



ProCredit
H O L D I N G

CORPORATE GOVERNANCE STATEMENT

2022



Corporate Governance Report

ProCredit Holding AG & Co. KGaA (also "Company" or "ProCredit Holding") emphasises transparent corporate governance and open communication with all stakeholders. This approach and our development orientation are supported by the shareholders. Our values include personal integrity and commitment, social responsibility and tolerance, open communication and transparency, and high professional standards. These values consistently guide the management of the group.

Management Board and Supervisory Board

Relationship between Management Board and Supervisory Board

ProCredit Holding has the legal form of a partnership limited by shares (KGaA). As a result, the tasks of the Management Board are incumbent on the general partner. The sole general partner of the Company is ProCredit General Partner AG, whose Management Board is responsible for the management of ProCredit Holding.

Currently, the Supervisory Board of ProCredit General Partner AG and the Supervisory Board of ProCredit Holding are composed of the same persons. This allows for a high degree of clarity in the cooperation between the Supervisory Board and the Management Board of ProCredit General Partner AG.

The Management Board and the Supervisory Board work closely together for the benefit of the Company. The Supervisory Board meets at least twice every six months. In the 2022 financial year, the Supervisory Board held 11 meetings; due to the risks and restrictions resulting from the COVID-19 pandemic, these were held as hybrid meetings including physical attendance and the option to participate via a video link. Additionally, two written votes were held in the 2022 financial year.

The Supervisory Board has established a comprehensive set of reports, which the Management Board provides in due time before each meeting. The Management Board reports at least once a year on the group's business and risk strategy and its implementation status.

The Supervisory Board reviews and approves the annual financial statements of ProCredit Holding and the consolidated financial statements for the ProCredit group. The Supervisory Board reviews the efficiency and effectiveness of its activities on a regular basis, but at least once per calendar year. The Company complies with the recommendations of the German Corporate Governance Code ("GCGC"), unless stated otherwise.

Management Board of ProCredit General Partner AG

The Management Board consisted of the following members during the 2022 financial year:

Member of the Management Board	First appointed	Appointed until	Responsibilities (as of year-end)
Hubert Spechtenhauser	2022	28 February 2025	Corporate Office Legal Communications Internal Audit
Dr Gian Marco Felice	2020	31 May 2024	Business Support and Development Environmental Management and Impact Reporting IT
Sandrine Massiani	2017	28 February 2026	Human Resources Credit Risk Management Risk Control Financial Risk Management Operational Risk Management Fraud Prevention and AML & Compliance
Dr Gabriel Schor	2004	31 December 2022	Accounting and Taxes Supervisory Reporting and Capital Planning Funding and Treasury Controlling Reporting and Data Management Investor Relations Administration and Translation

The members of the Management Board are jointly responsible for the management of ProCredit General Partner AG and the management of the Company. The Management Board's rules of procedure govern its work. The Supervisory Board of ProCredit General Partner AG decides on the appointment and dismissal of Management Board members, including long-term succession planning for the Management Board. The Supervisory Board of ProCredit General Partner AG also determines the remuneration of the individual members of the Management Board. The Supervisory Board of the Company was informed about the decisions of the Management Board and has agreed to them. A Nomination Committee and a Remuneration Control Committee have been established for this purpose.

The basis for succession planning is the continuous and systematic development of the Company through the early identification of suitable candidates of different disciplines and nationalities as well as different genders and ages. In addition, the development of managers through taking on tasks with increasing responsibility and with a good understanding of and interest in the group's core business and its goals regarding sustainable and responsible banking is crucial. When appointing board members, sufficient diversity is ensured in terms of professional training and experience, cultural background, internationality and gender. Regardless of individual criteria, the holistic appreciation of the individual personality is particularly relevant.

The age limit for Management Board members is 70 years.

The Management Board of ProCredit General Partner AG was expanded to include Hubert Spechtenhauser as of 1 March 2022.

