



ProCredit
H O L D I N G

INTERNAL RULES OF PROCEDURE FOR THE AUDIT COMMITTEE

of ProCredit Holding AG, Frankfurt am Main



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22 February 2024

Article 1 Composition and Chair

- (1) The Audit Committee consists of at least three members of the Supervisory Board.
- (2) The Audit Committee must have at least one member with expertise in the field of accounting and at least one other member with expertise in the field of auditing; the members must as a whole be familiar with the sector in which the Company operates. Expertise in the field of accounting consists of specific knowledge and experience in the application of accounting principles and internal control and risk management systems. Expertise in the field of auditing consists of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and the auditing thereof.
- (3) The Audit Committee elects one of its members to serve as its Chair. This person must have expertise in the fields of accounting and auditing and shall not be the Chair of the Supervisory Board. The Chair shall be independent of the Company and its Management Board as well as independent of any controlling shareholder.

Article 2 Duties

- (1) The Audit Committee's duties are defined by resolution of the Supervisory Board or stipulated in these Rules of Procedure. It deals with the monitoring of accounting including the accounting process and the effectiveness of the risk management system, in particular the internal control system and the internal audit function as well as the audits of the financial statements and compliance.
- (2) Each member of the Audit Committee is entitled to inspect all of the Company's business records, account books and business information stored on electronic media. Requests to this effect by a member of the Audit Committee shall be addressed to the Management Board through the Chair of the Audit Committee.

- (3) Through its Chair, the Audit Committee shall be entitled to obtain information relevant to its activities from the external auditor, the Management Board and senior employees of the Company who report directly to the Management Board, in particular the Anti-Money Laundering Officer and the heads of Internal Audit and Risk Control. If the information is not obtained directly from the Management Board, it must be informed of this without delay. The Chair shall communicate the information obtained to all members of the Audit Committee.
- (4) The Audit Committee may, at its discretion, seek advice from external auditors, lawyers and other external and internal consultants. The costs shall be borne by the Company.

Article 3 Responsibilities with regard to the Annual Financial Statements, Consolidated Financial Statements and Non-Financial Group Statement

- (1) The Audit Committee is responsible for the preliminary audit of the Company's annual financial statements and consolidated financial statements as well as the Company's separate non-financial group report, which includes the non-financial group statement. For this purpose, the Audit Committee, the Management Board and the external auditor shall together discuss the Company's annual financial statements and management report as well as the consolidated financial statements, the group management report and the report of the external auditor. It shall also discuss the Company's separate non-financial group report with the Management Board.
- (2) The Audit Committee shall prepare the Supervisory Board's decisions on the approval of the annual and consolidated financial statements, the Management Board's proposed resolution on the utilisation of unappropriated earnings and the Supervisory Board's report to be submitted pursuant to section 171 of the German Stock Corporation Act (AktG) and shall also submit appropriate recommendations to the Supervisory Board.
- (3) The Committee discusses the half-yearly financial reports and the respective quarterly financial reports with the Management Board and the reports on the review of the half-yearly financial reports (*limited review*) with the Management Board and the external auditor.
- (4) The Committee discusses significant changes in the audit and accounting methods as well as changes in any other information provided pursuant to Article 6 (4).

- (5) The Committee supports the Supervisory Board in monitoring the accounting process and may make recommendations or proposals to the Supervisory Board to ensure the integrity of the accounting process.

Article 4 Responsibilities with regard to Risk Management and Internal Auditing

- (1) The Audit Committee discusses with the Management Board issues relating to the effectiveness of the risk management system, in particular the adequacy and functionality of the group's internal control system and the Internal Audit unit.
- (2) The Audit Committee ensures that it receives regular reports on the work of the Internal Audit unit, the efficacy of the internal audit system and, in particular, on the annual audit plan, its audit priorities and the audit findings. The Audit Committee defines nature, scope, format and frequency of information to be provided by the Management Board with regard to internal audit and risk. In particular, it is responsible for obtaining and dealing with the quarterly and annual reports as well as any ad hoc reports received from Internal Audit.
- (3) The Audit Committee shall be kept informed of special audits, significant complaints and other extraordinary measures taken by German and foreign supervisory authorities.
- (4) The Audit Committee supports the Supervisory Board in monitoring the measures taken by the management team to ensure the prompt and appropriate rectification of any findings identified during internal and/or external audits.

