



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

REMUNERATION REPORT AS OF 31 DECEMBER

**2021**



# 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 2021 financial year.

ProCredit Holding has the legal form of a partnership limited by shares ("KGaA" – Kommanditgesellschaft auf Aktien). In the case of a KGaA, the management board duties of a stock corporation ("AG" – Aktiengesellschaft) 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.

## REMUNERATION SYSTEM FOR MANAGEMENT BOARD AND SUPERVISORY BOARD

Remuneration of the members of the Management Board generally consists of a fixed salary, which 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 Supervisory Board determines the remuneration system for the members of the Management Board. In this context, the Supervisory Board is advised by its Remuneration Control Committee. The remuneration system is reviewed annually.

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 on the basis of its assessment of both what constitutes appropriate compensation and what reflects, in an ethically appropriate way, their contribution to the company. Consideration is also given to both the basic principles of the group's remuneration approach and the relationship between the remuneration of the Management, middle management and employees.

The remuneration of the Management Board shall not exceed five times the average salary of the employees of ProCredit Holding. The maximum fixed remuneration for members of the Management Board is EUR 200,000 per year.

The Supervisory Board may apply a 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 company, 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 that duties are terminated for reasons for which the member of the Management Board is not responsible, the scope of claims shall be limited to the remainder of the employment contract or a maximum of two years' remuneration (severance cap). If duties are terminated for reasons for which the member of the Management Board is responsible, there shall be no severance payment to the member of the Management Board.

Remuneration of the members of the Supervisory Board generally consists of a fixed remuneration, which is determined every four years by the General Meeting. Accordingly, the Annual General Meeting of 27 May 2021 adopted a resolution on the remuneration of the members of the Supervisory Board.

The members of the Supervisory Board each receive remuneration in the amount of EUR 10,000, independent of their role as Chairperson, Deputy Chairperson or member of a committee. In line with the group's approach to the remuneration of all employees and in order to promote long-term orientation, there is no performance-related remuneration for Supervisory Board members. ProCredit Holding reimbursed all travel costs for Supervisory Board members. No fees are paid for participating in the meetings of the Supervisory Board of ProCredit Holding. An additional remuneration can be granted for supervisory board activities in individual ProCredit institutions. Such activities are presented as short-term variable remuneration.

## REMUNERATION FOR MANAGEMENT BOARD AND SUPERVISORY BOARD

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

- fixed monetary remuneration
- contributions to private health insurance (if applicable)
- contributions to retirement provisions and life insurance (if applicable)
- D&O liability insurance with a deductible in accordance with section 93 (2) sentence 3 AktG

in '000 EUR	2021		2020	
	Remuneration granted and due	Proportion	Remuneration granted and due	Proportion
<b>Management Board</b>				
<b>Dr Gian Marco Felice (from 03.06.2020)</b>				
Basic Salary	200	99%	115	100%
Pension cost*	3	1%	-	-
<b>Total remuneration</b>	<b>203</b>		<b>115</b>	
<b>Sandrine Massiani</b>				
Basic Salary	200	100%	199	100%
<b>Total remuneration</b>	<b>200</b>		<b>199</b>	
<b>Dr Gabriel Schor</b>				
Basic Salary	146	82%	145	81%
Pension cost*	33	18%	33	19%
<b>Total remuneration</b>	<b>179</b>		<b>178</b>	

\* 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 following table shows the remuneration of Supervisory Board members:

in '000 EUR	2021		2020	
Supervisory Board	Remuneration granted and due	Proportion	Remuneration granted and due	Proportion
<b>Dr Claus-Peter Zeitinger</b>				
Basic remuneration	10	100%	10	100%
<b>Total remuneration</b>	<b>10</b>		<b>10</b>	
<b>Rainer Ottenstein</b>				
Basic remuneration	10	13%	10	100%
Short-term variable remuneration	68	87%	-	-
<b>Total remuneration</b>	<b>78</b>		<b>10</b>	
<b>Dr H.P.M. Ben Knapen (from 26.05.2020)</b>				
Basic remuneration	10	100%	7	100%
<b>Total remuneration</b>	<b>10</b>		<b>7</b>	
<b>Marianne Loner</b>				
Basic remuneration	10	70%	10	100%
Short-term variable remuneration	4	30%	-	-
<b>Total remuneration</b>	<b>14</b>		<b>10</b>	
<b>Jovanka Joleska Popovska (from 27.05.2021)</b>				
Basic remuneration	6	100%	-	-
<b>Total remuneration</b>	<b>6</b>		<b>-</b>	
<b>Dr Jan Martin Witte (from 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%	10	100%
<b>Total remuneration</b>	<b>4</b>		<b>10</b>	
<b>Christian Krämer (until 27.05.2021)</b>				
Basic remuneration	-	-	5	100%
<b>Total remuneration</b>	<b>-</b>		<b>5</b>	
<b>Jasper Snoek (until 26.05.2020)</b>				
Basic remuneration	-	-	4	100%
<b>Total remuneration</b>	<b>-</b>		<b>4</b>	

From 2021 onwards, the amounts shown include the remuneration for board activities in all group companies. They are therefore only comparable with the previous year to a limited extent. 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.

Two Supervisory Board members have waived their Supervisory Board compensation until further notice due to the COVID-19 pandemic.

Furthermore, ProCredit Holding concluded 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				
	2017	2018	2019	2020	2021
<b>Management Board remuneration</b>					
Dr Gian Marco Felice (from 03.06.2020)	-	-	-	-	76.6%
Sandrine Massiani (from 01.03.2017)	-	33.7%	6.7%	-0.2%	0.3%
Dr Gabriel Schor	1.2%	6.9%	-4.6%	-0.2%	0.2%
<b>Supervisory Board remuneration</b>					
Dr Claus-Peter Zeitinger	0.0%	0.0%	0.0%	0.0%	0.0%
Rainer Ottenstein (from 30.11.2016)	-	0.0%	0.0%	0.0%	681.4%
Dr H.P.M. Ben Knapen (from 26.05.2020)	-	-	-	-	50.0%
Marianne Loner (from 17.05.2017)	-	50.0%	0.0%	0.0%	42.7%
Jovanka Joleska Popovska (from 27.05.2021)	-	-	-	-	-
Dr Jan Martin Witte (from 27.05.2021)	-	-	-	-	-
Petar Slavov (until 27.05.2021)	0.0%	0.0%	0.0%	0.0%	-58.3%
Christian Krämer (until 27.05.2021)	0.0%	0.0%	0.0%	-50.0%	-

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.

	Change from previous year in percent				
	2017	2018	2019	2020	2021
Net income (-loss) for the year ProCredit Holding	-36.3%	-41.0%	-203.8%	-135.7%	245.0%
Consolidated profit of the period ProCredit group	-21.2%	13.3%	-0.3%	-23.8%	92.4%
Employee remuneration					0.5%

Due to utilisation of the exemptions provided for in section 26j (2) sentence 2 of the Introductory Act to the German Stock Corporation Act (EAG), 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.

Frankfurt am Main, 23 March 2022

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 PURSUANT 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 to 31 December 2021, 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.



***Consideration of Misleading Representations***

In connection with our audit, our responsibility is to read the remuneration report considering the knowledge obtained in the audit of the financial statements and to remain alert for indications as to whether the remuneration report contains misleading representations in relation to the correctness of the content of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that such a misleading representation exists, we are required to report that fact. We have nothing to report in this regard.

Frankfurt am Main, 23 March 2022

BDO AG  
Wirtschaftsprüfungsgesellschaft

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