

COMPENSATION REPORT 2021

1. INTRODUCTION

The German Act Implementing the Second Shareholder Rights Directive (ARUG II) necessitates a number of changes with regard to the creation and content of the compensation report. The compensation report has been jointly prepared by the Executive Board and the Supervisory Board of Bechtle AG. In this context, special attention has been paid to clear, comprehensible and comprehensive reporting. Moreover, in accordance with Section 162 (3) of the German Stock Corporation Act (AktG), the auditor of the financial statements has formally audited the disclosures to be made pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG). The audit opinion is enclosed with the compensation report.

The content of the compensation report is in line with the regulatory requirements of the German Stock Corporation Act (AktG) and takes the recommendations and suggestions of the German Corporate Governance Code (DCGK) in the version of 16 December 2019 into consideration. On the one hand, the compensation report provides information on the application of the compensation system in the fiscal year. On the other hand, it discloses and explains the amount of the Executive Board and Supervisory Board compensation as well as its structure and terms.

The compensation report – which has been prepared pursuant to Section 162 of the German Stock Corporation Act (AktG) for the first time for the 2021 fiscal year – will be submitted to the Annual General Meeting on 2 June 2022 for approval and can be accessed for ten years under [bechtle.com/investors/corporate-governance](https://www.bechtle.com/investors/corporate-governance) and from the time that the Annual General Meeting is convened until its end under [bechtle.com/hv2022](https://www.bechtle.com/hv2022). Information on how the resolution of the General Meeting will be taken into consideration will be presented in the compensation report of the subsequent fiscal year.

2. PRINCIPLES FOR THE DETERMINATION OF THE EXECUTIVE BOARD COMPENSATION ACCORDING TO THE COMPENSATION SYSTEM FOR THE EXECUTIVE BOARD

This section 2 describes the principles for the determination of the compensation of the Executive Board according to the compensation system for the Executive Board that was approved by the General Meeting of Bechtle AG on 15 June 2021.

2.1 Basics of the compensation system for the Executive Board

The main strategic objective of the company Bechtle AG is to effectively increase the enterprise's value through profitable growth. This objective is also a core element of the corporate strategy, the Vision 2030. The compensation system for the Executive Board promotes the implementation of this strategy by means of ambitious performance targets that are aligned with the corporate strategy.

The individual compensation components ensure the promotion of the key goals of the corporate strategy, especially continuous and sustainable revenue growth and simultaneously improved profitability.

At the same time, the Executive Board compensation is meant to duly remunerate the members of the Executive Board under consideration of the situation of the company and in accordance with their performance, their duties and their field of responsibility. The terms of the compensation system are arranged in accordance with the requirements of the German Stock Corporation Act (AktG). Moreover, the recommendations and suggestions of the German Corporate Governance Code (DCGK) are taken into consideration.

In particular, the terms of the compensation system have been arranged under consideration of the following guidelines:

GUIDELINES FOR THE DETERMINATION OF THE EXECUTIVE BOARD COMPENSATION

Strategy	The compensation system as a whole contributes to the promotion and implementation of the corporate strategy Vision 2030 by setting ambitious long-term performance targets that are in accordance with the desired company performance.
Sustainability	The sustainable long-term development of Bechtle is promoted by means of a long-term variable compensation component and the implementation of sustainability criteria (environmental, social, governance – ESG criteria) in the short-term variable compensation.
Pay for performance	The members of the Executive Board receive performance-oriented compensation in that adequate and ambitious targets are set in the context of the variable compensation that may range from zero to a defined cap depending on the target achievement. Partial or full reduction of the variable compensation is also possible (penalty/clawback).
Appropriateness	The Supervisory Board makes sure that the compensation of the Executive Board members is proportional to the duties and performance of the respective Executive Board member and the situation of the company. To assess the appropriateness of the compensation amounts, a market comparison is conducted with similar companies (horizontal comparison), and internal compensation relations are checked (vertical comparison).
Compliance	The compensation system for the Executive Board is implemented according to the latest regulatory requirements for the Executive Board compensation.

2.2 Appropriateness of the Executive Board compensation

The Supervisory Board determines the amount of the total target compensation for each member of the Executive Board. It is made sure that the compensation is appropriate under consideration of the performance and duties of the respective Executive Board member and the situation of the company, and that the normal compensation is not exceeded without any special reasons. Furthermore, the compensation should aim at the sustainable development of the company on a long-term basis.

The Supervisory Board regularly reviews the appropriateness and commonality of the Executive Board compensation.

For this, the compensation amounts are subjected to a market comparison with those of similar companies (horizontal comparison). The Supervisory Board carefully selects the reference group in order to avoid an automatic upward trend. In the last appropriateness and commonality review conducted, especially MDAX companies were used as a reference group. Additionally, the 30 companies that were included in the DAX at the time were analysed.

What is more, the compensation of the members of the Executive Board is gauged in relation to that of the management levels under the Executive Board as well as to that of other executives and employees (vertical comparison). In this context, the Supervisory Board also takes the chronological development of the compensation relation into consideration.

The last review of the appropriateness and commonality of the Executive Board compensation took place in November 2020. To assess the appropriateness and commonality of the compensation, the Supervisory Board engaged an independent external compensation consultancy.

