

# Corporate Governance Statement

The Nemetschek Group is a global corporation with an international shareholder structure. The Executive and Supervisory Boards place particular importance on responsible and transparent corporate governance and control, with a view toward adding lasting value. Meaningful and transparent corporate communication, respect for shareholder interests, proactive approaches to risks and opportunities, and efficient and trusting cooperation between the Executive Board and Supervisory Board are major aspects of positive and effective corporate governance. The latter helps the Nemetschek Group to gain the trust of shareholders, business partners, employees, and – ultimately – society as a whole. These principles are simultaneously important points of reference for the management and control of the Group.

The Corporate Governance Statement pursuant to sections 289f and 315d of the German Commercial Code (HGB) is part of the Group Management Report. In accordance with HGB section 317(2), sixth sentence, the professional audit of the disclosures under HGB sections 289f and 315d is limited to whether the disclosures were made. As part of the Corporate Governance Statement, the Executive Board and Supervisory Board also report on the company's corporate governance.

## Declaration of Conformity Pursuant to the German Corporate Governance Code

On March 9, 2023, the Executive Board and Supervisory Board submitted the following revised declaration pursuant to section 161 of the German Stock Corporation Act (AktG) and made this permanently available to shareholders via the Nemetschek Group website:

“The Executive Board and Supervisory Board declare:

The recommendations of the Regierungskommission Deutscher Corporate Governance Kodex as amended on December 16, 2019 (“DCGK 2020”), published by the German Federal Ministry of Justice in the official section of the Federal Gazette on March 20, 2020, have been followed during the period since the previous Declaration of Conformity on May 12, 2022, save for the recommendations mentioned below for reasons also set out below, and during the specified periods of time.

Furthermore, since the publication of the recommendations of the Government Commission of the German Corporate Governance Code as amended on April 28, 2022, and published in the Federal Gazette on June 27, 2022 (“DCGK 2022”), the company has followed the recommendations of DCGK 2022, save for the recommendations mentioned below for reasons also set out below. The company will also follow the recommendations of DCGK 2022 in the future except for the recommendations mentioned below.

### a) DCGK 2022 Recommendation A.1 (Ecological and Social Targets in Corporate Strategy)

The code recommends in section A.1, second sentence, that, in addition to long-term commercial objectives, corporate strategy shall also give appropriate consideration to ecological and social objectives. The Executive Board has taken measures to incorporate ecological and social targets into the corporate strategy and these measures are explained as part of the nonfinancial reporting in accordance with statutory provisions. The corporate and corporate social responsibility strategies are refined continuously. Because it is unclear what DCGK A.1, second sentence, requires for appropriate consideration of ecological and social objectives, the company is taking the precaution of declaring a deviation from A.1 second sentence.

### b) Recommendations A.1 (DCGK 2020), A.2 (DCGK 2022), B.1, and C.1 Second Sentence (Appointments to Executive Positions in the Enterprise and Composition of the Executive Board and Supervisory Board)

According to DCGK 2022 recommendation A.2, 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 second sentence).

The Executive Board and Supervisory Board of Nemetschek SE expressly welcome the objective of the DCGK to ensure diversity and advocate diversity in the composition of the boards and appointments to executive positions. The Supervisory Board attached particular emphasis to diversity in election nominations for the Supervisory Board and in its appointments to the Executive Board during the 2022 fiscal year. Female representation increased significantly in both bodies. The new Supervisory Board elected at the 2022 Annual General Meeting has 33% female representation and, in the assessment of the Supervisory Board, has a composition that meets the diversity criterion. Moreover, there has been 25% female representation on the Executive Board since January 1, 2023. However, when making appointments to leadership roles and Executive Board positions, the Executive and Supervisory Boards continue to primarily value personal aptitude, especially the individual's experience, skills, and knowledge. The criterion of diversity is additionally considered during such decision-making.

c) 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 a position on the Executive Board or Supervisory Board 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.

d) Recommendation D.1 (Publication of the Rules of Procedure for the Supervisory Board)

The Supervisory Board of Nemetschek SE set rules of procedure for itself. Departing from recommendation D.1, however, the Supervisory Board has not made 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 Incorporation and are publicly accessible. It is our opinion that publication of the rules of procedure above and beyond this would not add any value.

e) DCGK 2020 Recommendation D.5/DCGK 2022 Recommendation D.4 (Nomination Committee)

The Supervisory Board is composed solely of shareholder representatives and, as a result, no nomination committee was set up.

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 or the staff of Nemetschek SE as a whole, 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 or the staff as a whole. Nonetheless, the Supervisory Board used the remuneration of the heads of the most important product organizations as a standard of comparison on which to base its actual remuneration decision-making.

g) Recommendation G.7 First Sentence (Time of Definition of Performance Criteria for Variable Remuneration Components)

According to recommendation G.7, first sentence, the Supervisory Board shall, referring to the upcoming financial year, establish for each Executive Board member performance criteria that 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 respectively no later than February 28 of a given fiscal year. In individual cases, the Supervisory Board considers it wise to make a decision concerning performance criteria and targets only on the basis of preliminary business figures from the previous fiscal year. Consequently, the company is declaring a provisional departure from recommendation G.7, first sentence.

h) Recommendation G.10 (Form of Investment and Time of Accessibility of Long-Term Variable Remuneration Components)

Departing from recommendation G.10, first sentence, the Executive Board members are under no obligation to invest the variable remuneration amounts granted to them predominantly in company shares.

