

Declaration of the executive board and the supervisory board of Nemetschek SE concerning the recommendations of the “Government Commission of the German Corporate Governance Code” in accordance with § 161 of the German Stock Corporation Act (AktG)

The executive board and supervisory board declare:

The recommendations of the “Government Commission of the German Corporate Governance Code”, version dated December 16, 2019 (“DCGK 2020”), published by the German Federal Ministry of Justice in the official part of the Federal Gazette on March 20, 2020, have been met in the time period since the previous Declaration of Conformity of December 18, 2020 and will continue to be met with the exception of the following recommendations for the reasons specified therein and in the time periods specified.

- a) Recommendations A.1, B.1 and C.1 Sentence 2 (appointments to executive positions in the enterprise as well as the composition of the executive board and supervisory board)

According to Recommendation A.1, the executive board shall consider diversity when making appointments to executive positions. Likewise, the supervisory board shall consider diversity for the composition of the executive board (B.1) as well as for the definition of targets for the composition of the supervisory board and for the creation of a profile of required skills and expertise for the board as a whole (C.1 Sentence 2).

The executive board and supervisory board of Nemetschek SE expressly welcome the objective of the Code to ensure diversity and are open to diversity in terms of the composition of the board and appointments to executive positions. However, with regard to appointments to executive positions and the composition of the executive board, as well as for election nominations for supervisory board members, the focus is on the individual’s personal suitability, in particular experience, skills and knowledge. The criterion of diversity will be regarded as being of lesser importance.

- b) Recommendations B.5 and C.2 (age limit for members of the executive board and supervisory board)

According to Recommendations B.5 and C.2, an age limit shall be specified for members of the executive board and supervisory board and disclosed in the Corporate Governance Statement. Nemetschek SE does not consider a universally applicable age limit to be a suitable criterion for the selection of members of the executive board and supervisory board. The suitability for discharging the duties of the office of executive board or supervisory board member is dependent on the experience, knowledge, and skills of the person in question. The specification of an age limit would place general and inappropriate restrictions on the selection of suitable candidates for positions on the executive board and supervisory board.

- c) Recommendation C.10 sentence 2 (independence of the chair of the audit committee from the controlling shareholder)

The appointed chair of the audit committee, Mr. Rüdiger Herzog, is a member of the controlling shareholder's management board and is not therefore independent of the controlling shareholder in accordance with the criteria in Recommendation C.10.

d) Recommendation D.1 (making rules of procedure for the supervisory board accessible)

The Supervisory Board of Nemetschek SE set rules of procedure for itself. Departing from Recommendation D.1, however, the supervisory board did not make the rules of procedure accessible on the company's website. The main rules of procedure for the supervisory board are prescribed by law as well as by the Articles of Association and are publicly accessible. It is our opinion that publication of the rules of procedure above and beyond this would not generate any added value.

e) Recommendations D.2 to D.5 (supervisory board committees)

The supervisory board of Nemetschek SE formed no committees in the reporting period. The supervisory board consists of four members. On a board of this size, the efficient and effective discharging of duties is also ensured without the formation of specialized committees. The duties for which the Code recommends the formation of such committees were all performed by the supervisory board of Nemetschek SE during the reporting period. The supervisory board established an audit committee in accordance with the statutory requirements as of January 1, 2022. Accordingly, a departure from Recommendations D.2 and D.3 is declared only for the period until December 31, 2021. The appointed chair of the audit committee is not independent of the controlling shareholder. Accordingly, a departure from Recommendation D.4, final clause, is declared until December 31, 2021, and beyond. The supervisory board comprises exclusively shareholder representatives and has thus not established a nomination committee (D.5).

f) Recommendation G.4 (vertical comparison of remuneration)

Departing from Recommendation G.4, in order to ascertain whether executive board remuneration is in line with usual levels, the supervisory board did not take into account the relationship between executive board remuneration and the remuneration of upper management circles or the staff as a whole of Nemetschek SE, nor did it take into account how remuneration has developed over time (vertical comparison of remuneration). As a holding company, Nemetschek SE does not offer any appropriate standards of comparison for either upper management circles or the staff as a whole. Nonetheless, the supervisory board used the remunerations of the heads of the most important product organizations as a standard of comparison on which to base its actual remuneration decisions.

g) Recommendation G.7 Sentence 1 (point in time of the specification of performance criteria for the variable remuneration components)

As per Recommendation G.7 Sentence 1, referring to the upcoming financial year, the supervisory board shall establish performance criteria for each executive board member which cover all variable remuneration components. In accordance with the remuneration system for the executive board members, the supervisory board will specify the performance criteria for the

variable remuneration components and the targets no later than February 28 of a given financial year. In individual cases, the supervisory board considers it wise to only make a decision concerning performance criteria and targets on the basis of preliminary business figures from the previous financial year. Consequently, a provisional departure from Recommendation G.7 Sentence 1 is declared.

h) Recommendation G.10 (no share-based remuneration and point in time of accessibility of long-term variable remuneration components)

Departing from Recommendation G.10 Sentence 1, executive board members will neither be granted variable remuneration on the basis of shares nor shall executive board members invest the granted variable remuneration predominantly in shares of the company. Share prices are also always subject to influences which lie outside the enterprise and are beyond the control of the executive board members. The variable remuneration of the executive board members of Nemetschek SE is therefore only dependent on enterprise-relevant events (such as revenue, income, earnings per share) which provide an undistorted reflection of corporate value and thus, in the opinion of the supervisory board, are better suited for measuring the performance of the executive board members for the purpose of determining an appropriate executive board remuneration.

The executive board remuneration system provides for long-term variable remuneration with a three-year term (LTIP), which is to be paid out in cash respectively in the fourth year, if granted. As a result, we also declare a departure from Recommendation G.10 Sentence 2, according to which the granted long-term variable remuneration components shall be accessible to executive board members only after a period of four years. A holding period of four years may be a suitable means of incentivizing executive board members in the long term in the case of share-based remuneration since the value of the shares can change during the holding period. On the other hand, in the case of a cash payment of the long-term variable remuneration, a later payout date has no comparable incentivizing effect since the amount is determined upon expiration of the corresponding LTIP term and is not subject to any further changes even if the payout date is later.

Munich, December 17, 2021

For the Executive Board

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For the Supervisory Board

Kurt Dobitsch
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