Supervisory Board of ProCredit Holding AG & Co. KGaA

The Supervisory Board was composed of the following members during the 2022 financial year:

Supervisory Board member	First appointed	Appointed until	Supervisory board positions outside the group
Dr. Claus-Peter Zeitingner (Chair until 7 March 2022)	2004	2022	None
Rainer Ottenstein (Chair since 7 March 2022)	2016	2026	None
Dr. H.P.M. (Ben) Knapen (Deputy Chair since 3 June 2022)	2020	2027	Leiden Asia Centre, Leiden, The Netherlands, member of the supervisory board
Helen Alexander	2022	2027	None
			Sura Asset Management S.A., Medellin, Colombia; non-executive member of the Board of Directors
Marianne Loner	2017	2027	Britam Holdings Plc, Nairobi, Kenya; non-executive member of the Board of Directors
			Amundi Planet Sicav-SIF, Luxembourg; non-executive member of the Board of Directors
Jovanka Joleska Popovska	2021	2027	None
			KfW-ATI Regional Liquidity Support Facility, member of the Investment Committee
Dr. Jan Martin Witte	2021	2027	Microfinance Enhancement Fund SICAV SIF, Luxembourg; member of the Supervisory Board

On 7 March 2022, the chairmanship of the Supervisory Board passed from Dr Claus-Peter Zeitingner to Rainer Ottenstein.

The Supervisory Board of ProCredit General Partner AG supervises the Management Board and is involved in decisions of fundamental importance for the group. The Management Board regularly informs the Supervisory Board about the group's business strategy and on other fundamental matters concerning the assets, liabilities, financial and profit situation of the group as well as its risk situation, risk management and risk controlling. Significant decisions of the group are approved by the Supervisory Board of ProCredit General Partner AG. The Supervisory Board of the Company is informed of and can discuss these decisions, particularly since it is composed of the same individuals as the Supervisory Board of ProCredit General Partner AG.

Objectives for the composition of the Supervisory Board and status of implementation

The Supervisory Board has set itself the goal that its composition should include members who, in addition to solid knowledge of banking, should have the following qualities:

- A good understanding of and interest in the group's core business
- Time and interest to travel to assess the business of ProCredit subsidiaries and ideally to hold at least one Supervisory Board mandate in a subsidiary
- A good understanding of and interest in development finance and sustainability
- At least one member should have professional experience in South Eastern and Eastern Europe

All members should have sufficient knowledge of financial analysis and risk management in banking. As ProCredit Holding's shares are listed on the Frankfurt Stock Exchange, a general understanding of the capital markets is helpful.

All members of the Supervisory Board aim to act as independent members within the meaning of the provisions of the German Stock Corporation Act (AktG) and the GCGC. The Supervisory Board has ensured that its members are independent at all times. The members of the Supervisory Board are also members of the Supervisory Board of ProCredit General Partner AG. Five members were nominated by core shareholders. In our assessment, however, this does not affect the independence of the Supervisory Board members involved, as they have been carefully instructed to comply with all applicable laws, especially those requiring them to maintain their independence. The Management Board has not become aware of any circumstances that could impair the independence of a Supervisory Board member. Although Dr Claus-Peter Zeitinger was a member of the Company's Supervisory Board for more than twelve years, he is nevertheless to be regarded as independent, as there is no personal or economic proximity between him and any member of the Management Board of ProCredit General Partner AG. As of 7 March 2022, Dr Claus-Peter Zeitinger has completely withdrawn from the Supervisory Board.

The Supervisory Board requires potential members to disclose and independently assess potential conflicts of interest and to ensure that the respective candidates can devote the necessary time before proposing candidates for election at the Annual General Meeting of the company.

The age limit for Supervisory Board members is 75 years.

The Supervisory Board is of the opinion that it fulfils the specified objectives regarding its composition.