2.3 Overview of the compensation components

The compensation system for the Executive Board of Bechtle AG as described below was submitted to the Annual General Meeting on 15 June 2021 for approval and was approved with 89.13 per cent of the votes. It can be accessed under the following link: [bechtle.com/investors/corporate-governance](https://www.bechtle.com/investors/corporate-governance). The compensation system applies to all compensation decisions of the Supervisory Board (including but not limited to the conclusion of new employment contracts of the Executive Board, the renewal of such contracts as well as the amendment of existing or future employment contracts) that were or will be made after 17 March 2021. In the course of the revision of the former compensation system in the 2021 fiscal year, the basic methodology of the short-term and long-term variable compensation was not changed compared to the former compensation system. Thus, the variable compensation described below was already applied in the 2021 fiscal year. In the 2021 fiscal year (before 17 March 2021), the Chair of the Executive Board was for the last time granted long-term variable compensation with a three-year performance period that was different from the new compensation system. Starting from the 2022 fiscal year, the compensation system described below applies to the entire Executive Board of Bechtle AG.

The compensation of the Executive Board comprises fixed and variable compensation components whose sum represents the total compensation of a member of the Executive Board. There is no share-based compensation (granting of shares or share options or commitment to grant such).

The fixed compensation components comprise an annual salary ("basic compensation") and fringe benefits. A company pension is not promised.

The variable compensation components comprise short-term variable compensation (annual profit-sharing bonus) and long-term variable compensation that is granted every year in the form of a performance cash plan with a performance period of four years.

The compensation components except for the fringe benefits are paid out in cash.

The following overview presents the main aspects of the compensation components and shows how they promote the long-term development of the company and the corporate strategy.

FIXED COMPENSATION COMPONENTS

Element	Details	Strategy relation
Basic compensation	■ Fixed contractually agreed compensation that is paid in twelve equal instalments	■ Gain and bond qualified Executive Board members and protect competitiveness of the compensation
Fringe benefits	■ Company car for business and private use	

VARIABLE COMPENSATION COMPONENTS

Short-term variable compensation component

	Details	Strategy relation
Plan type	■ Annual profit-sharing bonus	■ Incentivise continuous profitable growth in the operating business and sustainable management
Cap	■ 130% of the target amount	
Performance criteria	For the Chair of the EB and ordinary EB members without any sub-area responsibility: ■ 100% consolidated EBT For ordinary EB members with sub-area responsibility: ■ 50% consolidated EBT ■ 50% sub-area EBT Criteria-based modifier (0.9–1.2): ■ Assess the individual and collective performance of the Executive Board and the achievement of ESG criteria	■ Reward success in the sub-area and the contribution to the consolidated earnings
Payment	■ In cash after the end of the respective fiscal year	

Long-term variable compensation component

	Details	Strategy relation
Plan type	■ Performance cash plan	■ Set incentive to achieve expansion goals through profitable growth in accordance with the corporate strategy
Cap	■ 130% of the target amount	
Performance criteria	■ 50% consolidated EBT ■ 50% group revenue	■ Assure sustainable long-term performance through four-year performance period
Performance period	■ Four years	
Payment	■ In cash after the end of the four-year performance period	

FURTHER CONTRACTUAL COMPONENTS

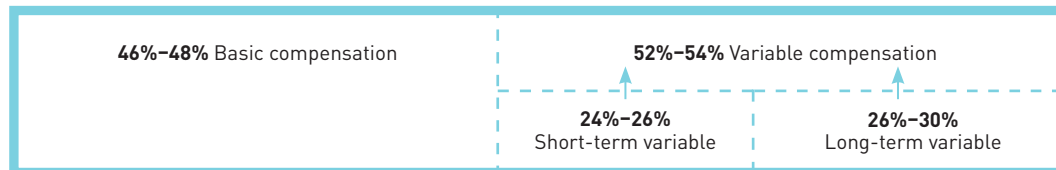
Element	Details	Strategy relation
Penalty/clawback	■ Partial or full reduction or reclaim of the variable compensation possible	■ Strengthening of the role of the SB

2.4 Structure of the Executive Board compensation

When determining the Executive Board compensation, the Supervisory Board makes sure that it is aligned with the sustainable long-term development of the company. Among other things, this is achieved in that the share of the long-term variable compensation exceeds the share of the short-term variable compensation. By determining the targets to be achieved, both the short-term variable compensation and the long-term variable compensation basically aim at boosting the profitability and thus at the successful implementation of operational and strategic corporate objectives.

The basic structure of the total target compensation can be presented as follows:

TOTAL TARGET COMPENSATION



To ensure the sustainable development of the company, the share of the long-term variable compensation always exceeds the share of the short-term variable compensation.

2.5 Determination of the Executive Board compensation (target compensation)

In the 2021 fiscal year, the Supervisory Board determined the following total target compensation for the members of the Executive Board. The figures for the short-term variable compensation and the long-term variable compensation represent the compensation in the event of 100 per cent target achievement. The figures for the fringe benefits represent the fringe benefits granted in the respective fiscal year.