The Executive Board remuneration system provides for long-term variable remuneration with a three-year term (LTIP), which is paid out in cash in the fourth year, if granted. As a result, we declare a departure from recommendation G.10, second sentence, according to which the granted long-term variable remuneration amounts are intended to be accessible to Executive Board members only after a period of four years. In the case of a cash payment of the long-term variable remuneration under the LTIP, a later payout date has no ongoing 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. The 2022 remuneration system creates the possibility of granting to Executive Board members virtual stock appreciation rights under the SAR plan as an additional, long-term remuneration element. The development of their value depends on the development of the Nemetschek stock price. This remuneration element corresponds to stock-based compensation with a strong alignment of interests between the company's shareholders and Executive Board members. The exercise of stock appreciation rights is usually only partially (25%) subject to a four-year waiting period."

### **Company Website**

The Declaration of Conformity pursuant to AktG section 161 is published on the website [ir.Nemetschek.com/en/corporate-governance](https://ir.Nemetschek.com/en/corporate-governance). Declarations of Conformity for previous years can also be viewed on this page.

In addition to the Declarations of Conformity, the website [ir.Nemetschek.com/en/corporate-governance](https://ir.Nemetschek.com/en/corporate-governance) also makes further information about the Corporate Governance Statement and on the corporate governance of the Nemetschek Group publicly accessible.

The Remuneration Report for the 2022 fiscal year and the auditor's report pursuant to AktG section 162, the Executive Board's applicable remuneration system pursuant to AktG section 87a(1) and (2), first sentence; the applicable remuneration arrangement for the Supervisory Board, and the most recent remuneration resolutions at the Annual General Meeting pursuant to AktG sections 113(3) (Supervisory Board remuneration) and 120a(1) (Executive Board remuneration) are publicly available on the Company's website at [ir.Nemetschek.com/remuneration](https://ir.Nemetschek.com/remuneration).

### **Relevant Disclosures of Corporate Governance Practices Applied in Excess of Legal Requirements and Details on Where They Are Publicly Accessible**

The Nemetschek Group aims to be perceived worldwide as a responsible enterprise with high ethical and legal standards.

The specific culture of the Nemetschek Group is the shared foundation for actions taken within it. It is a culture that is reflected in the fair and respectful way that employees treat each other and third parties, and is distinguished by a high willingness to perform, open communication, respectability, trustworthiness, and conservative consumption of natural resources.

These principles are summarized in the Nemetschek Group Code of Conduct, which was revised and expanded during the 2021 fiscal year. This Code of Conduct is binding for all employees regardless of their role or position in the Group. A clear commitment to our corporate culture can only be made by maintaining an ongoing focus on the values described in the Code and integrating them into day-to-day actions. This secures the company's long-term success. Similarly, a Supplier Code of Conduct was developed and published during the 2021 fiscal year. This Supplier Code of Conduct sets the standards

for collaboration with suppliers and other external business partners of the Nemetschek Group. The Code of Conduct and the Supplier Code of Conduct can be accessed on the company website at [Nemetschek.com/en/responsibility](https://www.nemetschek.com/en/responsibility).

Further information about this is included in the 2022 Group Management Report in subsection [<< 2 Nonfinancial Statement >>](#).

Moreover, details about business management and corporate governance are also reported in the Group Management Report in subsection [<< 1.3 Business Management and Corporate Governance >>](#).

### **Compliance and Management of Opportunities and Risks**

One of the principles of responsible company leadership is to consider opportunities and risks continuously and responsibly. The objective of opportunity and risk management is to develop a strategy and define targets which generate a balanced equilibrium between growth and profit targets on the one hand and the risks associated with them on the other. Details on the opportunity and risk management systems of the Nemetschek Group are provided in section [<< 5 Opportunity and Risk Report >>](#) of the Group Management Report.

### **Internal Control and Risk Management Systems (ICS, RMS)**

The Nemetschek Group's internal control and risk management comprises the management of opportunities and risks in relation to business activities, the achievement of the business targets, the propriety and dependability of internal and external accounting, and compliance with the legal provisions and regulations applicable to Nemetschek. This also incorporates sustainability-related factors, which are developed further on an ongoing basis. As in the previous year, no material risks with potential for serious effects have been identified for 2022 for the topics defined in the nonfinancial reporting. Consequently, there are no risks for 2022 that, on a net basis, meet the materiality criteria under HGB section 289c (3)(3) and (3)(4).

### **Compliance**

A basic requirement for long-term commercial success is the compliance of business activities with all relevant laws and standards as well as with the company's internal principles. The success of the Nemetschek Group is therefore based not only on good business policy, but also on ethical integrity, trust, and open and fair dealings with employees, clients, business partners, shareholders, and other stakeholders.

### **Compliance Culture and Targets**

Compliance has always been an important component of risk prevention at the Nemetschek Group and is firmly entrenched in the company's culture. The objective is to act in compliance with all relevant laws, norms, international standards, and internal guidelines at all times.

