

## Corporate Governance Statement 2022

Ever since the company was founded, Bechtle has regarded responsible corporate governance as a matter of course. Our aim has always been to live up to the expectations of the various stakeholders, such as employees, customers, suppliers and shareholders as well as to our social responsibility in the best way possible. In everything we do, our main goal is to achieve profitable growth of the company.

Key documents that accompany this Corporate Governance Statement:

- Declaration of Conformity 2022
- Revision to the Declaration of Conformity 2022
- Corporate Philosophy
- Sustainability Strategy 2030
- Code of Conduct
- Leadership Principles

This statement contains the joint report of the Executive and Supervisory Boards on the state of corporate governance at Bechtle AG in accordance with Principle 22 of the German Corporate Governance Act (DCGK) in conjunction with Sections 289f and 315d of the German Commercial Code (HGB). The following information refers to the recommendations of the German Corporate Governance Code (“DCGK” or “Code”) in its version of 16 December 2019 as published in the Federal Gazette on 20 March 2020. The most recent Declaration of Conformity of Bechtle AG published on 31 January 2022, as well its revision dated 16 March 2022 are based on these same recommendations.

### A. Management and Supervision

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

Against the backdrop of Bechtle’s time-tested principle of *connected dispersion*, a great deal of entrepreneurial responsibility is placed on the managing directors of the individual operating subsidiaries, as well as each individual employee. All the same, it is the Executive Board of Bechtle AG that jointly steers the organisation as a whole. In particular, the Executive Board coordinates with the Supervisory Board to develop and implement the group’s overall strategy for the medium and long term.

To ensure the sustained success of Bechtle AG, diversity is key well beyond a general CSR agenda. Embedding diversity in Bechtle’s own teams elevates the working atmosphere, spurs productivity, and ultimately enhances employee satisfaction. Not least, non-discriminatory recruiting across all talent is the only way that gets organisations anywhere near filling the extensive need for qualified professionals. Bechtle AG’s Executive Board hence takes a very open approach to diversity, and has always welcomed female talent in executive roles. In its resolution of 17 January 2020, the Executive Board thus set targets for a female quota at the two executive levels under the Executive Board. The first executive level under the Executive Board comprises group-wide Executive Vice Presidents with a current female percentage of

zero and a target of 22 per cent to be achieved by 31 January 2025. The second executive level under the Executive Board comprises the managing directors and direct reports to members of the Executive Board with a current female percentage of 7.8, or 10 people (previous year: 8.7 per cent) and a target of 25 per cent, also to be achieved by 31 January 2025.

The Executive Board of Bechtle AG requires the organisation and all employees to abide by the law. To underscore the importance of doing so, Bechtle published a Code of Conduct a number of years ago, which is binding for all employees and serves as a guideline to help individuals avoid breaches and respond appropriately to compliance-related events. The Code of Conduct was revised and updated in 2021. In addition, Bechtle maintains a dedicated Compliance Board composed of the Executive Board and a permanent representative of Bechtle's Legal department. The Compliance Board can be approached by all employees as well as external parties via a hotline and secure e-mail. The Compliance Board reviews and evaluates leads and violations and initiates appropriate measures. Additionally, the Compliance Board advises decision makers in resolving compliance-relevant situations. It continually reviews reported incidents and uses insights gained through this practice to further develop and substantiate policies.

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

The Supervisory Board serves in a permanent advisory capacity to the Executive Board and is involved in all major executive decisions. Critical business transactions are subject to the approval of the Supervisory Board. Pursuant to Suggestion A.3 DCGK, the Chair of the Supervisory Board is available to discuss Supervisory Board-related issues with investors. In 2021, there was no need for such discussions. For information on the cooperative activities of the Executive and Supervisory Boards, see [here](#).

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

The Annual General Meeting is one of the key decision-making authorities in every public limited company. Apart from the rights due to the AGM by virtue of law, Bechtle is always eager to engage directly with its shareholders. Unfortunately, due to the COVID-19 pandemic, this was once again impossible in the reporting period, and a virtual AGM will be held in 2022, too. The health and safety of our shareholders, our corporate bodies and our employees takes absolute priority. Besides, with a typical attendance of more than 500 people, an in-person meeting during the ongoing pandemic is not feasible, or would take up inordinate logistical and financial resources. Nevertheless, the Executive and Supervisory Boards were pleased to see that, at both the previous virtual AGMs, more shareholders made use of their right to submit questions than is usually the case at in-person meetings, and all questions were answered by board members.

