

**Statutes of  
Landwirtschaftliche Rentenbank**  
Passed by the Advisory Board on July 15, 2004  
Approved by the Supervisory Authority on July 26, 2004

**I. Business of the Bank**

Section 1

(1) In order to fulfil its tasks as set out in Section 3 of the Law Governing Landwirtschaftliche Rentenbank (the "Law"), the Bank implements promotional measures for agriculture and for rural areas in particular through financial instruments. In principle, the Bank provides loans through other banks irrespective of their legal form or association membership.

(2) In addition to standard promotional loans for agriculture and rural areas, the Bank grants special and programme loans for specific promotional purposes and assistance measures. The funds for special loan programmes are provided by the Bank. The principles/guidelines for promotional loans, special and programme loans shall be approved by the Supervisory Authority.

(3) Loans and other types of financial instruments shall be granted in accordance with the general guidelines for the granting of loans to be passed by the Advisory Board. These guidelines shall be approved by the Supervisory Authority.

(4) Debt used to cover bonds shall comply with the requirements set out in Section 13 of the Law.

Section 2

In order to fulfil its tasks, the Bank may carry out operations and provide services directly connected with the performance of its tasks. This includes in particular:

1. purchase and sale of debt and securities;
2. treasury management and transactions for risk management purposes of the Bank;
3. securities trading, deposit and giro business for its own account;
4. issue of covered and unsecured bonds in bearer or registered form;
5. raising of funds earmarked for specific purposes with central credit institutions, capital collection funds and public authorities;
6. raising of other types of loans;
7. investment of funds with public and private credit institutions;
8. advice and services in connection with promotional measures.

## II. Organisation and Administration of the Bank

### 1. The Board of Managing Directors

#### Section 3

(1) The Board of Managing Directors consists of at least two ordinary members. In concert with the Chairman of the Advisory Board, the members of the Board of Managing Directors may appoint an ordinary member as Spokesman of the Board of Managing Directors. The Advisory Board may also appoint a Chairman of the Board of Managing Directors.

(2) Upon the proposal of the Administrative Committee, the members of the Board of Managing Directors shall be appointed for a maximum term of five years; they may be re-appointed or their term of office may be extended by a maximum of five years; this requires another resolution by the Advisory Board which may be passed no sooner than one year prior to the termination of the respective term of office. The Advisory Board may revoke the appointment for good cause. The appointment as a member of the Board of Managing Directors shall be approved by the Supervisory Authority. The Supervisory Authority shall be informed in advance about the details of the appointment.

(3) Any change to the Board of Managing Directors shall be filed by the Board of Managing Directors for entry in the commercial register (*Handelsregister*). Newly appointed members of the Board of Managing Directors shall lodge their signatures with the court.

(4) The Board of Managing Directors shall carry out the Bank's business at its own responsibility according to the laws, the Statutes and the board's rules of procedure.

(5) The Board of Managing Directors shall quarterly inform the Advisory Board in writing about the business development and the Bank's financial position in comprehensive form.

(6) The total remuneration of the individual members of the Board of Managing Directors shall be in line with their functions and the Bank's financial position. The remuneration amounts shall be set by the Advisory Board upon the proposal of the Administrative Committee.

(7) The members of the Board of Managing Directors may accept no secondary activities, in particular no mandate on a supervisory board outside the Bank, without the approval of the Advisory Board. They may not be member of the board or manager or personally liable partner of any other commercial corporation; exceptions shall require the approval of the Supervisory Authority.

#### Section 4

(1) The Board of Managing Directors represents the Bank in court and extrajudicially. It may appoint authorised signatories (*Handlungsbevollmächtigte*) and, with the approval of the Advisory Board, authorised officers (*Prokuristen*).

(2) Declarations by the Bank are to be issued in writing as a rule; they will be binding for the Bank where they are issued

by two members of the Board of Managing Directors; or  
 by a member of the Board of Managing Directors together with an authorised officer; or  
 by two authorised officers; or  
 by a member of the Board of Managing Directors/an authorised officer together with an authorised signatory.

(3) Binding documents shall be signed in such a way that the authorised representatives add their signature to the name of Landwirtschaftliche Rentenbank.

(4) Account, deposit and other statements generated by EDP as well as other notices will be valid even without a signature provided that this is supported by a corresponding note.

(5) For the validity of a declaration of intent addressed to the Bank, the submission to a member of the Board of Managing Directors shall suffice.

(6) Deputy members of the Board of Managing Directors shall have the same representative authority as ordinary members.

(7) The Advisory Board shall represent the Bank in court and extrajudicially towards members of the Board of Managing Directors. The Chairman of the Advisory Board will conclude legal transactions with the Board of Managing Directors, in particular regarding remuneration arrangements, on behalf of the Advisory Board with the approval of the Administrative Committee and the Supervisory Authority.

