

REPORT OF THE SUPERVISORY BOARD

DEAR SIR OR MADAM,

The year 2020 was not a year that will easily be forgotten. For Bechtle AG, too, the year was quite different from all previous ones. In view of the pandemic and the weak macroeconomy, we had braced ourselves for ups and downs. Thus, we were all the more pleased to see how well our company mastered the situation and became even stronger. The downs were only noticeable from the share price, while the ups were evident from the revenue and earnings figures of each quarter and the outstandingly good development of the cash flow. Of course, one of the reasons for this positive development was that Bechtle AG is active in the IT market, which has proved to be extremely resilient to the crisis. In fact, IT was the solution to many of the problems caused by the pandemic. Nevertheless, we would not have been so successful without the decades-old business model of networked decentralisation, without our proximity to customers, without our financial strength and independence, and without the entrepreneurial spirit that is manifest in all parts of our company. Yes, 2020 was a challenging year, but Bechtle has effectively overcome this challenge. Within the scope of its duties, the Supervisory Board is responsibly and very consciously helping to shape the company's successful development.

In 2020, the Supervisory Board again meticulously performed all audit and controlling duties conveyed upon 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 the company's response to the spread of the coronavirus, operational arrangements made under consideration of the pandemic, acquisition projects, the group's business performance, future investments, location-related issues, the risk situation, the opportunity and risk management, as well as basic issues related to the corporate planning and strategy.

The Chairman of the Executive Board, in particular, 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. At quarterly meetings, we also intensively elaborated on the respective past quarter and the short and medium-term perspectives.

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 – especially also in connection with the pandemic – 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 lawfully, 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.

In the reporting period 2020, all Supervisory Board members participated in two educational measures. The first one was about the amendment of the statutory regulations (ARUG II) concerning the compensation of the Executive Board and Supervisory Board and the underlying compensation systems as well as the applicable recommendations of the German Corporate Governance Code. The second one informed the members of the Supervisory Board about the latest developments in the field of corporate governance, particularly about the recommendations and suggestions of the new German Corporate Governance Code.

MEETINGS AND CENTRAL ISSUES

In the reporting period, the Supervisory Board held five plenary meetings: on 31 January, 17 March (balance sheet meeting for the annual and consolidated financial statements for 2019), 31 July, 30 October and 15 December 2020. Kurt Dobitsch was unable to attend the meeting on 15 December and thus only attended four meetings. Apart from this, all Supervisory Board members attended all five plenary meetings in the reporting period 2020.

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 17 March 2020, 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 2020.

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

- The COVID-19 pandemic and its effects on the business of Bechtle AG
- The economic development of the group, especially in the face of the pandemic
- The new statutory provisions of ARUG II and the amended version of the German Corporate Governance Code
- The compensation system of the Executive Board against the background of the new statutory provisions and the recommendations of the German Corporate Governance Code
- The planned transformation of Bechtle AG into an SE
- The three acquisitions performed in the reporting period
- The group's short-term strategy against the backdrop of the pandemic, its medium to long-term strategy especially with a view to the clouds and managed services business and the business of the IT System House and Managed Services segment in Switzerland as well as the targets achieved in the course of the strategy roll-out
- The efficiency audit in the Supervisory Board
- Sustainability at Bechtle and non-financial group declaration
- The internal audit and risk management system

STAFFING OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

In 2020, the staffing of the Executive Board and Supervisory Board of Bechtle AG did not undergo any changes.

COMMITTEE WORK

To fulfil its duties, the Supervisory Board has formed three committees: the audit committee, the personnel committee and the conciliation committee.

The audit committee came together on 30 January, 16 March, 30 July and 29 October 2020. Additionally, it held telephone conferences on 7 May, 11 August and 10 November 2020. Sandra Stegman was unable to attend the meeting on 11 August and thus only attended six meetings. Apart from this, all committee members attended all seven meetings in the reporting period. In 2020, the audit committee dealt intensively with the corporate governance and transactions that require approval, especially the acquisitions performed, location-related issues and long-term agreements. Other subjects discussed included the interim financial reports, the revenue and earnings performance during the COVID-19 pandemic, the upward correction of the earnings forecast in November, the positive development of the cash flow and of the working capital, the preliminary audits of the annual and consolidated financial statements, of the non-financial group declaration and of 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 personnel committee came together eight times on 9 January, 31 January, 29 June, 10 July, 6 November, 23 November, 12 December and 14 December 2020. All committee members attended all eight meetings. The meetings of the personnel committee focused mainly on the revision of the compensation system of the Executive Board, the new requirements of the German Corporate Governance Code, the further development of the management organisation and the 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 2020.

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 meeting and, after 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

In the reporting period and also in January 2021, we intensively reviewed the set of rules of the German Corporate Governance Code and especially its amendment in December 2019. To ensure compliance with the German Corporate Governance Code, 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 January 2021. Deviations from the recommendations of the Government Commission are explained in detail in the Corporate Governance Statement. 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 company's website. In the fiscal year ended, no conflicts of interest of Executive Board or Supervisory Board members arose that, according to the code, need to be disclosed to the plenum without delay and about which the Annual General Meeting would have to be informed.



See Corporate Governance Statement, [bechtle.com/corporate-governance](https://www.bechtle.com/corporate-governance)



See declaration of conformity, [bechtle.com/investors/corporate-governance](https://www.bechtle.com/investors/corporate-governance)

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2020

The Annual General Meeting appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Heilbronn, as auditor of the annual and Consolidated Financial Statements for the 2020 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 2020 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 17 March 2021. The auditor reported in detail on the material results of the audit and comprehensively answered all questions of the Supervisory Board.

Following its own review of the annual financial statements, the consolidated financial statements, the management report and the 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 17 March 2021, 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 €1.35 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 2020 sustainability report of Bechtle AG as a separate non-financial group report, at the balance sheet meeting on 17 March 2021. 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.

Obviously, the desire to take a deep breath is very strong especially after a year like 2020. However, this is only possible to a certain extent. The COVID-19 pandemic will still keep us busy in 2021, and the IT challenges of the industry and administration remain huge. Bechtle is well positioned to continue to benefit at an above-average level from the demand for future-proof IT solutions. Bechtle owes its past and future success to the unwavering dedication of its workforce. Therefore, the Supervisory Board sincerely thanks all employees of the Bechtle Group, the Executive Vice Presidents and Managing Directors of the group companies as well as the members of the Executive Board. The Supervisory Board will continue to accompany the development of Bechtle with great commitment in an advisory and controlling capacity in future.

On behalf of the Supervisory Board



Klaus Winkler
Chairman

Neckarsulm, 17 March 2021