indicates that they will not attend the general meeting and will not have a proxy represent them
 7. If, in the past two (2) years at two (2) general meetings, the shareholder has failed to propose or to have proposed a counter-motion regarding which they have informed the company.

The reasons need not be made accessible if they amount to more than 5,000 characters in total.

- (3) Where several shareholders propose counter-motions regarding one and the same business to be resolved upon, the management board may combine the counter-motions and the reasons specified for them.

Section 127 AktG (Nominations by Shareholders)

Section 126 shall apply *mutatis mutandis* to nominations by shareholders of candidates for the supervisory board or for auditors of the annual accounts. No grounds need be specified for the nomination. The management board need not make accessible the nomination also in those cases in which the nomination does not include the information pursuant to section 124 (3) sentence 4 and section 125 (1) sentence 5. The management board is to supplement the nomination by a shareholder of candidates for the supervisory board of companies listed on the stock exchange, to which the Employee Co-Determination Act [MitbestG], the Act on the Co-Determination by Employees in the Supervisory Boards and Management Boards of Mining Enterprises and Enterprises in the Iron- and Steel-Producing Industry [MontanMitbestG] or the Amending Act on Employee Co-Determination in the Iron- and Steel-Producing Industry [MontanMitbestGErgG] applies, by the following substantive content:

1. Indication of the requirements stipulated by section 96 (2)
2. Whether an objection has been raised against the fulfilment of the ratio by the supervisory board as a whole pursuant to section 96 (2), third sentence
3. The number of seats on the supervisory board that must be filled, at a minimum, by women and men, respectively, in order to fulfil the requirement as to the minimum ratio pursuant to section 96 (2) sentence 1.

Section 124 (3) sentence 4 AktG (Notice by publication of demands for amendment; guidance regarding resolutions)

The nominations of candidates for the supervisory board or for auditors shall state their names, profession exercised, and places of residence.

Section 125 AktG (Notifications for the shareholders and to members of the supervisory board)

- (1) The management board of a company that has not exclusively issued registered shares must give notice of the convocation of the general meeting at least 21 days before the meeting to the following:
 1. intermediaries who hold the company's shares in custody,
 2. shareholders and intermediaries who requested the notification, and
 3. associations of shareholders who requested the notification or who exercised voting rights at the last general meeting.

The date of the notification shall not be included in calculating the period. Where the agenda is to be amended pursuant to section 122 (2), then notice of the amended agenda is to be given if the general meeting is that of a company listed on the stock exchange. The notice is to indicate the option of exercising the voting right by proxy, as well as by an association of shareholders. In the case of companies listed on the stock exchange, information on the candidates' membership in other supervisory boards mandated by the law is to be attached to any nomination of candidates for the supervisory board; information on their membership in comparable supervisory committees of business enterprises within Germany and abroad should be attached.

- (2) The management board of a company that has issued registered shares must make the same notification to those entered in the share register at the beginning of the 21st day before the general meeting, as well as to shareholders and intermediaries who have requested such notification, and to associations of shareholders who have requested such notification or who exercised voting rights at the last general meeting.*
- (3) The members of the supervisory board may request that the management board send them the same notifications.*
- (4) Upon a corresponding demand being made, each member of the supervisory board and each shareholder is to be notified of the resolutions adopted at the general meeting.*
- (5) The content and format of the minimum level of information in the notifications referred to in (1) sentence 1 and (2) shall be subject to the requirements of Implementing Regulation (EU) 2018/1212. Section 67a (2) sentence 1 shall apply mutatis mutandis to (1) and (2). In the case of companies listed on the stock exchange, the intermediaries holding shares of the company in custody shall be obliged in accordance with sections 67a and 67b to forward and transmit the information pursuant to (1) and (2), unless the intermediary is aware that the shareholder has received it from another source. The same applies to unlisted companies, with the proviso that the provisions of Implementing Regulation (EU) 2018/1212 do not apply.*

Section 1 (2) sentence 3 GesRueCOVBekG (COVID-19 Act)

Motions or election proposals by shareholders that are to be published pursuant to section 126 or 127 AktG shall be deemed to have been made at the meeting if the shareholder making the motion or submitting the election proposal is duly legitimised and registered for the General Meeting.