## **2. The Advisory Board**

### Section 5

(1) With the exception of the representatives of the federal states specified in Section 7 para. 2 No. 2 of the Law and the Federal Minister of Consumer Protection, Food and Agriculture appointed to the Advisory Board pursuant to Section 7 para. 1 No. 4, the term of the members of the Advisory Board shall end at the close of the General Meeting which passes the resolution on the appropriation of profits of the fifth annual accounts since the commencement of the term.

(2) The members of the Advisory Board may resign from office at any time by declaration addressed to the Chairman of the Advisory Board. Members of the Advisory Board specified in Section 7 para. 1 No. 1, 3 and 5 of the Law may be recalled early by the delegating organisations or authorities. Substitute members may be appointed or elected for the remaining term of office of the members leaving the Advisory Board.

(3) The names and addresses of the representatives delegated to the Advisory Board pursuant to Section 7 para. 1 No. 1, 3 and 5 of the Law shall be reported to the Chairman of the Advisory Board in writing no later than two months after the assembly of the General Meeting specified in para. 1. Attention is to be given to the fact that members belonging to the Advisory Board have the necessary knowledge, ability and professional experience for the proper performance of the tasks and are sufficiently independent at all times. The

previous Advisory Board shall continue to manage the Bank's affairs until the assembly of the new Advisory Board.

#### Section 6

Under the chairmanship of the oldest member of the Advisory Board, the Advisory Board shall elect a Chairman in its constituent assembly for the entire term pursuant to Section 7 para. 2 Clause 1. In the case the Chairman leaves office during this term the Advisory Board shall immediately carry out substitute elections for the remaining term.

#### Section 7

(1) The Advisory Board shall convene at a venue to be determined upon convocation as often as business requires but at least once in each half of the year. The Chairman, his Deputy or in exceptional cases the Board of Managing Directors shall convoke the Advisory Board by registered letter within a period of at least 10 days; in urgent cases convocation is admissible in a proper way within a period of 3 days. The Advisory Board shall be convoked immediately if requested by at least six members or the Supervisory Authority. The Supervisory Authority shall be invited to all meetings of the Advisory Board and its committees.

(2) The Advisory Board constitutes a quorum where at least half of its members are present.

(3) A written resolution or one sent by fax or a resolution sent by using other appropriate means of telecommunication will be admissible in particular in urgent cases where no member of the Advisory Board objects to this procedure; para. 2 shall apply accordingly.

(4) Unless otherwise stipulated by the Law or in these Statutes, the Advisory Board passes its resolutions with a simple majority of votes. This shall also apply to elections. In the case of parity of votes, the ballot of the Chairman of the Advisory Board and where he is prevented that of his Deputy shall be decisive.

(5) Minutes shall be taken of the results of the meeting of the Advisory Board and be signed by the Chairman and the recorder who need not be a member of the Advisory Board.

#### Section 8

(1) The Advisory Board shall be responsible for the supervision of business conducted by the Board of Managing Directors on an ongoing basis (Section 7 para. 4 of the Law). The members of the Advisory Board are responsible to the Bank for the performance of their functions in accordance with the regulations for members of the supervisory board of stock corporations (*Aktiengesellschaften*).

(2) The Advisory Board shall adopt its own rules of procedure.

## Section 9

- (1) The Advisory Board shall approve the annual accounts.
- (2) The Advisory Board shall determine the auditor with the approval of the Supervisory Authority.
- (3) The Advisory Board shall pass resolutions in particular on:
  1. the allocation to the principal reserve and the guarantee reserve;
  2. the appropriation of the net profit for the year pursuant to Section 9 of the Law;
  3. the proposal to the General Meeting on the appropriation of profits (Section 7 para 5, 2. half clause in connection with Section 9 para. 2 of the Law);
  4. the formal approval of the conduct of business by the members of the Board of Managing Directors;
  5. the general guidelines for the Bank's granting of loans;
  6. the internal rules of procedure for itself and for the committees and advisory bodies specified in Section 10;
  7. amendments to the Statutes with a two thirds majority of votes of its members; they shall be approved pursuant to Section 7 para. 6 of the Law and shall be announced after their approval;
  8. the corporate governance principles of the Bank and their implementation.
- (4) The following shall require the approval of the Advisory Board:
  1. the issue of bonds;
  2. the purchase, rearrangement and sale of investment holdings;
  3. the purchase, encumbrance and sale of real estate except in the case of forced auction;
  4. the appointment of authorised officers (*Prokuristen*) and the conclusion of employment contracts with an annual salary exceeding the amount stipulated by the Administrative Committee;
  5. the stipulation of guidelines on the granting of retirement pensions including widow's and orphans' pensions.
- (5) Each member of the Advisory Board shall observe the interests of the Bank. With his decisions a member may not pursue personal interests or take personal advantage of the Bank's business opportunities.

## Section 10

(1) The Advisory Board may form committees and at the same time appoint their chairmen and wholly or partially assign its authority for specific areas to these committees. With the exception of the Expert Committee specified in para. 5, only members of the Advisory Board may belong to them. Section 7 paras. 2 - 5 shall apply accordingly. Experts and advisers may be consulted for advice on individual items in the committee meetings.