In this context, the Nemetschek Group pursues an approach of preventive compliance and aims for a corporate culture that sensitizes and educates the staff so that potential violations of the rules are avoided from the start. The Executive Board and management staff bear special responsibility in this regard. They are role models and, as such, required to ensure compliance within their area of responsibility and beyond, to clearly communicate this expectation to every employee, and to consistently set an example for ethical behavior according to the rules for ensuring compliance.

### **Compliance Organization**

Compliance-related activities are closely linked to risk management and the internal control system. Corporate Legal & Compliance controls compliance-related activities across the Group. The focus is on creating suitable structures and processes as well as providing support for the efficient implementation of compliance measures. Corporate Legal & Compliance is also the point of contact for any individual questions that may arise from within the organization. There is a direct reporting line to the department's representation on the Nemetschek Group Executive Board (the Chief Financial Officer).

## **Compliance Program and Communication**

The compliance structures and measures for ensuring adherence to laws, guidelines, and ethical principles are consistently aligned with the risk position of the Nemetschek Group and continuously enhanced. The basis for compliance-related activities is the Code of Conduct of the Nemetschek Group, which is binding for all employees. In addition to the company website, employees can access the Code of Conduct and other company guidelines, instructions, and process specifications via the Group-internal intranet platform Nemetschek ONE. Moreover, the Nemetschek Group uses a modern compliance training tool for efficiently and sustainably communicating knowledge on this subject across the Group.

## **Compliance Reporting Channels, Reviews, and Further Development**

Having reliable reporting channels and protecting internal information providers against sanctions are major elements in the identification of compliance risks.

The Nemetschek Group demands and promotes an open, enterprise-wide “speak-up” culture. It encourages its employees to report any behavior that may possibly breach the Code of Conduct or, beyond that, legal provisions. Tips about potential violations can be submitted anonymously using a modern, enterprise-wide whistleblowing system, not only by employees, but also by external third parties. This digital system serves all Group enterprises as a whistleblower system and focuses in particular on the important topics of whistleblower protection, anonymity, and data security. Its implementation during the 2021 fiscal year marked a significant development and a higher level of professionalism in the area of whistleblowing.

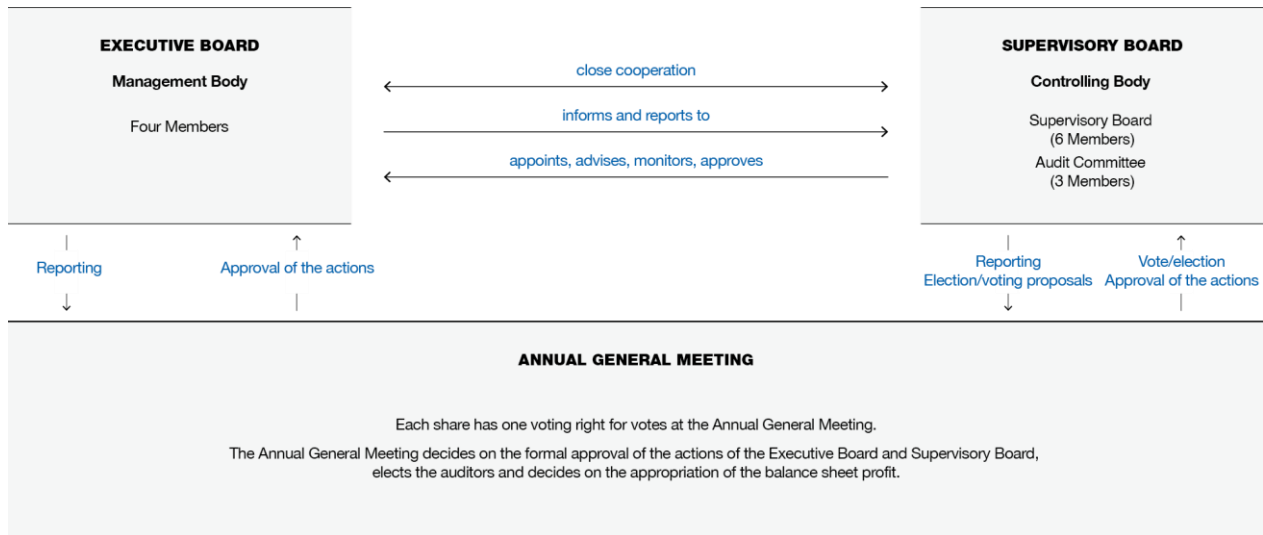
In addition to using the digital whistleblowing system, employees can communicate directly with superiors, relevant HR managers, or Compliance. All information submitted is first checked for plausibility and treated with absolute confidentiality. Further investigations are initiated and steps taken as required. If necessary, further company departments or external consultants are brought on board in certain situations. Corporate Legal & Compliance, acting as the internal body for receiving reports, regularly reviews the whistleblower process in terms of its effectiveness and adapts it as required.

Corporate Audit regularly performs internal audits to assess compliance with internal guidelines and legal requirements. The Executive Board, the Supervisory Board's Audit Committee, and the Supervisory Board are informed about compliance-related issues and the expansion of compliance structures as well as planned compliance-related initiatives regularly as well as on an ad hoc basis if necessary.

## **Description of Executive-Board and Supervisory-Board Procedures**

Nemetschek SE has a dual leadership and supervision structure consisting of its two governing bodies: its Executive Board and Supervisory Board.