The Supervisory Board formed a Risk and Audit Committee and a Nomination Committee. Additionally, the Supervisory Board of ProCredit General Partner AG provides for a Remuneration Control Committee and a Nomination Committee. The committees were composed of all members of the Supervisory Board until June 2022. At its meeting on 3 June 2022, the Chair of the Supervisory Board appointed the members of the Risk and Audit Committee and the Nomination Committee of the Supervisory Board and amended the rules of procedure of these committees so that the corporate governance structure of the respective committee reflects a composition of three members and two deputy members.

The Remuneration Control Committee of the Supervisory Board of ProCredit General Partner AG was chaired by Rainer Ottenstein. In addition, all other members of the Supervisory Board of ProCredit General Partner AG were members of the Remuneration Control Committee.

The Nomination Committee of the Supervisory Board was chaired by Rainer Ottenstein. Additionally, Jovanka Joleska Popovska and Dr Jan Martin Witte were members of the Nomination Control Committee.

The Risk and Audit Committee was chaired by Dr H.P.M. (Ben) Knapen. In addition, Helen Alexander and Marianne Loner were members of the Risk and Audit Committee as of June 2022. Dr H.P.M. (Ben) Knapen is a member of the Supervisory Board of ProCredit Bank (Bulgaria) EAD, Sofia, Bulgaria, and is well acquainted with risk management and audit issues in the banking sector. Furthermore, he has relevant knowledge in the field of international relations, experience with international financial institutions, investor relations, marketing and communication as well as skills in negotiating with international financial institutions and EU institutions. Helen Alexander was a long-standing member of the management team of ProCredit Holding and has relevant expertise in the field of accounting and auditing. She has in-depth knowledge of the markets, banks, business, and risk management strategies of the ProCredit group, as well as extensive expertise in analysing and advising on impact and ESG aspects of the corporate strategy. Due to her previous experience in compliance risk management at ProCredit Holding, Helen Alexander has expert knowledge of German banking supervisory law, including the German Banking Act (KWG), the Minimum Requirements for Risk Management (MaRisk), the German Stock Corporation Act (AktG) and relevant aspects of the German

Securities Trading Act (WpHG and MiFID). Marianne Loner has over 10 years of experience on the Supervisory Board and its Risk and Audit Committee and benefits from her successful banking career spanning over 30 years. Marianne Loner is well acquainted with the issues of the banking sector and has a sound education in banking as well as extensive expertise in audit and accounting. She is a member of the Audit Committee at Sura Asset Management and was a credit analyst at Manufacturers Hanover Trust (now JP Morgan).

The Supervisory Board observes the principles of social diversity when proposing members for appointment. Two members of the six-member Supervisory Board and one member of the four-member Management Board are women.

The Supervisory Board has set itself the goal of having at least one woman on the Management Board. In addition, a woman should also be represented on the Supervisory Board if there is only one or no woman on the Management Board. Furthermore, the Management Board has set a 25% minimum level of gender representation for the first two management levels. This target was achieved in 2022.

The Supervisory Board regularly evaluates the effectiveness and efficiency of its activities as well as the activities of the Management Board within the framework of the last Supervisory Board meeting before the end of the year, assessing whether its supervisory and steering tasks have been achieved regarding the above-mentioned goals. This is based on experience and on regular contact and discussions with members of the Management Board as well as all managers and colleagues in the group. Of particular importance in this regard is the regular exchange within the framework of the quarterly Supervisory Board meetings of the subsidiary ProCredit banks with the participation of management board staff and employees from the ProCredit banks. In addition, the quarterly group risk report and the management of changes within the regulatory framework, both at group level and at the level of the subsidiary ProCredit banks, are included in the assessment. Furthermore, the composition and competencies of the Management Board are discussed. In the 2022 financial year, there were no findings within the scope of this review.