(2) An Administrative Committee consisting of the Chairman of the Advisory Board, his Deputy, a representative of the Federal Ministry of Finance and four additional members of the Advisory Board shall be formed for handling legal and administrative affairs.

(3) A Credit Committee consisting of the Chairman of the Advisory Board, a representative of the Federal Ministry of Consumer Protection, Food and Agriculture or of the Federal Ministry of Finance and three additional members of the Advisory Board shall be formed for handling credit and investment holdings matters.

(4) An Audit Committee consisting of the Chairman of the Advisory Board, a representative of the Federal Ministry of Consumer Protection, Food and Agriculture or the Federal Ministry of Finance and five additional members of the Advisory Board shall be formed for handling matters of accounting and risk management, the necessary independence of the auditor, awarding of the audit assignment, determination of the main areas of the audit and agreement on remuneration. The auditor participates in the meetings of the Audit Committee on the annual accounts and consolidated annual accounts and reports the essential results of his audit.

(5) The Advisory Board shall form an Expert Committee for the preparation of the proposal on the appropriation of profits (Section 7 para. 5, 2nd half clause in association with Section 9 para. 2 of the Law). It shall consist of three members of the Advisory Board including a representative of the Federal Ministry of Consumer Protection, Food and Agriculture and three members of the General Meeting. Chairman of the Expert Committee shall be the Chairman of the Advisory Board.

(6) Where required, the Advisory Board may form advisory bodies consisting of experts who need not be members of the Advisory Board.

(7) The results of the committee meetings shall be reported to the Advisory Board at its next assembly.

## Section 11

Documents and declarations by the Advisory Board shall bear the name of Landwirtschaftliche Rentenbank and the words "The Advisory Board" ("*Der Verwaltungsrat*") and are to be signed by the Chairman of the Advisory Board or his Deputy.

## Section 12

(1) Remuneration of the members of the Advisory Board including remuneration for attendance at meetings shall be set in a resolution by the General Meeting; the resolution shall be approved by the Supervisory Authority. The remuneration shall account for the responsibility and scope of functions of the members of the Advisory Board and the Bank's financial position. Chairmanship and deputy chairmanship in the Advisory Board and chairmanship and membership in the committees are to be taken into account.

(2) In addition, adequate travel expenses shall be reimbursed for the attendance at meetings of the Advisory Board and of its committees or advisory bodies.

## **3. The General Meeting**

### Section 13

(1) The term of office of the members of the General Meeting shall end at the close of the General Meeting which passes the resolution on the appropriation of profits of the fifth annual accounts since the commencement of the term. Section 5 paras. 2-3 shall apply accordingly to the appointment, resignation and dismissal of members as well as to the appointment of substitute members of the General Meeting.

(2) The General Meeting constitutes a quorum where at least half of its members is present.

### Section 14

(1) The General Meeting shall pass the resolution on the appropriation of profits in accordance with Section 9 para. 2 of the Law. It shall receive the reports by the Board of Managing Directors regarding the Bank's business activities and by the Advisory Board regarding the resolutions taken by it and shall advise the Bank on matters regarding the promotion of agriculture and rural areas and on general issues related to agriculture and business policy. Documents necessary for preparing the resolution are to be sent to the members of the General Meeting together with the invitation.

(2) The Chairman of the Advisory Board or his Deputy or the Board of Managing Directors on their behalf shall invite to the assemblies of the General Meeting by registered letter observing a period of at least 15 days. The Supervisory Authority shall be invited to all assemblies of the General Meeting.

(3) Extraordinary assemblies of the General Meeting shall be convoked upon resolution of the Advisory Board. Moreover, they shall be convoked where requested by at least 15 members of the Supervisory Board presenting reasons for their request in writing.

Section 15

(1) The Chairman of the Advisory Board or his Deputy shall preside over the General Meeting without having a voting right; where both are absent, the oldest participant shall inaugurate the meeting and have a chairman elected.

(2) The General Meeting shall pass its resolutions with the simple majority of the members present upon voting. In the case of a parity of votes, the motion shall be regarded as rejected.

(3) Minutes shall be taken of the results of each assembly of the General Meeting which shall be signed by the Chairman, a member of the General Meeting and the recorder who need not be a member of the General Meeting.

Section 16

Adequate travel expenses shall be reimbursed for the attendance at assemblies of the General Meeting. The amount of the attendance remuneration shall be stipulated by the Advisory Board with the approval of the Supervisory Authority.

**III. General Provisions**

Section 17

The business year is equivalent to the calendar year.

Section 18

The official seal of Landwirtschaftliche Rentenbank (Section 12 of the Law) shows a bundle of ears of grain with an inscription with the name and the registered seat of the Bank. The official seal of Landwirtschaftliche Rentenbank shall be published.

Section 19

Announcements of Landwirtschaftliche Rentenbank to be made in accordance with these Statutes are to be published in the Federal Gazette (*Bundesanzeiger*).

Section 20

The Statutes shall come into force upon approval by the Supervisory Authority.

(Only the German original text of these Statutes is binding)