TARGET COMPENSATION

€ k

	Dr. Thomas Olemotz Chairman of the EB (since 01.03.2007)		Michael Guschlbauer EB member IT System House & Managed Services (since 01.01.2009)		Jürgen Schäfer EB member IT E-Commerce (since 01.01.2009)	
	2021	2020	2021	2020	2021	2020
Basic compensation	2,000.0	2,000.0	825.0	825.0	600.0	600.0
Fringe benefits		21.0	39.0	39.0	6.0	9.0
Total fixed compensation	2,021.0	2,021.0	864.0	864.0	606.0	609.0
Short-term variable compensation						
Profit-sharing bonus 2021	740.0		425.0		325.0	
Profit-sharing bonus 2020		740.0		425.0		325.0
Long-term variable compensation						
Commitment 2021 (tranche 2021 to 2024)	760.0		500.0		375.0	
Commitment 2020 I (tranche 2020 to 2022)		760.0		250.0		187.5
Commitment 2020 II (tranche 2020 to 2023)				250.0		187.5
Total variable compensation	1,500.0	1,500.0	925.0	925.0	700.0	700.0
Total target compensation	3,521.0	3,521.0	1,789.0	1,789.0	1,306.0	1,309.0

3. APPLICATION OF THE COMPENSATION SYSTEM IN THE 2021 FISCAL YEAR

3.1 Fixed compensation components

3.1.1 Basic compensation

The basic compensation is a fixed compensation for the entire year that is aligned with the duties of the respective member of the Executive Board and is paid out in twelve monthly instalments.

3.1.2 Fringe benefits

Until the end of their service on the Executive Board, the members of the Executive Board are assigned a company car for business and private use that is appropriate for their position. No additional fringe benefits were granted in the 2021 fiscal year.

Moreover, the members of the Executive Board are covered by D&O insurance that is adequate for their position.

3.2 Short-term variable compensation components

3.2.1 Overview of the annual profit-sharing bonus

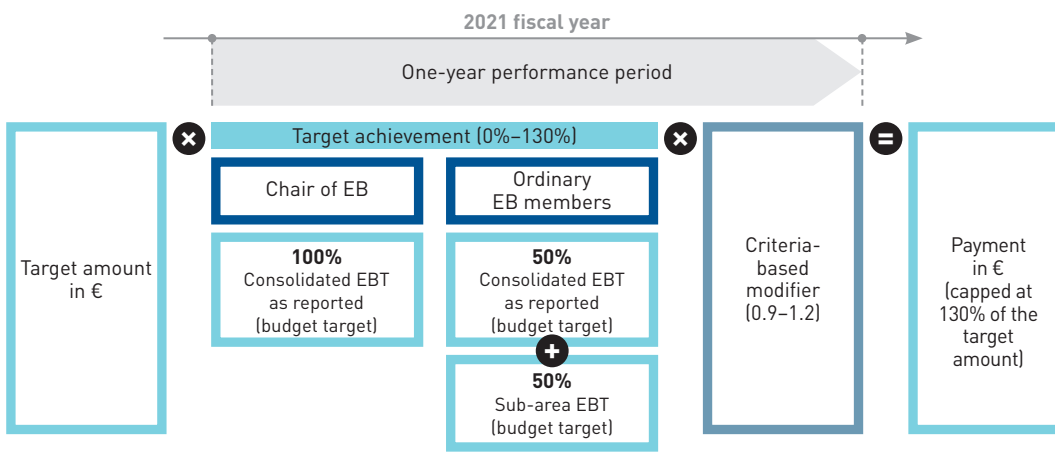
To incentivise the operational implementation of the corporate strategy, the members of the Executive Board receive short-term variable compensation in the form of an annual profit-sharing bonus. The performance period corresponds to the respective fiscal year.

To measure the performance, one financial performance criterion has been determined for the Chair of the Executive Board, and two financial performance criteria have been determined for ordinary members of the Executive Board. The financial performance criteria used for the ordinary members of the Executive Board each have a weighting of 50 per cent, and they are additively linked to each other. Apart from the achievement of the financial performance criteria, the final amount of the annual profit-sharing bonus that is paid out also depends on the achievement of non-financial performance criteria.

The individual target amount determined in the respective employment contracts forms the basis for a possible payment of the annual profit-sharing bonus. The payment amount is calculated by multiplying the target amount with the determined target achievement of the financial performance criteria, which may range from 0 to 130 per cent, and the individually determined criteria-based modifier. The amount of the payment of the annual profit-sharing bonus is capped at 130 per cent of the target amount.

The following figure shows how the short-term variable compensation is organised:

ANNUAL PROFIT-SHARING BONUS



3.2.2 Financial performance criteria

Within the scope of the yearly bonus, the financial performance criterion “earnings before taxes at group level” (“consolidated EBT”) is determined both for the Chair of the Executive Board and the ordinary members of the Executive Board. The consolidated EBT is one of Bechtle’s key financial performance indicators. The corporate strategy focuses on profitable short, medium and long-term growth. The EBT is an important indicator of the profitable growth of the group as a whole in the respective fiscal year. Via the EBT margin, it is also rooted as a central, quantitative growth target in Bechtle’s Vision 2030.

For the ordinary members of the Executive Board with sub-area responsibility, the performance criterion “sub-area EBT” is used in addition to the performance criterion “consolidated EBT”. At Bechtle, each ordinary member of the Executive Board is responsible for a sub-area of the company, which may consist, for example of one company segment or regionally allocated group companies. Therefore, their performance is also measured on the basis of the EBT of the sub-area they are responsible for. The performance criteria “consolidated EBT” and “sub-area EBT” further strengthen the link between individual performance and compensation, which the compensation system aims at, while at the same time, taking the collective responsibility of all Executive Board members for the consolidated earnings into account.

