

REPORT OF THE SUPERVISORY BOARD

DEAR SIR OR MADAM,

The year 2018 was a remarkable year for Bechtle AG: The largest acquisition in the company's history, the first placement of a bond loan, the surpassing of the 10,000 employee mark, the elaboration and communication of the new Vision 2030, and the inclusion in the MDAX were just some of the highlights in the year under review. Moreover, the year was marked by outstanding business performance with double-digit revenue and earnings growth rates. While each of the said items is a major achievement in itself, the sum of them truly makes 2018 a very special year in Bechtle's history. The Supervisory Board was involved in this development at all times and assisted the company with advice on its path towards success.

In the reporting period, the Supervisory Board meticulously performed all audit and controlling duties imposed on it by law and as required by the Articles of Incorporation. The Supervisory Board regularly provided the Executive Board with advice concerning the administration of the group, and closely monitored and supported the company's management and development. In this context, the two boards always cooperated in an open and constructive manner.

The Executive Board regularly, promptly and comprehensively informed the Supervisory Board about all aspects relevant to the company as well as transactions subject to approval. This included, in particular, the acquisition of Inmac WStore and other acquisition projects, the growth and acquisition financing including the placement of a bond loan, the group's business performance, future investments, the risk situation and the opportunity and risk management, as well as basic issues related to the corporate planning and strategy.

The Chairman of the Executive Board, especially maintained close contact with individual Supervisory Board members, primarily with the Chairman of the Supervisory Board, even outside the regular meetings. Additionally, the Executive Board informed the Supervisory Board as a whole about key operational indicators, the fulfilment of business plans and the employment situation of the group, segments and all major subsidiaries on a monthly basis. Moreover, we intensively elaborated the individual quarters and the short and medium-term perspectives at quarterly meetings.

At its meetings, the Supervisory Board regularly looked into the business performance of the group as well as the assets and financial position and the implementation of the corporate strategy. Moreover, we continually dealt with the risk situation and actively participated in the further development of the control and risk management system of Bechtle AG.

Thanks to the timely and detailed information received from the Executive Board and its own audits, the Supervisory Board was able to comply fully with its monitoring and consulting duties. We confirm that the Executive Board has acted legally, correctly and economically in every respect. The Executive Board regularly consulted the legal and compliance department as well as group controlling, and actively used the risk management system.

MEETINGS AND CENTRAL ISSUES

In the reporting period, the Supervisory Board held five ordinary plenary sessions: on 8 February, 14 March (balance sheet meeting for the annual and Consolidated Financial Statements 2017), 12 June (constituent meeting of the newly elected Supervisory Board), 27 July and 19 October 2018. Due to appointments made a long time prior to his candidacy, Dr. Lars Grünert was only able to participate in less than half of the meetings of the Supervisory Board.

Apart from the resolutions adopted at the meetings, the Supervisory Board and/or its committees also adopted resolutions via circular procedure where relevant, in particular in urgent cases. We discussed all measures and transactions that required the approval of the Supervisory Board or its committees in detail at Supervisory Board and committee meetings. At its balance sheet meeting on 14 March 2018, the Supervisory Board approved the annual financial statements and the Consolidated Financial Statements of the prior year (thereby adopting the annual financial statements) and accepted the Executive Board's proposal for the appropriation of profits and the business planning for 2018.

In the past fiscal year, the most important subjects discussed included the following:

- Acquisition of Inmac WStore and other acquisition projects
- Placement of a bond loan
- Vision 2020 and its target achievement
- Elaboration of Vision 2030
- Supervisory Board elections and election proposals of the shareholder side
- Group strategy and target achievement in connection with the implementation of the strategy
- Economic development of the group
- Executive Board compensation
- Sustainability at Bechtle and non-financial group declaration
- Internal audit and risk management system

STAFFING OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

In 2018, the staffing of the Executive Board of Bechtle AG did not undergo any changes. Supervisory Board elections were held in the reporting period. On the employee side, Martin Meyer departed from the Supervisory Board as of the end of the Annual General Meeting on 12 June 2018. Anton Samija was newly elected. Moreover, the shareholder representatives were elected at the Annual General Meeting on 12 June 2018. Dr. Matthias Metz and Dr. Jochen Wolf did not stand for election again. Dr. Lars Grünert and Klaus Winkler were newly elected to the Supervisory Board. Following his election, Klaus Winkler was elected as Chairman of the Supervisory Board, as had been intended. The Supervisory Board thanks all members who have departed for their long-standing commitment and their willingness to participate in the successful development of Bechtle AG.

COMMITTEE WORK

To fulfil its duties, the Supervisory Board has formed three committees.

