

## **Corporate Governance Statement 2021**

**Since the day it was founded, responsible corporate governance has been a matter of course for Bechtle. The objective has always been to accommodate the interests of the various stakeholders – such as the employees, customers, suppliers, shareholders and the company as a whole – in the best way possible. The main goal is to achieve profitable growth.**

Part of the Corporate Governance Statement:

- Declaration of Conformity 2021
- Corporate Philosophy
- Sustainability Code
- Code of Conduct
- Leadership Principles

In this statement, the Executive Board and Supervisory Board jointly report on the corporate governance at Bechtle AG according to Principle 22 of the German Corporate Governance Code (DCGK) in conjunction with Sections 289f and 315d of the German Commercial Code (HGB). For the period from 31 January 2020 to 19 March 2020, the following information refers to the recommendations of the German Corporate Governance Code (“DCGK” or “Code”) in its version of 7 February 2017 (old version, “o.v.”). For the period from 20 March 2020, the statement refers to the recommendations of the Code in its version of 16 December 2019, which were published in the Federal Gazette on 20 March 2020 (new version, “n.v.”). This was also the basis for the latest declaration of conformity of Bechtle AG of 31 January 2021.

### **A. Management and Supervision**

#### **I. Governance Tasks of the Executive Board**

In Bechtle’s traditional structure of networked decentralisation, the Managing Directors of the operating subsidiaries and the individual employees have a high level of business responsibility. Nevertheless, the Executive Board of the Bechtle AG is responsible for the overall management of the company. In particular, the Executive Board is responsible for the development and implementation of the company’s medium and long-term strategy in coordination with the Supervisory Board.

Diversity is of great significance to the long-term success of Bechtle AG. Assuming general social responsibility is by no means the only reason why diversity is so important. Diverse teams create a better work atmosphere and are more productive. This also increases the employee satisfaction. Moreover, the great demand for qualified staff can only be covered at least to a certain extent if all qualified people are addressed. The Executive Board of Bechtle AG is very open to diversity and has always welcomed a high female proportion at the executive levels. In its resolution of 17 January 2020, the Executive Board thus prematurely revised the targets for the female quota at the two executive levels under the Executive Board. 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 8.73 per cent (prior year: 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.

The Executive Board of Bechtle AG requires the company and all employees to abide by the law. To highlight the importance of doing so, a Code of Conduct was published a number of years ago. This Code of Conduct is binding for all employees and serves as a guideline to avoid violations and duly handle compliance incidents. The Code of Conduct is currently being revised and updated. Moreover, Bechtle has a Compliance Board that consists of the Executive Board of Bechtle AG and a permanent representative of the legal department. All employees as well as external parties can contact the Compliance Board via a hotline and a secure e-mail account. The Compliance Board reviews and assesses reports and violations and makes sure that any required measures are taken. Additionally, the Compliance Board advises decision makers in handling compliance-relevant situations. It continually processes reported incidents and uses the information to specify and further develop compliance requirements.

## **II. Supervisory Tasks of the Supervisory Board**

The Supervisory Board is involved in all major corporate decisions and assists the Executive Board by providing advice whenever necessary. Important business transactions are subject to the approval of the Supervisory Board. Where necessary, the Chairman of the Supervisory Board is available for conversations with investors about Supervisory-Board-specific topics. Concerning the collaboration between the Executive Board and the Supervisory board, see also [here](#).

## **III. Function of the General Meeting**

The General Meeting is a key decision-making authority of Bechtle AG. Apart from the rights due to the General Meeting by virtue of law, Bechtle is always eager to engage in direct interchange with the shareholders. Unfortunately, as a result of the COVID-19 pandemic, this was impossible in the reporting period. In 2021, too, the Annual General Meeting will have to take place in the virtual realm. Nevertheless, the Executive Board and the Supervisory Board were pleased to see that at the virtual Annual General Meeting 2020, more shareholders made use of their right to ask questions than is usually the case during in-person meetings. All questions were answered by the Executive Board and the Supervisory Board.