At the beginning of every fiscal year, a target to be reached is determined both for the consolidated EBT and for the sub-area EBT. The targets or other reference parameters are not changed retroactively. The target for the sub-area EBT corresponds to the sum of the planned EBT figures of the individual companies allocated to the responsible sub-area for which the ordinary Executive Board member is responsible. Moreover, bottom and top thresholds are defined for the consolidated EBT and the sub-area EBT.

To ascertain whether the targets have been reached, the consolidated EBT actually generated in the fiscal year according to the consolidated financial statements that have been audited and approved by the Supervisory Board or the sub-area EBT that is presented in the Supervisory Board reporting for the month of December are compared with the defined targets.

3.2.3 Criteria-based modifier

Apart from the financial performance criteria, criteria-based consideration of the individual and collective performance of the Executive Board members and of sustainability criteria (ESG criteria) is achieved by means of a criteria-based modifier. The Supervisory Board evaluates the individual or non-financial performance via this criteria-based modifier, whose bandwidth ranges from 0.9 to 1.2. For this purpose, the Supervisory Board determines the criteria of the modifier at the beginning of the fiscal year. In the 2021 fiscal year, the collective performance of the Executive Board was measured on the basis of criteria such as the management of the COVID-19 crisis. Other criteria included the personal performance of the Executive Board member as well as sustainability aspects (e.g. from the fields of customer satisfaction, employee concerns, corporate culture and CSR activities). At the beginning of the 2021 fiscal year, the Supervisory Board also determined suitable evaluation parameters with specific modifier values for the individual criteria.

3.2.4 Target achievement

For the annual profit-sharing bonus for the 2021 fiscal year, the figures for the target achievement and the amount to be paid to the members of the Executive Board are as follows:

ANNUAL PROFIT-SHARING BONUS 2021				€k
	Target amount	Total target achievement	Payment amount	
Total target achievement				
Dr. Thomas Olemotz	740.0	130%	962.0	
Michael Guschlbauer	425.0	130%	552.5	
Jürgen Schäfer	325.0	130%	422.5	

3.3 Long-term variable compensation components

3.3.1 Overview of the performance cash plan 2021

To incentivise the long-term implementation of the corporate strategy, the members of the Executive Board receive long-term variable compensation in addition to the short-term compensation component. The long-term variable compensation is arranged in the form of a performance cash plan with a performance period of four years and is granted on a yearly basis. In the 2021 fiscal year (before 17 March 2021), Dr. Thomas Olemotz, Chairman of the Executive Board, was for the last time granted long-term variable compensation with a three-year performance period.

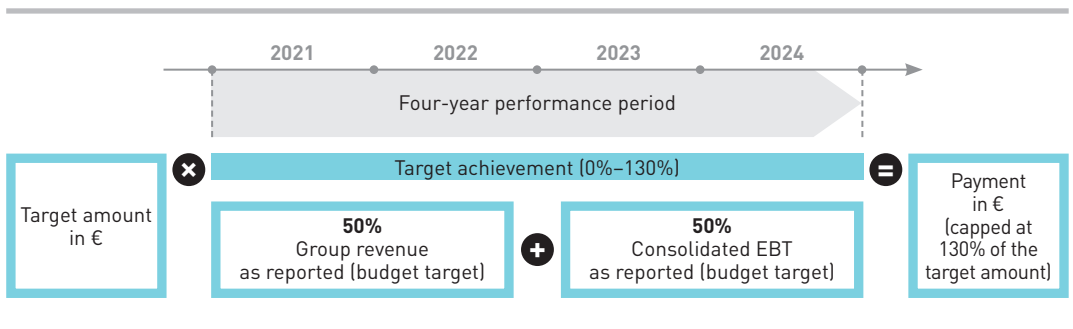
As a matter of principle, the performance of the Executive Board members is measured on the basis of two financial performance criteria: the group revenue and the consolidated EBT. These figures each have a weighting of 50 per cent and are additively linked to each other.

However, with regard to the financial performance criterion “group revenue”, which is to be used in the compensation system for the members of the Executive Board, a special development occurred at the beginning of 2022: As of 31 December 2021, Bechtle AG changed its accounting method in the consolidated financial statements for the sale of standard software licences. According to the new method, a substantial portion of the revenue from this business is no longer presented in its entirety but only in the amount of the gross margin achieved. This affects neither the generated business volume nor the earnings (consolidated EBT) of the Bechtle Group. However, the presented earnings margin increases noticeably. This is because in the meantime, the IFRS Interpretations Committee (IFRS IC) has outlined how the respective regulations of the International Financial Reporting Standards (IFRS) are to be applied. Against this backdrop, Bechtle AG has performed a re-evaluation with regard to how the sale of standard software licences is accounted for. Where Bechtle, according to the re-evaluation of the application of IFRS 15, qualifies as an “agent” and no longer as the “principal” with respect to the sale of standard software licences, Bechtle no longer recognises the entire revenue from standard software licences, but only the amount of the gross margin achieved. Accordingly, the revenue presented for the 2021 fiscal year has changed by €940.3 million compared to the former accounting method.

In view of the changed accounting method, the tranches of the long-term variable compensations require an adjustment with regard to the financial performance criterion “group revenue”. After extensive deliberations, the Supervisory Board has come to the unanimous conclusion that the group revenue as calculated according to the former accounting method (classification of Bechtle as “principal”) shall continue to be used (only) for the calculation of the long-term variable compensation. Henceforth, this indicator will be referred to as “group business volume”. The compensation system for the Executive Board will be changed accordingly and, by way of precaution, submitted to the General Meeting for approval. The employment contracts of the Executive Board are to be amended as well.