## DUAL MANAGEMENT SYSTEM OF NEMETSCHKEK SE



### Executive Board

#### Composition

To account for the growth of the Nemetschek Group and to make the Executive Board's work more efficient and effective, the role of Chief Executive Officer (CEO) was added to the Executive Board with effect from March 1, 2022, with Yves Padrines from the Supervisory Board voted unanimously for appointment to this position. There were no other changes during the 2022 fiscal year to the composition of the Executive Board, which therefore consisted of four members (previous year: three) as at December 31, 2022. Dr. Axel Kaufmann left the Executive Board of Nemetschek SE with effect from December 31, 2022. Louise Öfverström was appointed to the Executive Board with effect from January 1, 2023, and has the role of Chief Financial Officer (CFO) on it.

The tried and tested Executive Board structure with a focus on segments has been retained unchanged. It strengthens the strategic alignment of the Nemetschek Group, concentrating the competencies of the brands in the four client-oriented divisions: Planning & Design, Build & Construct, Operate & Manage, and Media & Entertainment.

The Executive Board composes of the following four members:

- Yves Padrines (since March 1, 2022), Chief Executive Officer (CEO)
- Dr. Axel Kaufmann (until December 31, 2022), Chief Financial & Operations Officer (CFOO)
- Louise Öfverström (since January 1, 2023), Chief Financial Officer (CFO)
- Viktor Várkonyi, Chief Division Officer, Planning & Design Division
- Jon Elliott, Chief Division Officer, Build & Construct Division and CEO of Bluebeam

The résumés of the Executive Board's members are available on the company's website at [ir.nemetschek.com/en/executiveboard](https://ir.nemetschek.com/en/executiveboard).

Details about further roles exercised by the Executive Board members are provided in the notes to the consolidated financial statements in [<< Item 33 –Bodies of the Company >>](#). A separate Remuneration Report at [ir.Nemetschek.com/en/remuneration](http://ir.Nemetschek.com/en/remuneration) provides details about the remuneration of the Executive Board members.

When making appointments to leadership roles and Executive Board positions, the Executive and Supervisory Boards primarily value personal aptitude, especially the individual's experience, skills, and knowledge. The criterion of diversity is additionally considered during such decision-making. Owing to its principle of qualification-based neutrality, Nemetschek SE firmly believes it is in the best position to serve the interests of the company.

### Procedures

The Supervisory Board has issued rules of procedure for the Executive Board. They govern the collaboration within the Executive Board as well as collaboration between the Executive Board and the Supervisory Board. The Executive Board performs its leadership role with an objective of sustainably adding value for the company in accordance with the company's interests. The Executive Board bears overall responsibility for the management of the Nemetschek Group. In addition, every member of the Executive Board has personal responsibility for the tasks assigned to him or her through the business allocation plan. The Executive Board makes joint decisions on all matters that are of particular significance and impact for the company or its subsidiaries.

The Executive Board is responsible for the creation of the quarterly statements and half-year financial report as well as for the preparation of the annual financial statements, consolidated financial statements, the consolidated management report of Nemetschek SE and the Group, the non-financial statement, the dependency report and the Remuneration Report. It also oversees the preparation of the company's sustainability reporting. Furthermore, the Executive Board has established appropriate and effective internal control and risk management systems which also incorporate sustainability-related factors.

The Executive Board reports to the Supervisory Board regularly, promptly, and comprehensively in writing and verbally about all relevant topics relating to business development, company planning, strategic alignment, opportunity and risk management, compliance, and further topical issues, e.g., sustainability and cybersecurity. For decision-making with the potential to materially influence the company's net-asset, financial, or earnings situation, the Supervisory Board is included in a timely manner and provided with complete information by the Executive Board. In the case of acquisition projects, the Executive Board provides detailed information about the project's progress and status at an early stage and coordinates the acquisition and integration processes in close collaboration with the Supervisory Board.

## Supervisory Board

### Composition

A resolution was passed at the Annual General Meeting on May 12, 2022, to approve the proposed enlargement of the Supervisory Board from four members to six. In addition, the members of the Supervisory Board were elected as scheduled at the Annual General Meeting on May 12, 2022. With the departure of Prof. Georg Nemetschek and Rüdiger Herzog, two esteemed personalities ceased to stand for election and left the Supervisory Board with effect from the end of the Annual General Meeting [<< Report of the Supervisory Board >>](#). Prof. Nemetschek was elected as Honorary Chairman of the Supervisory Board.

The Supervisory Board consisted of the following six members as of December 31, 2022:

- Kurt Dobitsch, Chairman of the Supervisory Board
- Patricia Geibel-Conrad, Deputy Chairwoman of the Supervisory Board
- Bill Krouch, member of the Supervisory Board

- Christine Schöneweis, member of the Supervisory Board
- Prof. Andreas Söffing, member of the Supervisory Board
- Dr. Gernot Strube, member of the Supervisory Board

Honorary Chairman of the Supervisory Board

- Prof. Georg Nemetschek

The résumés of the Supervisory Board's members are available on the company's website at [ir.Nemetschek.com/en/supervisoryboard](http://ir.Nemetschek.com/en/supervisoryboard) and include details about their tenure on the company's Supervisory Board. Details about further roles exercised by the Supervisory Board members are provided in the notes to the 2022 consolidated financial statements in [<< Item 33 –Bodies of the Company >>](#). The remuneration of the Supervisory Board members is detailed in a separate Remuneration Report.