Bechtle AG endeavours to organise the Annual General Meeting efficiently and within a reasonable time frame. In this context, we follow the provisions of the German Corporate Governance Code (DCGK), according to which an ordinary annual general meeting should end after no more than four to six hours. In recent years, all Annual General Meetings of Bechtle AG remained within this limit.

## **B. Staffing of the Executive Board**

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

So far, the Supervisory Board has not complied with the recommendation to ensure a diversified composition of the Executive Board (Section 5.1.2 (1) sentence 2 DCGK o.v. and B.1 DCGK n.v.). After all, when restaffing Executive Board positions, the main focus should be on the qualifications of potential candidates. However, in its resolution of 15 December 2020, the Supervisory Board decided to pay greater attention to the criterion of diversity in the composition of the Executive Board. Accordingly, the Supervisory Board has determined a new target quota for the proportion of women on the Executive Board. From 30 June 2025, at the latest, at least one woman should serve on the Executive Board.

In collaboration with the Executive Board, the Supervisory Board implements a long-term succession plan. For both boards, continuity is a key criterion. From the perspective of the Supervisory Board, there is therefore no reason to make any specific succession plans for the Executive Board members Dr. Thomas Olemotz and Michael Guschlbauer. The situation is different with the Executive Board member Jürgen Schäfer, whose term of office and employment contract will end on 30 September 2024. By then, Jürgen Schäfer will have reached the age limit for members of the Executive Board. Therefore, it is unlikely that his employment contract will be renewed. To ensure long-term succession planning, the Supervisory Board intends to define a requirements profile for Jürgen Schäfer's successor in coordination with the Executive Board and then to check whether a successor can be found within the Bechtle Group. If no suitable person can be identified as Jürgen Schäfer's successor within the Bechtle Group by 31 December 2022, the Supervisory Board intends to engage a headhunter in early 2023 in order to search for a successor.

The age limit for the Executive Board is the normal retirement age of the statutory pension insurance.

## **C. Composition of the Supervisory Board**

### **I. General Requirements and II. Independence of Supervisory Board Members**

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. Bechtle AG is required by law to ensure a female quota of at least 30 per cent on the Supervisory Board. At present, four women serve on the Supervisory Board, which means a female proportion of 33 per cent.

Under consideration of C.1, first half of sentence 1 DCGK, the Supervisory Board has set down goals concerning its composition in writing. In order to be as flexible as possible with regard to its composition, the Supervisory Board has so far not

determined any specific target for the number of independent members and no standard limit for the term of membership and has not paid attention to the criterion of diversity (Section 5.4.1 (2) sentence 2 DCGK o.v. and C.1 sentence 2 DCGK n.v., C.6 sentence 1 DCGK n.v.). So far, the Supervisory Board has also not complied with the recommendation to provide information about the number of independent shareholder members that the Supervisory Board considers to be appropriate and the names of these members in the Corporate Governance Report (Section 5.4.1 (4) sentence 2 DCGK o.v.). On 15 December 2020, the Supervisory Board resolved to start taking the criterion of diversity into consideration with regard to its composition. Moreover, on 15 December 2020, the shareholder representatives on the Supervisory Board determined the number of independent shareholder representatives they consider to be appropriate. Since 15 December 2020, the Supervisory Board has thus complied with the aforementioned DCGK recommendations, and it will continue to do so in the future.

According to the targets for the composition, the Supervisory Board should have at least two members who fulfil the criterion of internationality to a special degree. At least four shareholder representatives should fulfil the criterion of independence. Currently, all members of the shareholder side fulfil this criterion. Although the Supervisory Board members Klaus Winkler and Kurt Dobitsch have already served for more than 12 years, the shareholder representatives believe that a long office term alone does not establish any major, not merely temporary conflict of interests. Moreover, this would be associated with other circumstances that do not apply to Klaus Winkler and Kurt Dobitsch. 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. Bechtle AG discloses the term of membership in the Supervisory Board on page 210f in the Annual Report 2020, Appendix D to the Notes.

Pursuant to C.1, 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 Incorporation, 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.