The individual target amount determined in the respective employment contracts forms the basis for a possible payment under the performance cash plan. The payment amount is calculated by multiplying the target amount with the determined target achievement of the financial performance criteria, which may range from 0 to 130 per cent. The amount of the payment under the performance cash plan is capped at 130 per cent of the target amount.

PERFORMANCE CASH PLAN



After the amendment of the employment contracts of the Executive Board, which is necessary due to the changed accounting method, the financial performance criterion “group revenue” is replaced with “group business volume”, which is to be determined as described above.

3.3.2 Financial performance criteria 2021

Bechtle pursues a strategy of sustainable, profitable growth. For this, the company has defined ambitious quantitative targets within the framework of Vision 2030. The implementation of the corporate strategy is incentivised by using the two financial performance criteria “group revenue” and “consolidated EBT” within the scope of the performance cash plan, which has a long-term horizon.

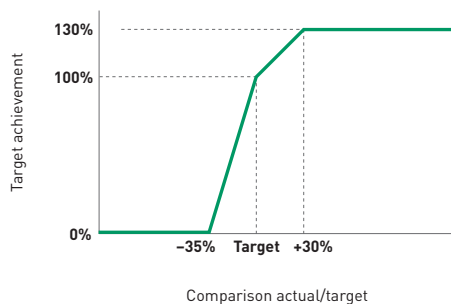
At the beginning of every performance period, targets to be reached during the four-year performance period are determined both for the group revenue and for the consolidated EBT. The targets or other reference parameters are not changed retroactively. Moreover, bottom and top thresholds are determined. To ascertain the target achievement, the group revenue and the consolidated EBT generated during the performance period (“actual figures”) are first determined by adding up the calculated group revenue and consolidated EBT of every fiscal year during the particular performance period. The determination takes place according to the figures presented in the respective audited and approved consolidated financial statements. Subsequently, these actual figures are compared with the respective targets.

In case the target achievement for the consolidated EBT is not at least 100 per cent, the target achievement for the group revenue is limited to 100 per cent. This additional condition emphasises the strategic focus on sustainable profitable growth and further strengthens the intended performance orientation (“pay for performance”) of the variable compensation.

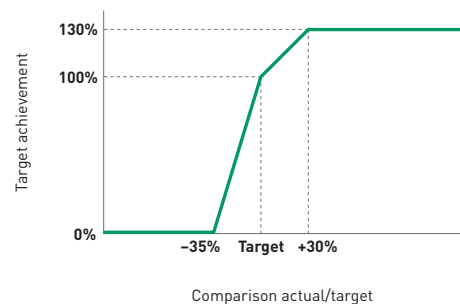
The target achievement curves for the financial performance criteria are as follows for the Chair of the Executive Board and the ordinary members of the Executive Board:

CHAIRPERSON OF THE EXECUTIVE BOARD

Group revenue

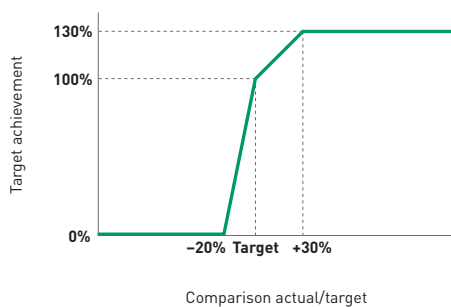


Consolidated EBT

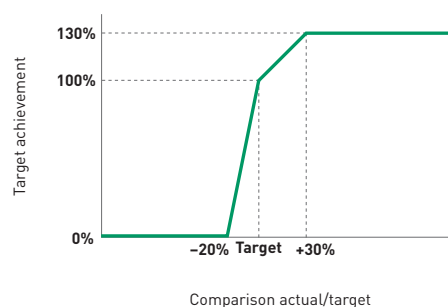


ORDINARY EXECUTIVE BOARD MEMBERS

Group revenue



Consolidated EBT



Following the amendment of the employment contracts of the Executive Board, which is necessary due to the changed accounting method, the financial performance criterion “group revenue” will be replaced with the “group business volume”, which is to be determined as described above, for this section 3.3.2 too.

3.3.3 Target achievement of the long-term variable compensation 2019

At the end of the 2021 fiscal year, the Executive Board members received the long-term variable compensation that had been assigned at the beginning of the 2019 fiscal year. This too was a performance cash plan with a three-year assessment period that was assigned on a rolling basis from year to year. The long-term variable compensation 2019 is aligned with the group’s organic growth (organic growth tranche).

The target achievement of the organic growth tranche depends on the performance criteria “revenue” (weighting: 30 per cent), “EBT” (weighting: 50 per cent) and “return on equity” (weighting: 20 per cent) of the group. At the beginning of the 2019 fiscal year, the Supervisory Board set ambitious targets for these criteria. Achievement of these targets within the assessment period results in an entitlement to payment of 100 per cent of the tranche portion determined for the respective criteria. Overachievement is not possible. In the event of underachievement of one or several targets, the respective tranche portion will not apply. Balancing between the individual targets with respect to the overall target achievement of the tranche in the event of underachievement of one target and overachievement of another is not possible.

Following the amendment of the employment contracts of the Executive Board, which is necessary due to the changed accounting method, the financial performance criterion “group revenue” will be replaced with the “group business volume”, which is to be determined as described above, for this section 3.3.3 too.