Article 5 Compliance and Anti-Money Laundering activities

- (1) The Audit Committee deals with compliance and anti-money laundering issues, the functionality of the compliance and anti-money laundering systems and, if necessary, reviews pertinent cases on behalf of the Supervisory Board.
- (2) The Audit Committee receives the Compliance Report and the Anti-Money Laundering Officer's Report and is responsible for taking any appropriate action thereon. These activities are to be conducted at least once a year.
- (3) The Audit Committee is provided with regular reports on the receipt and handling of complaints from employees of the Company and its subsidiaries, as well as from its shareholders and third parties. In particular, any notifications concerning the accounting system, the internal audit procedures for financial accounting, the

external audit of the annual financial statements and other accounting-related matters (financial reporting) are to be submitted to the Audit Committee without delay.

Article 6 External Auditor

- (1) The Audit Committee submits proposals to the Supervisory Board for the appointment of the auditor for the annual financial statements and the auditor for the review of the half-year financial report, which in cases where the audit mandate is put out to tender shall include at least two candidates; it also prepares the proposal for the Supervisory Board to put to the Annual General Meeting for the selection of the auditor for the annual financial statements and the auditor for the review of the half-year financial report.
- (2) The Audit Committee advises the Supervisory Board regarding the award of the mandates to audit the annual financial statements and to review the half-year financial report and makes recommendations to the Supervisory Board regarding the amount of remuneration to be paid to the auditors. The Audit Committee can stipulate priority areas for audits.
- (3) The Audit Committee supports the Supervisory Board in monitoring the independence, qualifications and efficiency of the auditor, the quality of the audit as well as the rotation of the members of the audit team. For the purpose of verifying independence, the Committee shall, before submitting the proposal to the Supervisory Board in accordance with item (1) above, obtain a declaration from the proposed auditor as to whether and, if so, which professional, financial or other relationships exist between the audit firm, its governing bodies and head auditors on the one hand and the Company and the members of its governing bodies on the other hand that may give rise to doubts as to the independence of the auditor. The declaration shall also cover the extent to which other services, particularly in the consultancy sector, were provided to the Company in the previous business year or have been contractually agreed for the following year. The costs of the audit and the costs of any non-audit services for the past financial year shall also be disclosed in the declaration.
- (4) The Audit Committee discusses with the external auditor their assessment of the audit risk, the audit strategy and audit planning as well as any audit findings. The Chair of the Audit Committee regularly exchanges information with the external auditor on the progress of the audit and provides a report on this to the Committee.

The Audit Committee regularly consults with the auditor, with or without the Management Board.

- (5) Mandates for non-audit-related services to the external auditor or companies with which the external auditor is legally, economically or personally affiliated require the prior approval of the Audit Committee in individual cases for mandates with a value of EUR 30,000 or more.
- (6) The Audit Committee supports the Supervisory Board in its monitoring of the management team's prompt and appropriate rectification of any findings identified by the auditor.
- (7) Furthermore, the Audit Committee advises the Supervisory Board with regard to the termination or prolongation of the audit mandate.

Article 7 Meetings and Resolutions

- (1) The Audit Committee shall meet at least four times per financial year at the invitation of the Chair of the Committee. Meetings are to be convened by the Chair; however, in the event that the Chair is unable to do so, they can be convened by another member of the Audit Committee, giving a minimum of two weeks' notice.
- (2) The Audit Committee shall be deemed to have a quorum if at least three members participate in the adoption of the resolution.
- (3) In all other respects, the provisions of the Rules of Procedure of the Supervisory Board shall apply mutatis mutandis regarding the convening, form and minutes of meetings and resolutions passed, regarding the quorum and voting of the Audit Committee as well as to the obligation of the members of the Audit Committee to maintain confidentiality.

Article 8 Participation in Meetings

- (1) The Management Board, the Heads of Internal Audit and Risk Control, the Compliance Officer and the Anti-Money Laundering Officer, the Heads of the departments involved in risk management as well as the external auditor shall participate in the meetings of the Audit Committee at the request of the Chair of the Audit Committee.
- (2) The Chair may permit additional individuals to participate in the Audit Committee meetings.

Article 9 Reports and Declarations

- (1) The Chair of the Audit Committee regularly reports to the Supervisory Board on the work of the Audit Committee.

- (2) Insofar as declarations are to be made or received for the implementation of resolutions of the Audit Committee or otherwise for the fulfilment of its duties, the Chair of the Audit Committee shall act in this capacity.



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