## **D. Supervisory Board Procedures**

### **I. Rules of Procedure**

So far, the Supervisory Board has not published its rules of procedure on the company's Internet page, as they contained some confidential information. In accordance with its resolution of 15 December 2020, the Supervisory Board has revised its rules of procedure and decided to make them accessible on the website. Since then, the Supervisory Board has thus complied with the recommendation of D.1 DCGK n.v., and it will continue to do so in the future.

### **II. Cooperation within the Supervisory Board and with the Executive Board**

The Supervisory Board is involved in all major corporate decisions and assists the Executive Board by providing advice whenever necessary. The Executive Board regularly provides the Supervisory Board with timely and comprehensive information on 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 accompanying and 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. Important business transactions are subject to the approval of the Supervisory Board.

To fulfil its duties, the Supervisory Board has formed three committees: the audit committee, the personnel committee and the arbitration committee. Information on the participation in committee meetings and plenary meetings are provided in the Report of the Supervisory Board on page 18 in the Annual Report 2020.

<b>Audit committee</b>	<b>Personnel committee</b>	<b>Arbitration committee</b>
Klaus Winkler (Chairman)	Klaus Winkler (Chairman)	Klaus Winkler (Chairman)
Kurt Dobitsch	Uli Drautz	Uli Drautz
Uli Drautz	Prof. Dr. Thomas Hess	Michael Unser
Daniela Eberle		Prof. Dr. Thomas Hess
Sandra Stegmann		

In accordance with his duties, the Chairman of the Executive Board engages in intensive interchange with the Executive Board and has a deep understanding of the processes in the company. In deviation from the recommendation in Section 5.3.2 (3) sentence 3 DCGK o.v. and D.4 sentence 2 DCGK n.v., the Supervisory Board is thus of the opinion that it makes sense to appoint the Chairman of the Supervisory Board as Chairman of the audit committee.

In view of the composition of the Supervisory Board and the coordination processes utilised, the Supervisory Board does not regard the formation of a nomination committee to be necessary for the time being and has thus deviated and will continue to deviate from the recommendation of Section 5.3.3 DCGK o.v. and D.5 DCGK n.v.

## **V. Self-Assessment**

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. An audit conducted in 2019 confirmed the efficiency of the Supervisory Board's work. Should the Supervisory Board come to the conclusion that the efficiency has deteriorated, the audit will be conducted on an annual basis.

## **E. Conflicts of Interests**

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 on page 189f and 210f in the Notes to the Consolidated Financial Statements of the Annual Report 2020 .

## **F. Transparency and External Reporting**

Bechtle attaches great importance to open, trusting communication with its shareholders and other stakeholders. Therefore, the company engages in fair, timely and reliable dialogue with all stakeholders. For the Executive Board and the Supervisory Board, openness and transparency are key principles of conduct. All relevant information is published simultaneously in English and German. Financial dates, financial reports, press releases and presentations are also made available on the company's website.

## **G. Compensation of the Executive Board and of the Supervisory Board**

In the reporting period, the Supervisory Board examined the compensation of the Executive Board and the underlying compensation system. In its meeting on 17 March 2021, the Supervisory Board also decided to implement a number of changes. The Executive Board compensation system of Bechtle AG now largely corresponds to the recommendations of the DCGK. Deviations are explained in the current Declaration of Conformity.

According to Principle 25 DCGK, the Executive Board and the Supervisory Board shall prepare annual compensation reports according to the statutory provisions. In this regard, the fiscal year 2020 is an exception, as the new regulations of Section 162 of the German Stock Corporation Act (AktG) do not yet apply to this year. Rather, according to the transitional regulation (Section 83 (1) sentence 2 of the Introductory Act to the German Commercial Code (EGHGB)), the old version of Section 285 no. 9 of the German Commercial Code still applies to the fiscal year 2020.

For this reason, Bechtle AG discloses the basics of its Executive Board compensation system in the "Corporate Governance" chapter on page 58f of the Annual Report 2020 and provides information on the individualised compensation of the Executive Board and Supervisory Board on page 190-193 in the Notes of the Annual Report 2020.