

## **Corporate governance statement**

Pursuant to Section 289a, 315d of the German Commercial Code (HGB), this statement summarises the following key information regarding Bechtle AG's corporate governance:

- Declaration of Compliance according to Section 161 of the German Stock Corporation Act (AktG)
- Relevant information on corporate governance practices above and beyond legal requirements
- Description of operating principles employed by the Executive Board and Supervisory Board, as well as the composition and operating principles of their committees
- Target percentage of women on the Executive Board and both senior management levels therebelow
- Compliance with the 30 percent statutory quota for women on the Supervisory Board
- Description of the diversity concept

Further information can be found in the corporate governance section of the Bechtle AG group management report.

### **Declaration of Compliance with the German Corporate Governance Code.**

On 31 January 2020, the Executive Board and Supervisory Board issued the latest version of Bechtle's Declaration of Compliance with the German Corporate Governance Code (DCGK). It has been made available for shareholders to access on the Company's website at any time.

### **Corporate governance practices.**

Bechtle AG complies with all laws and regulations effective in each country of business. The Company and its employees also apply the following principles above and beyond legal requirements:

- Bechtle Corporate Philosophy
- Bechtle Sustainability Code
- Bechtle Code of Conduct
- Bechtle Leadership Principles

These publications are the framework underpinning our business strategy and activities. They provide guidance to all Bechtle AG employees and ensure that corporate governance practices are implemented appropriately—a visible testimony of our commitment to corporate citizenship. The Bechtle Leadership Principles are an in-house standard applicable to all Bechtle staff in a leadership position.

### **Cooperation between the Executive and Supervisory Boards.**

The Supervisory Board is involved in all major corporate decisions and assists the Executive Board by providing advice whenever necessary. The Executive Board

regularly, duly and comprehensively informs the Supervisory Board of all material issues relating to business development, business planning, strategy, risk management, potential risks and opportunities with respect to business performance as well as compliance-related subjects. The information and reporting obligations are specified in detail in the rules of procedure of the Executive Board. The Executive Board informs the Supervisory Board without delay about any extraordinary events that are of importance to the assessment of the situation, development or management of the company. The Supervisory Board and especially the Chairman of the Supervisory Board also continually obtain information about the company's situation and important business transactions outside the scope of the regular Supervisory Board meetings. Thus, the Supervisory Board has a useful information base for monitoring operations with valuable suggestions and recommendations. As a matter of principle, the Executive Board forwards its documents to the members of the Supervisory Board in coordination with the Chairman of the Supervisory Board in good time before Supervisory Board meetings, in order to enable them to duly prepare for the meetings. According to the rules of procedure of the Supervisory Board, important business transactions are subject to the approval of the Supervisory Board.

#### **Executive Board.**

The staffing and responsibilities of the Executive Board are the same as in the prior year. The Executive Board comprises three members. Dr. Thomas Olemotz is its Chairman.

#### **Supervisory Board.**

In line with the Articles of Incorporation, the Supervisory Board of Bechtle AG consists of 12 members. In accordance with the German Co-determination Act (MitbestG), it consists of equal numbers of shareholder representatives and employee representatives. The Supervisory Board currently includes four female members. Various members have a special international background, and all shareholder representatives are independent. Some of the employee representatives are normal employees of the company.

Contrary to the recommendation of Section 5.3.2 (3) sentence 3 DCGK, the Chairman of the Supervisory Board of Bechtle AG also serves as Chairman of the audit committee. He engages in intensive exchange with the Executive Board and is closely acquainted with the goings-on in the company. Thus, the company does not consider a separation of the leading positions on the Supervisory Board and the audit committee to be necessary.

A nomination committee has not been formed. In view of the staffing of the Supervisory Board, the Supervisory Board does not consider such a committee to be necessary at present.

The Supervisory Board endeavours to fulfil its duties with due care. Every three years, the Supervisory Board has the efficiency of its activity comprehensively audited on the basis of the guideline of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. Such

an audit was carried out during the reporting period and confirmed that the Supervisory Board works efficiently. Should the Supervisory Board come to the conclusion that the efficiency has deteriorated, the audit will be conducted on an annual basis.

The rules of procedure of the Supervisory Board and the targets adopted by the Supervisory Board for its composition provide for an age limit of 70 for election to the supervisory committee

#### **D&O insurance.**

The Executive Board and the Supervisory Board observe the generally accepted corporate governance principles. Should they culpably violate their duty to exercise due care, Bechtle AG may assert damage claims against them. To cover this risk, the company has taken out directors & officers insurance for the Executive Board and Supervisory Board members. A deductible of 10 per cent has been agreed for the Executive Board in line with the statutory provisions, but not for the Supervisory Board. Bechtle AG does not believe that a deductible would contribute to an improved sense of responsibility and motivation of the Supervisory Board.