Bechtle AG organises the AGM agenda with efficiency and a reasonable time frame in mind, guided by Suggestion A.4 DCGK, which recommends the AGM last no longer than four to six hours. In recent years, all AGMs of Bechtle AG remained within this limit.

## **B. Appointments to the Executive Board**

The Executive Board of Bechtle AG comprises three persons, and is chaired by Dr Thomas Olemotz. No changes have been made to the board's composition compared to the previous year, however, the areas of remit of Dr Thomas Olemotz have been extended to include Sustainability Management. This change was made in the context of establishing Bechtle's Sustainability Strategy 2030.

Under consideration of Recommendation B.1 DCGK, the Supervisory Board resolved on 15 December 2020 to appoint at least one woman to the Executive Board by no later than 30 June 2025.

The Supervisory Board intends to continue to coordinate with the Executive Board to ensure a long-term succession plan is in place. The Supervisory Board does not currently deem it necessary to commence concrete planning for a succession of Executive Board members Dr Thomas Olemotz and Michael Guschlbauer. However, in 2024, Executive Board member Jürgen Schäfer will reach the legal age of retirement. Consequently, his term of office and employment contract will expire on 30 September 2024.

In line with the principle of long-term succession planning, the Supervisory Board intends to coordinate with the Executive Board to define a competency profile for Jürgen Schäfer's eventual successor, taking into consideration the continued development of Bechtle's leadership organisation. This development is taking place through an ongoing strategic dialogue within the Supervisory Board, which has gained additional momentum during the reporting year and, among other things, discusses a future organisation and market approach to ensure Bechtle's sustained success for years to come.

As a rule, the Supervisory Board strives to recruit new members of the Executive Board from within the Bechtle Group. Should an internal search for qualified talent prove unsuccessful, the board engages a headhunter to find a suitable candidate.

The retirement age for members of the Executive Board equates to the retirement age under statutory pension insurance (B.5 DCGK).

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

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

Pursuant to the Articles of Incorporation, the Supervisory Board of Bechtle AG consists of 12 members with equal representation of shareholders and employees in accordance with the German Co-determination Act (MitbestG). Bechtle AG is required by law to ensure a gender quota of at least 30 per cent on the Supervisory Board. Currently, four women serve on the Supervisory Board, making up 33 per cent of the board overall, as well as of shareholder and employee representatives respectively.

Under consideration of C.1, first half of Sentence 1 DCGK, the Supervisory Board has set down objectives concerning its composition in writing, with diversity and independence two of the most important criteria for a suitable configuration, which is, in turn, essential for good cooperation within the Supervisory Board. Therefore, on 15 December 2020, the Supervisory Board resolved to take the criterion of diversity into consideration with regard to future appointments (C.1 Sentence 2 DCGK). In addition, the shareholder representatives on the Supervisory Board determined the number of independent shareholder representatives they consider to be appropriate (C.6 Sentence 1 DCGK).

The composition objectives foresee at least two appointees to meet the criterion of internationality in particular, while at least four shareholder representatives are to meet the criterion of independence. At the present time, all shareholder representatives fulfil this criterion. Although Supervisory Board members Klaus Winkler and Kurt Dobitsch have each served for more than 12 years, the shareholder representatives believe that a long office term per se cannot establish a major conflict of interest that is not merely of a temporary nature. Other circumstances would be required to substantiate such a conflict of interest, however, these do not exist in the respective cases of Klaus Winkler and Kurt Dobitsch. Incidentally, a long office term is consistent with Bechtle's deeply rooted values of dependability and continuity (C.8 DCGK). The Supervisory Board's rules of procedure, as well as its composition objectives, provide for an age limit of 70 for appointments to the board (C.2 DCGK). Bechtle AG discloses the terms of membership in the Supervisory Board on page 236f in the Annual Report 2021, Appendix D to the Notes.