In accordance with the recommendations of the German Corporate Governance Code, the Supervisory Board has named specific objectives for its composition and has issued a skills profile for the overall Nemetschek SE Supervisory Board. Based on it, each member of the Supervisory Board must meet the requirements of applicable laws and the Articles of Incorporation for membership of the Supervisory Board (cf. AktG section 100(1) to (4)) and possess the knowledge and capabilities that are required for the proper discharge of the duties imposed on members by law and the Articles of Incorporation. The members of the Supervisory Board as a whole must be familiar with the sector in which the company is active (cf. AktG section 100(5)). Every member of the Supervisory Board must have sufficient time available and the willingness to dedicate the necessary time and attention to his or her position. In addition to these general requirements, the board as a whole is obliged to meet the following requirements in particular:

- Every member should have a general understanding of the business of the Nemetschek Group, in particular the global AEC/O market environment, the individual fields of business, clients' requirements, the regions in which the company operates, and the company's strategic alignment.
- At least one member of the Supervisory Board must have expertise in accounting and at least one other member must have expertise in auditing. The accounting and auditing also include sustainability reporting and the auditing of such reporting.
- At least two members should meet the criterion of internationality to a special degree or have acquired operational experience in international enterprises.
- One or more members should have expertise in business administration.
- On the board as a whole, one or more members should have experience in governance, compliance, and risk management.
- All members should have operational experience in operational leadership.
- One or more members should have expertise in sustainability.

The company's Supervisory Board currently considers the specified targets for the composition of the Supervisory Board to be fulfilled and presents the following qualifications matrix for the full Supervisory Board as at December 31, 2022:



**MATRIX OF SUPERVISORY BOARD QUALIFICATIONS**

		Supervisory Board Members					
		Kurt Dobitsch	Patricia Geibel-Conrad	Bill Krouch	Christine Schönewels	Prof. Dr. Andreas Bötting	Dr. Gernot Strube
Board and Committees	Supervisory Board	SB Chair	Dep. SB Chair	Member	Member	Member	Member
	Committees	Audit Committee	Audit Committee (Chair)	–	–	–	Audit Committee
Diversity	Year of birth	1954	1962	1959	1976	1962	1965
	Gender	Male	Female	Male	Female	Male	Male
	Nationality	Austrian	German	US	German	German	German
	International experience/operational experience/working at an international company <sup>1)</sup>	•	•	•	•	•	•
Tenure and Personal Aptitude	First appointment	1998	2022	2018	2022	2022	2022
	End of appointment	2027	2027	2027	2027	2027	2027
	Independence (as per DCGK) <sup>2)</sup>	•	•	•	•	•	•
	No overboarding (as per DCGK)	•	•	•	•	•	•
Expertise <sup>1)</sup>	General understanding of the Nemetschek Group's business (global AEC/O and media market environment, individual fields of business, customer needs, regions, and company's strategic direction)	•	•	•	•	•	•
	Profound knowledge in business administration	•	•	•	•	•	•
	Industry knowledge (as per AktG § 100(5))	•	•	•	•	•	•
	Governance, compliance, and risk management	•	•	•	•	•	•
	Personnel management / HR	•	•	•	•	•	•
	Sustainability	•	•	•	•	•	•
	Accounting, including sustainability reporting, and auditing and assurance thereof (AktG § 100(5) and DCGK D.3)	•	•	•	•	•	•
Financial Expert	Auditing of financial statements and sustainability reporting, and auditing and assurance thereof (AktG § 100(5) and DCGK D.3)	•	•	•	•	•	•

<sup>1)</sup> Assessments based on the Supervisory Board's self evaluation. A filled circle means that the member has at least good knowledge and experience that can be used as a basis for comprehending the matters relevant to the work of the Supervisory Board.  
<sup>2)</sup> Kurt Dobitsch has been on the Supervisory Board for more than twelve years and continues to be viewed as independent by the company and its Executive Board members. He does not maintain a personal or commercial relationship with the company or its Executive Board members. Pursuant to recommendation C.7 of the German Corporate Governance Code (DCGK), membership of many years on the Supervisory Board is merely an indicator of a possible lack of independence, and an indicator which also allows for a different assessment by the Supervisory Board. In the view of the Supervisory Board, the mere long-standing membership on the Supervisory Board neither constitutes grounds for a conflict of interest or roles, nor does it impair the manner in which the duties are discharged.

The Supervisory Board believes that it is appropriate and fulfills recommendations C.1/C.6 of the German Corporate Governance Code (DCGK) when the Supervisory Board has at least four members – i.e., more than half of the shareholder representatives – who are independent of the company and its Executive Board (cf. DCGK recommendation C.7) as well as at least three members who are independent of a controlling interest (cf. DCGK recommendation C.9). Overall, in the Supervisory Board's assessment, it is appropriate for the Supervisory Board to have at least three members who are independent of the company and its Executive Board as well as independent of a controlling interest.