As the targets were reached within the assessment period, the total target achievement and the resulting amounts payable for the long-term variable compensation 2019 as of the end of the 2021 fiscal year are as follows:

LONG-TERM VARIABLE COMPENSATION

€k

	Target amount	Total target achievement	Payment amount
Total target achievement			
Dr. Thomas Olemotz	760.0	100%	760.0
Michael Guschlbauer	380.0	100%	380.0
Jürgen Schäfer	255.0	100%	255.0

3.4 Penalty/clawback

Since 2020, the employment contracts of the ordinary members of the Executive Board have contained penalty and clawback provisions that apply to the short-term variable compensation and long-term variable compensation. For the Chair of the Executive Board, these are implemented from the 2022 fiscal year.

If the member of the Executive Board intentionally violates a material diligence obligation pursuant to Section 93 of the German Stock Corporation Act (AktG) or a material obligation specified in the employment contract, the Supervisory Board may, at its own equitable discretion, reduce the variable compensation not yet paid for the fiscal year in which the violation took place in part or entirely to zero ("penalty").

Under the said conditions, the Supervisory Board may also, at its own equitable discretion, claim back the gross amount of variable compensation that has already been paid for the fiscal year in which the violation took place in full or in part ("clawback").

Moreover, an Executive Board member shall pay back any variable compensation already paid out if and insofar as it turns out after the payment that the audited and approved consolidated financial statements underlying the calculation of the payment amount were faulty and must thus be corrected pursuant to the relevant accounting regulations and, based on the corrected audited consolidated financial statements and the relevant compensation system, a lower payment amount or none at all would have been owed from the variable compensation.

In the 2021 fiscal year, there were no reasons to apply the penalty or clawback provisions.

3.5 Maximum compensation

Pursuant to Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG), the Supervisory Board has determined a cap on the sum of the compensation components basic compensation, fringe benefits, short-term variable compensation and long-term variable compensation. This cap amounts to €8,000,000 for the Chair of the Executive Board and €4,000,000 for the ordinary members of the Executive Board.

The cap refers to the total of all payments (including fringe benefits) resulting from the compensation provisions for a fiscal year. The Supervisory Board makes sure that the defined maximum compensation is complied with. For compensation for a fiscal year, the final compliance with the maximum

compensation depends on the ultimate inflow from the long-term variable compensation of the respective fiscal year. Though significant overachievement is excluded for the long-term variable compensation due to the limitation of the payment to 130 per cent of the target amount, the Supervisory Board reviews the final compliance with the maximum compensation after the end of the fiscal year and reduces the payment amount of the long-term variable compensation if necessary.

3.6 Benefits in the event of departure

In case the employment is terminated prematurely without any important reason, the amount of the severance that may be payable is capped. The severance may amount to a maximum of the compensation for two years (basic compensation, fringe benefits, short-term variable compensation and long-term variable compensation) and is also limited to the compensation for the residual term of the employment contract. The severance cap does not apply to the Chair of the Executive Board. Furthermore, the Chair of the Executive Board is entitled to compensation in case he makes use of his special right of termination in the event of a change of control. The compensation corresponds to the total compensation for the residual term of the contract.

If the employment contract is effectively terminated by the company for an important reason for which the Executive Board member is responsible (Section 626 (1) of the German Civil Code (BGB)), no severance will be paid.

A post-contractual non-compete clause in Germany, Austria, Switzerland, Belgium, the Netherlands, Luxembourg, France and the UK is regularly concluded for a term of one year with every ordinary member of the Executive Board (with the Chair of the Executive Board: in the countries in which the company or affiliated companies within the meaning of Section 15 of the German Stock Corporation Act (AktG) manufacture or sell goods or services as of the date of departure of the Chair of the Executive Board). For the term of the non-compete clause, the company is required to pay the member of the Executive Board monthly compensation that amounts to 1/12 of 75 per cent (for the Chair of the Executive Board: 100 per cent) of the average total compensation without fringe benefits (basic compensation, short-term variable compensation and long-term variable compensation) paid to the member of the Executive Board in the last three fiscal years prior to the termination of the employment contract. Any severance payments will be offset against the compensation paid during the period during which competition is prohibited (note: the employment contracts of the current ordinary members of the Executive Boards do not yet provide for offsetting).

Should an ordinary member of the Executive Board pass away during the term of the employment contract, his survivors shall be entitled to continued payment of the compensation (basic compensation, short-term variable compensation and long-term variable compensation) of the ordinary member of the Executive Board for the month of death and the subsequent six calendar months (for the subsequent twelve calendar months in the case of the Chair of the Executive Board).

In the case of the permanent invalidity or death of the member of the Executive Board, the annual profit-sharing bonus for the current year is paid out immediately. The payment amount corresponds to the target amount, which is reduced on a pro rata temporis basis. In this case, all current tranches

under the performance cash plan are paid out immediately. The payment amount corresponds to the accumulated target amounts of all tranches not yet finished as of the occurrence of the invalidity or death. For the tranche that started in the fiscal year in which the permanent invalidity or death took place, the target amount is reduced on a pro rata temporis basis.

In the 2021 fiscal year, no changes occurred in the Executive Board. Thus, no severance payments were made.

3.7 Third-party benefits

In the 2021 fiscal year, no third-party compensation was promised or granted to any member of the Executive Board for the board activity.