Pursuant to C.1, second half of Sentence 1 DCGK, the Supervisory Board has developed and adopted a competency profile that applies to the board as a whole. 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. Also, each member of the Supervisory Board must have sufficient time at his or her disposal to exercise the mandate. With respect to skills and expertise, each member should have a general understanding of the business activity of an IT system house, in particular 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, for instance, in the field of financial accounting or auditing, business administration, corporate governance, as well as compliance and leadership. All members should further be competent to assess and evaluate the integrity, efficiency and suitability of relevant business decisions, as well as the annual financial statements.

Presently, the composition objectives determined by the Supervisory Board and the requirements under the competency profile are met. Going forward, nominations proposed to the AGM will take these objectives into account, and the board will further endeavour to nominate individuals who meet the competency profile.

## **D. Supervisory Board Procedures**

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

Pursuant to Recommendation D.1 DCGK, the Supervisory Board will publish the 2020 revision of its rules of procedure on the company website.

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

The Supervisory Board offers competent advice to the Executive Board at all times, and is further involved in all major business decisions. Conversely, the Executive Board regularly briefs the Supervisory Board in a timely and comprehensive manner on all material issues relating to business development, economic planning and the corporate strategy, as well as risk management, potential risks and opportunities associated with business development, as well as compliance (D.6 DCGK). 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 corporate situation and development, or the company's governance. The members of the Supervisory Board, and in particular its Chair, continuously inform themselves about the company's situation and any relevant business transactions, also outside of regular Supervisory Board meetings. Thus, the Supervisory Board has a sufficient knowledge base to guide and supervise operations with valuable suggestions and recommendations at all times. As a matter of principle, the Executive Board coordinates with the Chair of the Supervisory Board to share documents with all members of the Supervisory Board in good time ahead of Supervisory Board meetings, in order to enable them to duly prepare for these meetings. Critical business transactions are subject to the approval of the Supervisory Board.

To fulfil its duties, the Supervisory Board has formed three dedicated committees: the Audit Committee, the Personnel Committee and the Arbitration Committee (D.2 Sentence 1 DCGK). Information on participation in committee and plenary meetings are provided in the Report of the Supervisory Board on page 18ff of the Annual Report 2021.

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

In accordance with his duties, the Chair of the Supervisory Board maintains a close rapport with the Executive Board and, in particular, has a deep understanding of the processes within the company. Deviating from Recommendation D.4 Sentence 2 DCGK, the Supervisory Board is thus of the opinion that it is advisable for the Chair of the Supervisory Board to also chair the Audit Committee.

In view of the composition of the Supervisory Board and its efficient coordination processes, 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 Recommendation D.5 DCGK.

**V. Self-assessment**

The Supervisory Board endeavours to fulfil its duties with due care. Every three years, the Supervisory Board performs an extensive assessment of its own efficiency in fulfilling its duties based on the guidelines published by *Deutsche Schutzvereinigung für Wertpapierbesitz e. V.* The most recent self-assessment in 2019 concluded that the Supervisory Board is efficient. Should the Supervisory Board come to the conclusion that the efficiency has declined, the self-assessment will be conducted on an annual basis.

## **E. Conflicts of Interest**

The members of the Executive and Supervisory Boards are committed to the interests of the company. The decisions they make within the scope of their mandates must not be guided by their own personal interests, nor may they take advantage of business opportunities to which the company is entitled. In the past fiscal year, the members of the Supervisory and Executive Boards did not experience any conflicts of interest, e.g. due to an advisory capacity for, or role on a board of 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 217f and 236f in the Notes to the Consolidated Financial Statements of the Annual Report 2021.

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

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

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

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

According to Principle 25 DCGK, the Executive and Supervisory Boards shall prepare an annual remuneration report in accordance with statutory provisions. The first such report is being prepared for the 2021 fiscal year in accordance with Art. 162 of the German Stock Corporation Act (AktG), and has been published to coincide with the publication of the Annual Report 2021.

Bechtle AG will publish its compensation report on page 25ff of the Annual Report 2021.