In the Supervisory Board's assessment, all members are currently independent from the company and its Executive Board within the meaning of DCGK recommendation C.7. This assessment does not run counter to Kurt Dobitsch's more than twelve-year tenure on the Supervisory Board. Pursuant to DCGK recommendation C.7, many years' membership on the Supervisory Board is merely an indicator of a possible lack of independence, and an indicator which also enables a different assessment by the Supervisory Board. The Supervisory Board considers it inappropriate to make a purely formal consideration assuming automatically that independence would be compromised after more than twelve years on the Supervisory Board. In the view of the Supervisory Board, the mere long-standing membership on the Supervisory Board neither constitutes grounds for a conflict of interest or roles, nor does it impair the manner in which the duties are discharged. In the work of the Supervisory Board over the previous years, there have been no major conflicts of interest or even any conflicts of interest that

were only temporary. There have been and are no indications that Kurt Dobitsch would possibly deal with the Executive Board in a biased or prejudiced manner. The Supervisory Board also firmly believes that membership for more than twelve years does not hinder one's ability to reflect critically on one's own Supervisory Board activities or to work on increasing efficiency.

### **Procedures**

The Supervisory Board serves the Executive Board in an advisory capacity, monitors the Executive Board in its management of the company, and examines all significant transactions by examining the documents concerned in relation to Regulation (EC) No. 2157/2001 of the Council on the Statute for a European Company (SE), the German SE Implementation Act (SEAG), the German Stock Corporation Act (AktG), the company's Articles of Incorporation, and the Executive Board rules of procedure. It also advises and guides the Executive Board on sustainability-related matters and the strategic alignment for sustainability. The Supervisory Board is also provided with information by the Executive Board on the status of the divisions, including the individual brands, and the Group as well as on major developments outside the regular Supervisory Board meetings.

The Supervisory Board provides a catalog of transactions requiring approval as well as a business allocation plan in the rules of procedure for the Executive Board. The Supervisory Board acts based on its own rules of procedure. Moreover, the Supervisory Board reviews the annual financial statements prepared by the Executive Board, the consolidated financial statements, the Group Management Report of Nemetschek SE and of the Group and the non-financial statement, as well as the Remuneration Report that is prepared separately. It determines the annual financial statements and endorses the consolidated financial statements of Nemetschek SE. The Supervisory Board examines the proposal for the appropriation of net income and, together with the Executive Board, submits it to the Annual General Meeting for resolution. The Chairman of the Supervisory Board explains the activities of the Supervisory Board each year in his report at the annual general meeting, which forms part of the annual report. Working together with the Executive Board, the Supervisory Board ensures that there is long-term succession planning. To this end, the Supervisory Board maintains regular communication with the Executive Board. Together, the Executive Board and Supervisory Board evaluate the suitability of potential succession candidates and discuss how to develop suitable internal candidates. In addition, the Supervisory Board examines the size and composition of the Executive Board on a regular basis. To this end, the Chairman of the Supervisory Board discusses with the Executive Board the skills and experience as well as professional and personal competencies in particular should be present on the Executive Board, including with a view to the company's strategic development, and to what extent the composition of the Executive Board already meets these requirements.

### **Committees of the Supervisory Board**

The Supervisory Board set up an Audit Committee with effect from January 1, 2022. Rüdiger Herzog (Chairman), Prof. Georg Nemetschek, and Kurt Dobitsch were members of the Audit Committee in the period from January 1, 2022, to May 12, 2022. Following the 2022 Annual General Meeting on May 12, 2022, new elections were also held for the positions on the Audit Committee as part of the inaugural Supervisory Board meeting. This resulted in Kurt Dobitsch, Patricia Geibel-Conrad, and Dr. Gernot Strube being elected as members of the Audit Committee and in Patricia Geibel-Conrad as its new Chairwoman. In accordance with the recommendation of the DCGK, the Supervisory Board and the Audit Committee are not chaired by the same person. The Chairwoman of the Audit Committee reports regularly to the full Supervisory Board on the meetings of the Committee and its activities.

The members of the Audit Committee are familiar with the industry in which the Nemetschek Group operates. With the membership of Kurt Dobitsch, Patricia Geibel-Conrad and Dr. Gernot Strube, the Supervisory Board and Audit Committee have several members with expertise in accounting, and owing to the membership of Patricia Geibel-Conrad there is at least one further member with expertise in auditing. According to the German Corporate Governance Code (DCGK), the Chairman of the Audit Committee should be an expert in at least one of the two areas of accounting and auditing, and should be independent of the Company and of the Executive Board and the controlling shareholder. The Chairwoman of the Audit Committee, Patricia Geibel-Conrad, meets these requirements.

No other committees were formed apart from the Audit Committee. The Supervisory Board has consisted of six members since the effective date of the amendments to the Articles of Incorporation enlarging the Supervisory Board on May 25, 2022, and is of the opinion that a body of this size ensures the efficient and effective discharge of its duties even without forming further specialized committees.

A Nomination Committee was not established as the Supervisory Board consists solely of shareholder representatives.

### **Self-Assessment**

The Supervisory Board regularly assesses how effectively it discharges its duties. The most recent self-assessment was performed during the 2021 fiscal year. For this purpose, a questionnaire was developed with the involvement of an external expert and distributed to all members. In the questionnaire, the Supervisory Board members were able to provide a judgment of the effectiveness of the procedures and submit suggestions for improvement. General themes included the conducting of Supervisory Board meetings, the main topics to be discussed, the collaboration of Supervisory Board members, the composition of the Supervisory Board, the cooperation with the Executive Board, the composition of the Executive Board, and succession planning for the committees. In addition, the accounting and auditing processes as well as the quality of the information provided to the Supervisory Board were discussed. The findings and suggestions for improvement were discussed during the following Supervisory Board meeting. The findings of the evaluation attest to professional and constructive cooperation within the Supervisory Board and with the Executive Board, marked by a high level of trust and openness. Likewise, the findings attest to efficient meeting organization and execution as well as appropriate provision of information. No need for fundamental change was evident except for the matter of diversity. Individual suggestions are also acted on and implemented in the course of the year. For instance, diversity was considered more strongly when selecting candidates for the reappointment of the Supervisory Board.