4. INFORMATION ON THE AMOUNT OF THE EXECUTIVE BOARD COMPENSATION IN THE 2021 FISCAL YEAR

4.1 Compensation of current members of the Executive Board

The following table shows the compensation granted and owed to members of the Executive Board in the 2021 and 2020 fiscal years pursuant to Section 162 (1) sentence 1 of the German Stock Corporation Act (AktG). For the short-term and long-term variable compensation, the presentation comprises the components whose one-year or perennial performance period, and thus whose relevant performance, ends at the end of the fiscal year. Especially for the variable compensation, this enables transparent disclosure of the compensation in the 2021 fiscal year in terms of the “pay for performance” so that the link to the company’s performance in the same fiscal year is clear.

GRANTED AND OWED COMPENSATION

	Dr. Thomas Olemotz Chairman of the EB (since 01.03.2007)		Michael Guschlbauer EB member IT System House & Managed Services (since 01.01.2009)			Jürgen Schäfer EB member IT E-Commerce (since 01.01.2009)			
	2021		2020		2021		2020		
	€k	in %	€k	€k	in %	€k	€k	in %	
Basic compensation	2,000.0	53	2,000.0	825.0	46	825.0	600.0	47	600.0
Fringe benefits	21.0	1	21.0	39.0	2	39.0	6.0	0	9.0
Total fixed compensation	2,021.0		2,021.0	864.0		864.0	606.0		609.0
Short-term variable compensation									
Profit-sharing bonus 2021	962.0	26		552.5	31		422.5	33	
Profit-sharing bonus 2020			903.0			531.0			398.0
Long-term variable compensation									
Commitment 2019 (tranche 2019 to 2021)	760.0	20		380.0	21		255.0	20	
Commitment 2018 (tranche 2018 to 2020)			608.0			304.0			204.0
Commitment 2018 to 2020 (acquisition tranche)			456.0			152.0			102.0
Total variable compensation	1,722.0		1,967.0	932.5		987.0	677.5		704.0
Total compensation	3,743.0	100	3,988.0	1,795.5	100	1,851.0	1,283.5	100	1,313.0

4.2 Compensation of former members of the Executive Board

In the 2021 fiscal year, former members of the Executive Board were not granted or owed any compensation such as outstanding payments from long-term variable compensation or pension payments.

5. SUPERVISORY BOARD COMPENSATION

5.1 Basics of the Supervisory Board compensation

The compensation of the members of the Supervisory Board was redefined effective from 1 January 2021 and approved by the General Meeting on 15 June 2021 with 99.95 per cent of the votes. The compensation of the Supervisory Board is also documented in chapter III, no. 11 of the Articles of Incorporation of Bechtle AG.

The compensation for the Supervisory Board is governed by the statutory regulations and takes the recommendations and suggestions of the German Corporate Governance Code (DCGK) into consideration. The Supervisory Board only receives fixed compensation and an attendance fee. There are no variable compensation components or share-based compensation. The reason why only fixed compensation is granted is to strengthen the independence of the Supervisory Board, enabling it to fulfil its advisory and monitoring function regardless of the business success.

The amount and terms of the Supervisory Board compensation are arranged under consideration of market practice and enable the company to continue to gain qualified candidates for the Supervisory Board. This is a precondition for the effective performance of the consulting and monitoring activity by the Supervisory Board, which in turn greatly contributes to the promotion of the business strategy and the long-term development of the company.

In addition to a refund of their cash expenses, the members of the Supervisory Board receive a fixed basic compensation plus any applicable VAT for every full fiscal year, payable after the end of the fiscal year:

BASIC COMPENSATION

Chair	Vice Chair	Member
€150,000	€75,000	€50,000

For every full fiscal year, the members of the audit committee and of the personnel committee are also entitled to compensation, which is payable after the end of the fiscal year. Apart from the attendance fee, no separate compensation is paid for serving as a member or chairperson of the committee formed pursuant to Section 27 (3) of the German Co-determination Act (MitbestG).

COMMITTEE COMPENSATION

Chair	Member	Attendance fee
€30,000	€15,000	€1,000

Additionally, the members of the Supervisory Board receive an attendance fee of €1,000 each time they personally attend a meeting of the Supervisory Board. The same applies to participation in committee meetings. Meeting attendance also includes participation in a meeting held only by telephone or videoconference as well as individual participation via telephone or video in a partly physical meeting. If several meetings take place on the same day, the attendance fee is paid only once. The attendance fee is payable after the respective meeting.

5.2 Information on the amount of the Supervisory Board compensation in the 2021 fiscal year

For the 2021 fiscal year, the members of the Supervisory Board were granted and owed the following compensation for the work done in the fiscal year pursuant to Section 162 (1) sentence 1 of the German Stock Corporation Act (AktG):

SUPERVISORY BOARD COMPENSATION

€k

	Basic compensation		Committee compensation		Attendance fee		Total compensation	
	2021	2020	2021	2020	2021	2020	2021	2020
Shareholder representatives								
Klaus Winkler (Chair SB)	150	98	60	16	17	11	227	125
Kurt Dobitsch	50	30	15	8	11	7	76	45
Dr. Lars Grünert	50	30	–	–	4	5	54	35
Prof. Dr. Thomas Hess	50	30	15	8	10	8	75	46
Elke Reichart	50	30	–	–	4	5	54	35
Sandra Stegmann	50	30	15	8	11	8	76	46
Employee representatives								
Uli Drautz (Vice-Chair SB)	75	45	30	16	17	11	122	72
Daniela Eberle	50	30	15	8	11	8	76	46
Anastasia Polidoros	50	30	–	–	3	5	53	35
Anton Samija	50	30	–	–	4	5	54	35
Volker Strohfeld	50	30	–	–	4	5	54	35
Michael Unser	50	30	–	–	3	5	53	35
Total	725	443	150	64	99	83	974	590

6. COMPARISON OF THE COMPENSATION AND EARNINGS PERFORMANCE

The following presentation shows the yearly development of the compensation of the members of the Executive Board and Supervisory Board, the company's earnings situation and the average compensation of employees on the basis of full-time equivalents (FTE) for the last two fiscal years.

