

Only the German version shall be legally binding, the English translation serves information purposes only.

Remuneration System (*Vergütungssystem*) for the Management Board

Principles

The group remuneration approach that applies to all employees of ProCredit applies equally to the Management Board members of ProCredit Holding AG. Remuneration of the members of the management should be fair, transparent, gender-neutral and geared towards the sustainable development of the group. It avoids incentives to take disproportionately high risks. The remuneration of members of the management mainly consists of a fixed salary. Variable remuneration elements are applied only to a limited scale and in exceptional cases to reward exceptional performance by Management Board members. The remuneration of the members of the Management Board is set by the Supervisory Board. The remuneration that members of the Management Board receive for their services must be conclusively stipulated in their service contracts.

Review of the remuneration system

The Remuneration Control Committee develops a remuneration system on a yearly basis. The remuneration system and the underlying remuneration parameters are reviewed annually for its appropriateness, in particular its compatibility with the business and risk strategies by the Remuneration Control Committee of the Supervisory Board.

Information on remuneration system

The results of the review are documented and brought to the attention of the Remuneration Control Committee before being formally approved by the Supervisory Board. The remuneration of each manager is determined individually by the Supervisory Board on the basis of the remuneration system. The members of the Management Board are informed in writing about the structure of the remuneration system that applies to them in accordance with Section 13 of the Remuneration Ordinance for Institutions.

Disclosure

The Management Board and the Supervisory Board, with the support of the Remuneration Control Committee, prepare a joint yearly remuneration report (*Vergütungsbericht*) on, inter alia, the remuneration paid during the preceding financial year to each of the members of the Management Board. In addition, the disclosure obligations in accordance with Section 16 of the Remuneration Ordinance for Institutions have to be complied with.

Elements of remuneration

The remuneration system generally foresees only fixed remuneration as a remuneration element. The Supervisory Board may, in exceptional cases, decide to award special remuneration to reward exceptional performance by members of the Management Board.

Fixed remuneration

The Supervisory Board sets the fixed remuneration of the members of the management by taking into account the respective duties and performance of each member as well as the overall economic situation and performance of the group as well as the institutional outlook. The Supervisory Board also ensures that the amount of remuneration does not exceed market standards unless special reasons justify this. The Supervisory Board defines an adequate

remuneration level for members of the management board that reflects the contribution of their role in society in an ethically appropriate manner. The remuneration level is on the one hand based on a comparison with the remuneration levels in other impact- and development-oriented financial institutions. On the other hand, the remuneration system also takes into account the complexity of our international banking group with its high regional diversification in twelve countries, the stock exchange listing of the company's shares and the growing regulatory requirements. To this end, a consultancy firm identified a suitable peer group comprising (1) banks with similarly large total assets, (2) impact-oriented banks and (3) banks with a similarly high level of complexity. Such fixed remuneration of the Management Board does therefore not exceed market standards. It supports the sustainable development of ProCredit Group and fits to its impact and long-term orientation.

In addition, the Supervisory Board may also grant additional fixed allowances to individual members of the Management Board. Such decisions also take into account the economic situation of the company and the institutional outlook of the group. Those allowances may include but are not limited to fringe benefits (e.g. the provision of an apartment taking over the rent including heating and compensation of the pecuniary advantage, company car schemes), insurances premiums, company pension schemes. Fixed allowances in this regard do not exceed 50% of the maximum gross basic salary. The maximum gross basic salary as defined here is EUR 330,000.00 gross for members of the Management Board and EUR 500,000.00 gross for the Chairman of the Executive Board (the "Maximum Gross Basic Salary").

Variable Remuneration

The Supervisory Board may apply a special remuneration to reward specific cases of extraordinary performance of the members of the management.

Such decisions are based on a multiyear performance assessment which considers the overall performance of the members of the Management Board to the group and their contribution to the ProCredit *Res-Publica*. All financial and non-financial performance criteria for the granting of variable remuneration components, including their contribution to promoting the targets pursuant to Section 87 para. 1 sentence 2 Stock Corporation Act, as well as the methods used to determine the achievement of the performance criteria, will be discussed going forward in the Remuneration Control Committee and the Supervisory Board. Such decisions also take into account the economic situation of the company and the institutional outlook of the group. Such variable remuneration elements may be used for the acquisition of shares in the Company. In such cases, the member of the Management Board commits to hold the shares for a period of five years. The special remuneration is limited to 50% of the Maximum Gross Basic Salary.

The Supervisory Board may also grant transitional allowances for individual members of the Management Board up to an amount corresponding to the amount of the individual gross basic salary for six months. Transitional allowances are considered variable remuneration. If both special remuneration and transitional allowances are granted, the total remuneration including the fixed remuneration, shall not exceed twice the Maximum Gross Basic Salary (cf. Section 25a para. 5 sentence 2 KWG). Neither special remuneration nor transitional allowances may each exceed 50% of the maximum gross basic salary. Any grant and payment of variable remuneration is subject to the fulfilment of the preconditions of Section 7 Remuneration Ordinance for Institutions (conditions for determining the total amount of variable remuneration).

In case of early termination of the contract of a Management Board member, payments made shall not exceed twice the annual remuneration (*severance cap*) and shall not constitute remuneration for more than the remaining term of the employment contract.

Maximum remuneration

Board remuneration is compared with the remuneration of managers and the workforce as a whole at the vertical level and examined to determine whether the resulting remuneration gaps - including the development over time - indicate inappropriate remuneration of the Management Board. The requirements of the German Corporate Governance Code are taken into account.

The maximum remuneration is 200% of the Maximum Gross Basic Salary.

Share-based remuneration

Twenty percent of each Management Board member's as well as its chairperson's monthly net basic salary is paid out in the form of shares in ProCredit Holding (with a lock-up period of three years). Such portion of the salary is hereby withheld by the company each month and used to purchase shares in the company in accordance with the rules of the Executive Participation Plan 'Management ReInvests'. The process under such rules is fully automated and without any influence on the part of the Management Board members. Shares acquired in such context are transferred to a collective custody account in which each Management Board member has economic ownership. Once the lock-up period has expired, the members of the Management Board may freely dispose of their shares.

A relevant share-based component with a 3-year lock-up period will ensure good alignment between the interests of management and the group, fostering the implementation of the group business strategy, long term performance of the group and long-term affiliation. That the share-based component is fixed not variable is consistent with the group's development-oriented business and prudent risk strategy, and a remuneration system which does not reward short-term or inappropriate risk-taking behaviour.

Compensation for other Group services

Intra-group supervisory board mandates of members of the Management Board are not remunerated. In case supervisory board mandates at non-group entities are assumed, the Supervisory Board shall decide whether or not and to which extent the remuneration shall be taken into account.