A self-assessment was not planned for the 2022 fiscal year and did not take place. The next self-assessment is scheduled for the year 2024.

Please refer to the [<< Report of the Supervisory Board >>](#) for further information on the issues and work of the Supervisory Board in the 2022 fiscal year.

### **Remuneration of the Executive Board and Supervisory Board**

#### **Executive Board**

In keeping with the changes in legislation resulting from the German Act Implementing the Second Shareholder Rights Directive (ARUG II), which went into effect on January 1, 2020, the Supervisory Board further developed the existing Executive Board remuneration system and passed a resolution for it at the meeting held on March 18, 2022. This remuneration system was approved at the Annual General Meeting on May 12, 2022. The 2022 remuneration system implements the requirements of the German Stock Corporation Act (AktG) as amended through the Second Shareholder Rights Directive (ARUG II) and incorporates the recommendations of the German Corporate Governance Code (DCGK) as amended on December 19, 2019, which went into effect on March 20, 2020. The existing Executive Board service contracts are planned to be progressively adapted to the provisions of the new remuneration system. The remuneration system is published on the company's website at [ir.Nemetschek.com/remuneration](http://ir.Nemetschek.com/remuneration). The Supervisory Board will regularly review the remuneration system.

#### **Supervisory Board**

The Supervisory Board's remuneration is governed in article 15, Remuneration of the Supervisory Board, of the company's Articles of Incorporation. A resolution was passed at the Annual General Meeting on May 12, 2022, to amend the Articles of Incorporation in relation to the remuneration of the Supervisory Board's members, see [ir.Nemetschek.com/remuneration](http://ir.Nemetschek.com/remuneration).

Nemetschek SE has prepared a separate Remuneration Report since the 2021 fiscal year. The report describes the principles of the remuneration systems for the Executive Board and for the Supervisory Board and provides individualized details on their remuneration. The report for the 2022 fiscal year is published on the website of the company at [ir.Nemetschek.com/remuneration](https://ir.Nemetschek.com/remuneration).

## Target for Female Representation, AktG sections 76(4), 111(5); and Diversity Concept

### Diversity at Nemetschek

Diversity is part of the corporate culture that is practiced at the Nemetschek Group. The different cultures and distinct individuality of the employees are important drivers for the company's innovation and should therefore be promoted in a targeted manner. A new working group was formed for this purpose in 2020. The working group for DEIB – diversity, equity, inclusion, belonging – developed guiding principles on diversity and inclusion for the company. Further information on diversity and inclusion is provided in the 2022 Group Management Report in subsection [« 2 Nonfinancial Statement »](#).

The objective to achieve diversity, including diversity in the employee mix, committee composition, and appointments to leadership positions, is expressly welcomed.

At present, however, the Supervisory Board has not adopted a diversity concept for the Executive Board, even though it expressly welcomes the efforts of the DCGK to promote diversity and is in favor of a diverse composition of the Executive Board and appointments to management positions. The Supervisory Board placed particular emphasis on diversity in the election proposals for the Supervisory Board and in appointments to the Executive Board in fiscal year 2022. The proportion of women on both boards was increased significantly.

### Targets for Female Representation

According to AktG section 111(5), the Supervisory Board must define targets for the share of positions held by women on the Supervisory Board and Executive Board.

#### Executive Board

### Determination of the Status Quo for Female Representation on the Executive Board

With its resolution on December 17, 2021, the Supervisory Board set a target of 0% for female representation on the Executive Board for the period through to December 31, 2022. The four-person Executive Board was composed solely of men as at December 31, 2022. The percentage of women on the Executive Board was therefore 0% at the end of the fiscal year (previous year: 0%), which corresponds to the defined target. By specifying a target for a period of just one year, the Supervisory Board intended for the new Supervisory Board elected at the 2022 Annual General Meeting to pass a resolution for a suitable target for future female representation on the Executive Board starting in 2023 without having already made a determination for the future.

### Decision Regarding the Target for Female Representation on the Executive Board and Justification

With its resolution on March 9, 2023, the Supervisory Board set a target of 25% for female representation on the Executive Board for the period through to December 31, 2025, corresponding to one person on a four-person board. The Supervisory Board generally supports the objective of achieving diversity in the Executive Board and views the future increase of the percentage of women at all levels of the enterprise as an important part of the personnel and diversity concept of the global Nemetschek Group. For the composition of the Executive Board, however, the experience, expertise, and knowledge of each individual is of critical importance to the Supervisory Board. The Supervisory Board is therefore convinced that a target of 25% female representation on the Executive Board for 2023 to 2025 is realistic, appropriate, and proper.