#### **Conflicts of interest.**

The members of the Executive Board and of the Supervisory Board are committed to the interests of the company. In their decisions within the scope of their activity, they are not permitted to pursue personal interests or use for themselves business opportunities to which the company is entitled. In the past fiscal year, the members of the Supervisory Board and Executive Board did not experience any conflicts of interests, e.g. due to an advisory function or role on a body for customers, suppliers, creditors or business partners. Detailed information on the existing mandates of the board members on supervisory boards and similar supervisory bodies of other companies is presented in the Notes to the Consolidated Financial Statements.

#### **Women on the Executive Board.**

The Supervisory Board of Bechtle AG has examined the subject of determining a target for the female quota in the Executive Board. Currently, the share of women on the Executive Board is 0 per cent. The Supervisory Board is firmly convinced that bonding the members of the Executive Board to the company and keeping them in the company on a long-term basis serves the company's interests. The Supervisory Board does not believe in changing the staffing of the Executive Board solely for the purpose of increasing the proportion of women. Moreover, increasing the number of members of the Executive Board for the mere sake of ensuring a certain female quota is not a viable option. Therefore, the Supervisory Board has determined a target quota of 0 per cent for the proportion of women on the Executive Board with effect from 1 July 2017 until 30 June 2022.

### **Women in senior management.**

In 2017, the Executive Board of Bechtle AG had adopted targets for the female quota at the two executive levels under the Executive Board, which were to be reached by 30 June 2022. The target was 0 per cent for the first executive level and 5.5 per cent for the second executive level.

In the reporting period, the Executive Board revised these targets. The Executive Board of Bechtle AG is very open to the topic of diversity and has always welcomed a high female proportion at the executive levels. However, the targets adopted in 2017 do not fully reflect Bechtle's social responsibility and are not in line with the high demand for qualified professionals. In its resolution of 17 January 2020, the Executive Board has therefore adjusted the targets ahead of time. The first executive level under the Executive Board comprises the Executive Vice Presidents throughout the group. Currently, the share of women at this level is 0 per cent. The new target for this level is 22 per cent, which is to be reached by 31 January 2025.

The second executive level under the Executive Board comprises the decision makers in managerial positions as well as other executives throughout the group that report directly to a member of the Executive Board. The female share at this level currently amounts to 8.94 per cent. The Executive Board has determined a target quota of 25 per cent for the second executive level. This target, too, is to be reached by 31 January 2025.

### **Women on the Supervisory Board.**

Bechtle AG is required by law to ensure a female quota of at least 30 per cent on the Supervisory Board. Currently, the proportion of women on our Supervisory Board is 33 per cent.

### **Diversity Concept.**

Under consideration of Section 5.4.1 (2) of the German Corporate Governance Code (DCGK), the Supervisory Board has set down goals concerning its composition in writing. The Supervisory Board thus intends to ensure that at least two members of the Supervisory Board fulfil the criterion of internationality to a special degree. However, the Supervisory Board does not see any necessity to fix the number of independent members of the Supervisory Board. Currently, all shareholder representatives fulfil the criterion of "independence", as they do not have any personal or business relationship with the company, its organs, a controlling shareholder or a company affiliated with a controlling shareholder and do not exercise any advisory or organ functions for customers, suppliers, creditors or other business partners of Bechtle AG. Nevertheless, the Supervisory Board will continue to propose representatives of business partners as members of the Supervisory Board if their specific skills are more beneficial to the company than potential conflicts of interests could be detrimental. For the aforesaid reasons, the Supervisory Board does not consider it to be necessary to disclose the number of independent members among the shareholders representatives which it believes to be appropriate and the names of these members in the Corporate

Governance Report. In terms of diversity, the Supervisory Board has not determined any goals. Moreover, the Supervisory Board has not determined any standard limit for the affiliation with the Supervisory Board. In this area too – as in the case of the staffing of the Executive Board and executive positions and in its dealings with all employees – Bechtle AG aims at a long-term cooperation. In the past, Bechtle AG often benefited from the long-standing expertise of experienced members of the Supervisory Board. This would be desirable in the future as well.

Pursuant to Section 5.4.1 (2), second half of sentence 1 DCGK, the Supervisory Board has created and adopted a skills profile for the entire board. In summary, each member of the Supervisory Board must, among other things, have the skills and expertise needed to duly perform his or her duties according to law and the Articles of Association, and at least one member of the Supervisory Board must have expertise in the field of accounting or auditing. Furthermore, the members of the Supervisory Board must, in their entirety, be familiar with the industry in which the company operates. Furthermore, each member of the Supervisory Board must have enough time for the exercise of his or her mandate. With respect to skills and experience, each member should have a general understanding of the business activity of an IT system house, especially of the market environment, the individual business areas, customer needs, the regions in which the company is active and the company's strategic orientation. Moreover, individual or several members should be knowledgeable in the field of financial accounting or auditing, business administration, corporate governance as well as compliance and leadership. All members should also be able to assess and evaluate the correctness, efficiency and appropriateness of the business decisions to be evaluated and the annual financial statements.

Presently, the goals determined by the Supervisory Board for its composition and the requirements of the skills profile are met. These goals will also be taken into consideration in future election proposals to be submitted to the Annual General Meeting, and efforts will be made to fulfil the skills profile.

Neckarsulm, 6 February 2020

Bechtle AG

Executive Board