Remuneration and shareholdings of members of the Management Board and Supervisory Board

For information on the remuneration of the members of the Management Board and the Supervisory Board, please refer to our Remuneration Report, which is published on the ProCredit Holding website (<https://www.procredit-holding.com/investor-relations/corporate-governance/remuneration-report/>).

Of the Supervisory Board members, Ms Jovanka Joleska Popovska indirectly owns shares in ProCredit Holding (via ProCredit Staff Invest GmbH & Co. KG).

The members of the Management Board hold shares in ProCredit Holding directly or indirectly (via ProCredit Staff Invest GmbH & Co. KG). In no individual case or in total does the volume of shares reach 1% of the total share capital of the Company. There is no stock option programme for members of the Management Board. Part of the remuneration for members of the Management Board is granted in shares.

The total volume of direct and indirect shareholdings of all Management Board and Supervisory Board members amounts to less than 1% of the Company's share capital.

Managers' transactions

The members of the Management Board and the Supervisory Board as well as persons closely associated with them are obliged to disclose transactions relating to the shares of the Company as well as other financial instruments related thereto pursuant to Art. 19 Regulation (EU) No. 596/2014 (Market Abuse Regulation -

"MAR") if the total amount of such transactions reaches EUR 20,000 in a calendar year. Information on such transactions is published and can be found on the Company's website under <https://www.procredit-holding.com/investor-relations/news/managers-transactions/>. There was no reportable transaction in the 2022 financial year.

Other core aspects of our corporate governance

Cooperation between ProCredit Holding and its subsidiaries

Central to the effective management of the ProCredit group is the cooperation between the Company and its subsidiaries. A strength of the ProCredit group is its ability to implement its business and risk strategy with a very high degree of efficiency and uniformity across the ProCredit group. All ProCredit banks are independent, licensed and regulated banks. The Company holds majority stakes (typically 100%) in its subsidiaries and is able to appoint the majority of the Supervisory Board members of its subsidiaries. The Management Board of each ProCredit bank is responsible for the operations of the respective institution. They operate within the framework of the business strategy and risk management provisions established by ProCredit Holding.

Transparency

ProCredit Holding maintains transparent and open communication with its shareholders. Key information is made available to the public promptly to ensure equal treatment of shareholders. ProCredit Holding ensures an effective reporting process at group level. It makes financial information available on its website, including quarterly and annual financial statements. The ProCredit Holding Investor Relations team provides additional information as needed, including presentations to investors and analysts, roadshows and press communications, including ad hoc announcements. Important non-financial information, including an annual non-financial Group Impact Report in accordance with section 315b (3) no. 1 and 2b of the German Commercial Code (HGB) and our Group Code of Conduct, is also available on the ProCredit Holding website. The Group Impact Report is available at: <https://www.procredit-holding.com/investor-relations/reports-and-publications/non-financial-reports/>.

Risk Management

Risk management, controlling and the promotion of an appropriate risk culture are central aspects of management within the ProCredit group. The ProCredit group has a uniform and comprehensive set of rules and guidelines for risk management, internal control and the prevention of money laundering and other criminal offences. All ProCredit banks are obliged to follow the established standards. The implementation of these rules is continuously monitored by ProCredit Holding. Group risk management and the Group Anti-Money Laundering policies comply with German and European banking regulations and are updated annually to reflect new developments. ProCredit is committed to transparency and takes a conservative approach to risk management. The Management Board is supported by the Group Risk Management Committee and receives a monthly report on the risk profile and capital adequacy (economic and normative perspective) of the group. The Supervisory Board receives a comprehensive report on the group's risk profile and capitalisation at least quarterly.