The audit committee came together on 7 February, 13 March, 29 May, 26 July, 18 October and 17 December 2018. Additionally, it held telephone conferences on 8 May, 9 August and 13 November 2018. In 2018, the audit committee was intensively involved in deals subject to approval – especially the acquisition of Inmac WStore and other acquisitions, the growth and acquisition financing including the placement of a bond loan and long-term contracts. Other subjects discussed included the interim financial reports, the preliminary audits of the annual and Consolidated Financial Statements, the non-financial group report, the proposal for the appropriation of profits and the review of the internal control and risk management system. The meetings also focused on the monitoring of the auditor's independence, the definition of the main issues to be audited, the agreement of the audit fee and the corporate governance. The development of the cash flow and of the working capital was also addressed in the reporting period.

In 2018, the personnel committee came together at five meetings on 30 January, 16 February, 27 August, 4 October and 10 December 2018. The meetings of the personnel committee mainly focused on the compensation system of the Executive Board, the further development of the management organisation and employment contracts with Executive Vice Presidents.

The conciliation committee pursuant to Section 27 (3) of the German Co-determination Act (MitbestG) was not convened in 2018.

The Supervisory Board regularly and meticulously evaluates its activity according to the guideline "Efficiency Audit in the Supervisory Board" of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. Based on recommendations from the Supervisory Board, action recommendations were developed, presented at the plenary session and, after an intensive review, included in the work of the Supervisory Board. We consistently monitor the implementation of these recommendations in our Supervisory Board. The basic results of past efficiency audits revealed that the workflows and processes in the Supervisory Board are efficient and target-oriented.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

We intensively reviewed the set of rules of the German Corporate Governance Code (DCGK). To ensure compliance with DCGK, we checked the implementation of the recommendations. Together with the Executive Board, we issued the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in February 2019. Deviations from the recommendations of the Government Commission are explained in detail in the Corporate Governance Report. All declarations of conformity of the last five years and other documents concerning the corporate governance have been, and continue to be, made permanently available to the shareholders on the Internet. In the fiscal year ended, no conflicts of interest of Executive Board or Supervisory Board members emerged that, according to the code, would have had to be disclosed to the plenum without delay and about which the General Meeting would have had to be informed.



Corporate Governance Report,
see page 53 ff



Declaration of Conformity,
see [bechtle.com/investors/corporate-governance](https://www.bechtle.com/investors/corporate-governance)

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2018

The General Meeting appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Heilbronn, as auditor of the annual and Consolidated Financial Statements for the 2018 fiscal year. Following the engagement by the Supervisory Board, the auditor audited the annual financial statements of Bechtle AG as well as the Consolidated Financial Statements and the management reports of Bechtle AG and of the Bechtle Group for the 2018 fiscal year, including the accounts and the risk management and early detection system, and awarded unqualified auditor's certificates. The audit also included the monitoring system for early identification of risks, which is to be set up by the Executive Board, and the internal audit and risk management system with respect to the accounting process. The auditor confirmed that the installed systems are suitable for identifying developments endangering the company's going concern at an early stage.

The documents related to the financial statements, the proposal of the Executive Board for the appropriation of profits and the auditor's audit reports were duly sent to the members of the Supervisory Board and discussed in detail in the audit committee and in the Board as a whole. The auditor of the annual and Consolidated Financial Statements also participated in the balance sheet meeting on 13 March 2019. He reported in detail on the material results of his audit and comprehensively answered all questions of the Supervisory Board.

Following its own review of the annual financial statements, Consolidated Financial Statements, management report and group management report, the Supervisory Board approved the results of the audit conducted by the auditor. According to the final result of its audit, there were no objections. At the balance sheet meeting on 13 March 2019, the Supervisory Board thus approved the annual financial statements and the Consolidated Financial Statements in accordance with the recommendation of the audit committee, thereby adopting the annual financial statements pursuant to Section 172 sentence 1 of the German Stock Corporation Act (AktG). The Supervisory Board agreed to the Executive Board's proposal for the appropriation of the net profit and payment of a dividend of €1.00 per share. We approve the management report and the group management report of the Executive Board and consider the proposal for the appropriation of profits appropriate.

The Supervisory Board also audited and comprehensively discussed the non-financial group declaration of Bechtle AG, which was prepared by the Executive Board and is included in the sustainability report 2018 of Bechtle AG as a separate non-financial group report, at the balance sheet meeting on 13 March 2019. The Executive Board explained the separate non-financial group report and answered the questions of the members of the Supervisory Board. The review conducted by the Supervisory Board did not give rise to any objections to the separate non-financial group report. The Supervisory Board approves the separate non-financial group report.

The success of Bechtle AG is not something to be taken for granted. It is the result of the tireless efforts and high motivation of each individual employee. Therefore, the entire Supervisory Board would like to express its gratitude to all employees of the Bechtle Group, the Executive Vice Presidents and the Managing Directors of the group companies, as well as the members of the Executive Board. The Supervisory Board is proud to provide advice and supervision to such a successful, highly motivated and motivating company.

On behalf of the Supervisory Board



Klaus Winkler
Chairman

Neckarsulm, 13 March 2019