3. Right to information in accordance with sections 278 (3) and 131 (1) AktG in conjunction with section 1 (2) sentence 1 no. 3 and sentence 2 of the COVID-19 Act

The right to information for shareholders is limited in the case of a virtual General Meeting. However, duly registered shareholders and/or their authorised representatives/proxies have the right to ask questions by means of electronic channels (section 1 (2) sentence 1 no. 3 and sentence 2 of the COVID-19 Act). The General Partner decides – in deviation from sections 278 (3) and 131 AktG – how to answer questions at its own discretion (cf. section 1 (2) sentence 2 clause 1 of the COVID-19 Act). The General Partner may also stipulate that questions must be submitted at least one day before the General Meeting. The General Partner of the Company, with the approval of the Supervisory Board, has decided to make use of this option.

Shareholders' questions are to be submitted at the latest one day before the General Meeting, i.e. by midnight on 29 May 2022 (24:00 CEST), via the Company's InvestorPortal at <https://procredit-holding.com/investor-relations/general-meetings/>. After the expiry of the aforementioned deadline,

and particularly during the virtual General Meeting, questions or enquiries may no longer be raised. The General Partner shall answer questions at its own discretion in a due and proper manner. In particular, it can answer several questions in combination. It is planned to identify the respective questioner by name when answering the question, provided that no objection is raised to this at the time the question is submitted.

This shareholder right is based on certain provisions of AktG and the COVID-19 Act, which are worded as follows:

Section 131: Right of Shareholders to Information

- (1) *Each shareholder shall upon request be provided with information at the shareholders' meeting by the Management Board regarding the company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company's legal and business relations with any affiliated enterprise. If a company makes use of the simplified procedure pursuant to section 266 (1) sentence 3, section 276 or section 288 of the German Commercial Code [HGB], each shareholder may request that the annual financial statements be presented to him/her at the general meeting on such annual financial statements in the form which would have been used if such provisions on simplified procedure were not applied. The duty of the management board of the parent company (section 290 (1) and (2) HGB) to inform the shareholders' meeting that considers the consolidated financial statements and consolidated management report shall extend to the situation of the group and the enterprises included in the consolidated financial statements.*
- (2) *The information provided shall comply with the principles of conscientious and accurate accounting. The articles of association or the internal rules of procedure pursuant to section 129 may authorise the Chair to set appropriate time constraints on the shareholders' right to pose questions and to speak, and to determine further rules in this regard.*
- (3) *The management board may refuse to provide information*
 1. *if providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated enterprise;*
 2. *if such information relates to tax valuations or the amount of certain taxes;*
 3. *regarding the difference between the value at which items are shown in the annual balance sheet and a higher value of such items, unless the general meeting is to approve the annual financial statements;*
 4. *regarding the accounting and valuation methods if disclosure of these methods in the notes suffices to provide a true and fair view of the net assets, financial position and results of operations of the company within the meaning of section 264 (2) HGB; this does not apply if the general meeting is to approve the annual financial statements;*
 5. *if the provision thereof would render the management board criminally liable;*
 6. *if, in the case of a credit institution, a financial services institution or a securities institution, it is not necessary to provide information on the accounting and valuation methods applied and the offsetting performed in the annual financial statements, management report, consolidated annual financial statements or consolidated management report;*
 7. *if the information is continuously available on the company's website seven or more days prior to the shareholders' meeting as well as during the meeting.*

The provision of information may not be denied for other reasons.

- (4) *If information has been provided outside the general meeting to a shareholder by reason of his or her status as a shareholder, such information shall upon request be provided to any other shareholder at the general meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The management board may not refuse to provide such information on the grounds of (3) sentence 1 nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (section 290 (1), (2) HGB), a cooperative enterprise (section 310 (1) HGB) or an affiliate (section 311 (1) HGB) provides the information to a parent company (section 290 (1), (2) HGB) for the purpose of inclusion in the consolidated annual financial statements of the parent company and the information is required for this purpose.*
- (5) *Shareholders who have been denied information may request that their question and the reason for which the information was denied be recorded in the minutes of the meeting.*

Section 1 (2) sentences 1 and 2 of the COVID-19 Act

- (2) *The management board may decide that the meeting is to be held as a virtual general meeting without the physical presence of shareholders or their authorised representatives/proxies, provided that*
1. *there is an audiovisual transmission of the entire meeting,*
 2. *the exercise of voting rights by shareholders via electronic channels (remote voting or electronic participation) as well as the granting of powers of attorney are possible,*
 3. *shareholders are given the right to ask questions through electronic channels,*
 4. *the shareholders who have exercised their voting rights in accordance with no. 2 are given the opportunity to object to a resolution of the general meeting, notwithstanding section 245 no. 1 AktG, dispensing with the requirement to appear at the general meeting.*

The management board decides at its own discretion in a due and proper manner which questions it answers and how it answers them; furthermore, it may also require that questions be submitted at least one day before the meeting through electronic channels.