Compliance Management System

The group has an effective compliance management system that is rooted in our development mission and our approach to recruitment, training and development. Our thorough and responsible approach to banking is underpinned by our Code of Conduct. Adherence to this Code of Conduct is mandatory for all employees, and regular training is provided. At a formal level, the Group Compliance Officer is responsible for implementing a group-wide system to ensure compliance with all applicable regulatory requirements. Both the Group Compliance Committee and corresponding committees at bank level enable efficient coordination on all compliance-related issues. Compliance risks are regularly assessed and monitored. Each ProCredit bank has a Compliance Officer who is responsible for compliance with national banking regulations and reports regularly and ad hoc to the Management of the bank and to the Group Compliance Officer. The Supervisory Board receives an annual Group Compliance Report.

ProCredit banks, which are themselves subject to national regulations on the prevention of money laundering and terrorist financing, implement the regulations under section 9 of the German Money Laundering Act (GwG) as a minimum standard, in accordance with the Group Anti-Money Laundering Policy. In addition to the legal requirements, this policy also includes the recommended best practices from EU-wide and international standards, such as the guidelines on risk factors for money laundering and terrorist financing from the European Banking Authority (EBA). In addition, all ProCredit banks implement all national regulations related to the prevention of money laundering and terrorist financing in the countries in which they operate. All ProCredit banks implement the financial sanctions of the United Nations (UN), the European Union (EU), Germany, France, the United Kingdom (UK) and the United States of America (USA), without exception. The group's comprehensive operational risk management and fraud prevention policies set high standards for whistleblowing, analysing all new products and services, key risk indicators and the group's risk event database. All ProCredit institutions apply careful data protection principles. Violations of applicable law and internal policies of the ProCredit group can be reported to the relevant ProCredit bank or ProCredit Holding through a whistleblowing system. All reports are treated equally; anonymous reports can also be submitted to ProCredit banks and ProCredit Holding.

Statement on the recommendations of the "Government Commission on the German Corporate Governance Code" pursuant to section 161 of the German Stock Corporation Act

Pursuant to section 161 of the German Stock Corporation Act (AktG), the Management Board of ProCredit General Partner AG, as the sole general partner, and the Supervisory Board of ProCredit Holding AG & Co. KGaA ("Company") declare that the Company, in accordance with the special legal characteristics of a partnership limited by shares, has been in compliance with the recommendations of the German Corporate Governance Code of 16 December 2019 ("GCGC 2020"), as published by the Federal Ministry of Justice in the official section of the German Federal Gazette on 20 March 2020, since its last statement of compliance on 22 March 2022, with the deviations specified therein. In the future, the Company will comply with the recommendations of the German Corporate Governance Code as amended on 28 April 2022 ("GCGC 2022") and published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022.

Deviations based on the legal form of the Company

- The Company's legal form is that of a partnership limited by shares ("KGaA" – Kommanditgesellschaft auf Aktien). In the case of a KGaA, the managerial 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 ("General Partner"), whose Management Board ("Management Board") is thereby responsible for managing the Company's business operations.
- Compared to the supervisory board of an AG, the rights and obligations of the supervisory board of a KGaA are more restricted. In particular, the Company's Supervisory Board has no authority to appoint the General Partner or its Management Board and to set the terms of the contractual agreement with the General Partner, nor to issue any internal rules of procedure governing the Company's management, nor to determine which transactions require authorisation. These duties are performed by the supervisory board of the General Partner.
- The General Meeting of a KGaA has essentially the same rights as that of an AG. It also decides upon the approval of the Company's annual financial statements as well as the ratification of the acts of the Supervisory Board and of the General Partner. Many of the resolutions of the General Meeting require the consent of the General Partner; this includes the approval of the Company's annual financial statements.

Frankfurt am Main, 16 March 2023

Management Board of
ProCredit General Partner AG

Supervisory Board of
ProCredit Holding AG & Co. KGaA



ProCredit Holding AG & Co. KGaA
Rohmerplatz 33-37
60486 Frankfurt am Main, Germany
Tel. +49 (0)69 95 14 37 0
Fax +49 (0)69 95 14 37 168
www.procredit-holding.com

© 03/2023 ProCredit Holding AG & Co. KGaA
All rights reserved