

## REPORT OF THE SUPERVISORY BOARD

DEAR SIR OR MADAM,

For Bechtle, 2021 again turned out to be a challenging year. Though the digital transformation and the economic recovery after the crisis year of 2020 resulted in high IT demand in all market segments, the developments were overshadowed by the continuation of the COVID-19 pandemic. At the same time, the challenges in the supply chain further intensified due to substantial supply problems in the IT industry. Until recently, delivery times of several months had been unheard of in the IT sector. Thus, availability became the foremost criterion. Bechtle AG was able to master these deteriorating framework conditions through intensive dialogue with customers and vendors, though especially the fourth quarter proved to be taxing. Our financial strength enabled us to increase our stock levels at an early stage in order to ensure availability for customers for as long as possible. Though the optimisation of the cash flow and of the working capital remained an important goal, ensuring the core business and the ability to supply was even more important. The fact that the company succeeded in keeping these indicators at a good level and closing 2021 with a disproportionate improvement in earnings despite these difficulties testifies to Bechtle's excellent management at all levels, in all companies and in all areas. All in all, 2021 was a demanding year. We have to be prepared for the fact that the general conditions on the procurement market will not normalise in 2022 and that we will have another challenging fiscal year ahead of us. Nevertheless, dear shareholders, employees, customers and other stakeholders, you can rest assured that Bechtle will continue on its success path undeterred under the guidance of an experienced management team and with more than 12,800 inspired and inspiring employees. Within the scope of its duties, the Supervisory Board will continue to help shaping the company's successful development in a responsible and highly conscious manner.

In 2021, the Supervisory Board again meticulously performed all its audit and controlling duties pursuant to law and 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 all transactions subject to approval. This included the company's response to the ongoing pandemic, operational arrangements made under consideration of the pandemic, the global supply problems and their impact on the generation of revenue, the expanded acquisition strategy, the further development of the Executive Board organisation, the group's business performance, the Sustainability Strategy 2030, 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 the global supply issues – 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.

Bechtle AG supports the members of the Supervisory Board in onboarding and training measures. In the reporting period, the company set up a platform on which documents for, and topical specialist papers related to, the activity of the Supervisory Board are made available to all members of the Supervisory Board. In the reporting period, some members of the Supervisory Board also took part in training measures in the fields of statutory framework conditions, corporate governance, risk and compliance and digitisation.

## MEETINGS AND CENTRAL ISSUES

In the reporting period, the Supervisory Board held four ordinary plenary sessions: on 3 February, 17 March (balance sheet meeting for the annual and consolidated financial statements for 2020), 30 July and 29 October 2021. Meeting attendance was as follows:

	03.02	17.03	30.07	29.10	Meeting attendance
<b>Shareholder representatives</b>					
Kurt Dobitsch	●	●	●	●	100%
Dr. Lars Grünert	●	●	●	●	100%
Prof. Dr. Thomas Hess	●	●	●	●	100%
Elke Reichart	●	●	●	●	100%
Sandra Stegmann	●	●	●	●	100%
Klaus Winkler	●	●	●	●	100%
<b>Employee representatives</b>					
Uli Drautz	●	●	●	●	100%
Daniela Eberle	●	●	●	●	100%
Anastasia Polidoros	●	●	●		75%
Anton Samija	●	●	●	●	100%
Volker Strohfeld	●	●	●	●	100%
Michael Unser	●	●	●		75%

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 2021, 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 2021.

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

- The course of the COVID-19 pandemic and its effects on the business of Bechtle AG
- The global problems in the supply chain and the consequences of this for the business of Bechtle AG
- The economic development of the group, especially in the face of the challenging framework conditions
- The compensation system of the Executive Board and the compensation of the Executive Board against the background of the new statutory provisions and the recommendations of the German Corporate Governance Code
- The early renewal of the contract with the Chairman of the Executive Board of Bechtle AG
- The further development of the Executive Board organisation
- The succession planning for the Executive Board of Bechtle AG
- The two acquisitions performed in the reporting period