The company's earnings performance is indicated by the net profit of Bechtle AG and the consolidated EBT as key performance indicator.

For the average compensation of employees on the basis of full-time equivalents (FTE), the employees of all group companies of Bechtle in Germany are taken into consideration. The compensation is calculated by means of the personnel expenses in relation to the number of FTE.

The following table presents the figures in a way that enables a comparison:

COMPARISON			€k
	2021	2020	Change 2021/2020
Earnings performance			
Net profit of Bechtle AG (HGB) in €m	111	132	-15.9%
Consolidated EBT (IFRS) in €m	321	271	18.5%
Employee compensation			
Average compensation of the employees of the company	57	55	2.6%
Executive Board compensation			
Dr. Thomas Olemotz	3,743	3,988	-6.1%
Michael Guschlbauer	1,797	1,851	-2.9%
Jürgen Schäfer	1,284	1,313	-2.2%
Supervisory Board compensation			
Klaus Winkler (Chair SB)	227	125	81.6%
Uli Drautz (Vice-Chair SB)	122	72	69.4%
Kurt Dobitsch	76	45	68.9%
Daniela Eberle	76	46	65.2%
Dr. Lars Grünert	54	35	54.3%
Prof. Dr. Thomas Hess	75	46	63.0%
Anastasia Polidoros	53	35	51.4%
Elke Reichart	54	35	54.3%
Anton Samija	54	35	54.3%
Sandra Stegmann	76	46	65.2%
Volker Strohfeld	54	35	54.3%
Michael Unser	53	35	51.4%

7. OUTLOOK

In the future, Bechtle AG will continue to ensure that the members of the Executive Board are duly incentivised by means of an appropriate compensation system in line with market practice. Thus, the compensation system approved by the General Meeting on 15 June 2021 will continue to be applied to compensation decisions to be made in the 2022 fiscal year for the entire Executive Board. In this way, the entire Executive Board will be compensated on the basis of a uniform, transparent compensation system that is approved by the shareholders.

In connection with the above-mentioned change of the accounting method for the sale of standard software licences, the financial performance criterion of the long-term variable compensation will be changed from “group revenue” to “group business volume”. After extensive deliberations, the Supervisory Board has come to the unanimous conclusion that the group revenue as calculated according to the former accounting method (classification of Bechtle as “principal”) shall continue to be used (only) for the calculation of the long-term variable compensation. Henceforth, this indicator will be referred to as “group business volume”. The compensation system for the Executive Board will be changed accordingly and, by way of precaution, submitted to the General Meeting for approval. The employment contracts of the Executive Board are to be amended as well.

Neckarsulm, 16 March 2022



Dr. Thomas Olemotz
(Chairman of the Executive Board)



Klaus Winkler
(Chairman of the Supervisory Board)



Michael Guschlbauer
(Member of the Executive Board)



Jürgen Schäfer
(Member of the Executive Board)

REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT PURSUANT TO SEC. 162 (3) AKTG

To Bechtle AG

Audit opinion. We have conducted a formal audit of the remuneration report of Bechtle AG, Neckarsulm, for the fiscal year from 1 January 2021 to 31 December 2021 to determine whether the disclosures required by Sec. 162 (1) and (2) AktG [“Aktengesetz”: German Stock Corporation Act] have been made therein. In accordance with Sec. 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required by Sec. 162 (1) and (2) have been made in the accompanying remuneration report in all material respects. Our opinion does not cover the content of the remuneration report.

Basis for the opinion. We conducted our audit of the remuneration report in accordance with Sec. 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report in Accordance with Sec. 162 (3) AktG (IDW AuS 870). Our responsibilities under this provision and standard are further described in the “Responsibilities of the auditor” section of our report. As an audit firm, we applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1). We complied with the professional obligations pursuant to the WPO [“Wirtschaftsprüferordnung”: German Law Regulating the Profession of Wirtschaftsprüfer (German Public Auditor)] and the BS WP/vBP [“Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer”: Professional Charter for German Public Accountants/German Sworn Auditors] including the requirements regarding independence.

Responsibilities of the management board and supervisory board. The management board and supervisory board are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, they are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Responsibilities of the auditor. Our objectives are to obtain reasonable assurance about whether the disclosures required by Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects and to express an opinion thereon in a report.

We planned and performed our audit so as to determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Sec. 162 (1) and (2) AktG. In accordance with Sec. 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

Consideration of misrepresentations. In connection with our audit, our responsibility is to read the remuneration report considering the knowledge obtained in the audit of the financial statements and, in doing so, remain alert for indications of whether the remuneration report contains misrepresentations in relation to the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Heilbronn, 16 March 2022

Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft

Heller
Wirtschaftsprüfer
[German Public Auditor]

Ilg
Wirtschaftsprüfer
[German Public Auditor]