- The group's short-term strategy against the backdrop of the pandemic and the supply problems, its medium to long-term strategy especially with a view to the Clouds business and managed services business, new business opportunities and the expansion of the M&A strategy as well as the targets achieved in the course of the strategy roll-out
- The Sustainability Strategy 2030, which was presented in the reporting period, and the non-financial group declaration
- The internal audit and risk management system

## STAFFING OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

In 2021, 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 2 February, 16 March, 29 July and 28 October 2021. Additionally, it held telephone conferences prior to the interim reports of Bechtle AG on 10 May, 11 August and 10 November 2021. Meeting attendance was as follows:

	02.02	16.03	10.05	29.07	11.08	28.10	10.11	Meeting attendance
Kurt Dobitsch	●	●	●	●	●	●	●	100%
Sandra Stegmann	●	●	●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	●	100%
Daniela Eberle	●	●	●	●	●	●	●	100%

In 2021, the audit committee dealt intensively with 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 under the difficult framework conditions, the upward correction of the earnings forecast in August, the development of the cash flow and of the working capital against the backdrop of the supply issues, the performance of the capital increase from corporate funds by issuing free shares in accordance with the resolution of the Annual General Meeting, the preliminary audits of the annual and consolidated financial statements, the non-financial group declaration, 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, the corporate governance and the selection of the auditor for the annual and consolidated financial statements for 2022 and subsequent years.

The personnel committee came together six times: on 11 January, 21 January, 10 March, 11 October, 22 October and 25 November 2021. Meeting attendance was as follows:

	11.01	21.01	10.03	11.10	22.10	25.11	Meeting attendance
Prof. Dr. Thomas Hess	●	●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	100%

The meetings of the personnel committee focused mainly on the revision of the compensation system and compensation report of the Executive Board, the recommendations of the German Corporate Governance Code, the renewal of the contract of the Chairman of the Executive Board, restaffing of some Executive Vice President positions, 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 2021.

The Supervisory Board regularly and meticulously conducts a self-assessment of 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 self-assessments revealed that the workflows and processes in the Supervisory Board are efficient and target-oriented.

## CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

Especially at the beginning of the reporting period, we intensively reviewed the rules of the German Corporate Governance Code (DCGK). 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 and again in January 2022. Deviations from the recommendations of the Government Commission are explained in detail in the Declaration of Conformity. Additionally, we updated the Declaration of Conformity in March 2022. 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. Bechtle's Corporate Governance Statement is the central document concerning the corporate governance. In the fiscal year ended, no conflicts of interest of Executive Board or Supervisory Board members arose that, according to the code, would have had to be disclosed to the plenum without delay and about which the Annual General Meeting would have had to be informed.



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

## AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2021

The Annual General Meeting appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Heilbronn, as auditor of the annual and consolidated financial statements for the 2021 fiscal year. Following the commissioning 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 2021 fiscal year, including the accounts and the risk management and early detection system, and awarded unqualified auditor's opinions. The audit also included the implemented monitoring system for early identification of risks and the internal audit and risk management system with respect to the accounting process. The auditor has 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 (including the opinion on the compensation report) 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 also participated in the balance sheet meeting on 16 March 2022. 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 16 March 2022, 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 €0.55 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 to be appropriate.

The Executive Board and the Supervisory Board have prepared the compensation report in accordance with Section 162 of the German Stock Corporation Act (AktG). The auditor has audited the compensation report pursuant to Section 162 (3) sentence 2 of the German Stock Corporation Act (AktG) as to whether it contains the disclosures pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG).

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 2021 sustainability report of Bechtle AG as a separate non-financial group report, at the balance sheet meeting on 16 March 2022. 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.

A great measure of uncertainty persists as of the start of 2022. Apart from geopolitical trouble spots, we continue to struggle with the global supply problems. Unfortunately, there are no reliable forecasts as to how long this situation will continue or when things will get better. However, the demand for IT, for products and services, and for a reliable and (financially) strong partner remains high. Accordingly, there are many opportunities for Bechtle, opportunities that we can only identify and make use of together. Therefore, the Supervisory Board would like to express its sincere gratitude to all employees of the Bechtle Group in all 14 countries, 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 monitoring capacity.

On behalf of the Supervisory Board



Klaus Winkler  
Chair

Neckarsulm, 16 March 2022