## Supervisory Board

### **Determination of the Status Quo for Female Representation on the Supervisory Board**

With its resolution on December 17, 2021, the Supervisory Board set a target of 25% for the Supervisory Board for the period through to December 31, 2025. The new six-member Supervisory Board elected at the Annual General Meeting on May 12, 2022, is composed of four male and two female members. The female representation on the Supervisory Board is therefore 33.3% currently (previous year: 0%), exceeding the defined target.

### **Decision Regarding the Target for Female Representation on the Supervisory Board**

Through its resolution on December 17, 2021, the Supervisory Board set a target of 25% for the desired female representation on the Supervisory Board for the period through to December 31, 2025.

## Management Tier Directly beneath Executive Board

In accordance with AktG section 76(4), the Executive Board also sets targets for female representation on levels of management beneath the Executive Board.

The Executive Board amended its definition of the management tier directly beneath the Executive Board in 2021. All employees who report directly to members of the Executive Board have since been deemed to belong to the management tier directly beneath the Executive Board. This management tier comprised 14 individuals at the time of passing the resolution, including four women, making for female representation of 28.6%.

Given the company's structure and its traditionally flat hierarchies at the Nemetschek SE, a target has not been set for female representation at the next level of management under the tier directly beneath the Executive Board.

### **Determination of the Status Quo for Female Representation at the Management Tier Directly beneath the Executive Board**

With its resolution on December 17, 2021, the Executive Board set a target of 28.6% for female representation at the management tier directly beneath the Executive Board for the period through to December 31, 2025. This management tier comprised 16 individuals as at December 31, 2022 (previous year: 14), including 4 women, making for female representation of 25.0% (previous year: 28.6%). The company is growing and the structures in the company are continuously adapting, so the management tier directly beneath the Executive Board has changed accordingly. The goal of achieving female representation in line with the set target remains in place, however fluctuation does occur occasionally.

### **Decision Regarding the Target for Female Representation at the Management Tier Directly beneath the Executive Board**

With its resolution on December 17, 2021, the Executive Board set a target of 28.6% for female representation at the management tier directly beneath the Executive Board for the period through to December 31, 2025.

## Further Information on Corporate Governance

### **Financial Reporting and Audit**

Nemetschek SE prepares its consolidated financial statements and the consolidated interim reports in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union. The annual financial statements of Nemetschek SE (separate financial statements) are prepared in accordance with the provisions of the German Commercial Code (HGB). Due to the invitation to tender held in 2021 in accordance with EU Regulation 537/2014, the supervisory board proposed PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Munich, as auditor to the annual general meeting, which was then also elected by the annual general meeting on May 12, 2022 as auditor / group auditor for the fiscal year 2022. The signing auditors for the separate financial statements of Nemetschek SE and for the consolidated financial statements as of December 31, 2022 are Katharina

Deni as responsible auditor and left signatory and Vera Daners as right signatory. The supervisory board finalized the audit engagement, additionally agreed the auditor's fee, and verified the independence of the auditor. Moreover, it assessed the services rendered by the auditor and worked on the evaluation the audit quality, and reported on this to the Supervisory Board.

## **Shareholders and the Annual General Meeting**

Shareholders can assert their rights and exercise their voting rights at the Annual General Meeting. Each share in Nemetschek SE bears one voting right. At the Annual General Meeting, resolutions are passed on matters such as the appropriation of profits, the official approval and discharge of the members of the Executive Board, the selection of the auditor, and the endorsement of the remuneration report. Resolutions on amendments of the Articles of Incorporation, measures to modify the capital, and other potential actions are decided at the Annual General Meeting and subsequently implemented by the Executive Board. The Annual General Meeting usually takes place within the first five months of a given fiscal year. The meeting is chaired by the Supervisory Board Chairman. The Executive Board presents the consolidated financial statements and annual financial statements as well as more detailed reports, explains the prospects of the company, and, together with the Supervisory Board, answers the shareholders' questions.

The invitation to the Annual General Meeting and the corresponding documents and information are made available on the Nemetschek Group website the day the meeting is called or are made available for viewing on the company's premises in accordance with stock corporation laws. Nemetschek supports its shareholders in the exercising of their voting rights by appointing proxies who vote according to the instructions of the shareholders.

The 2022 Annual General Meeting was held again virtually due to the COVID-19 pandemic. The entire Annual General Meeting, including the questions, answers, and votes, was broadcast via a password-protected online service for registered shareholders and their proxies. Properly registered shareholders and their proxies were able to exercise their rights, submit questions, and raise objections to motions at the Annual General Meeting through the online service.

## **Transparency and Communication**

The Nemetschek Group makes open and trustful communication with the shareholders and other stakeholders a priority and maintains a prompt and reliable dialog with them. All information relevant to capital markets is published in German and English simultaneously and made accessible on the company's website. This information includes annual and interim reports, press releases and ad hoc notifications, information on the Annual General Meeting, and CSR reports (corporate social responsibility; sustainability reports) and company presentations. The financial calendar with the relevant publication and event dates can also be found on it.

## **Directors' Dealings, Voting Rights, and Stock Options**

Nemetschek SE provides information pursuant to Article 19 of Regulation (EU) No. 596/2014 (Market Abuse Regulation) of the European Parliament and of the Council in relation to transactions of the Executive and Supervisory Board members involving the company's shares (directors' dealings). The information is published on the company's website at [ir.nemetschek.com/en/managerstransactions](https://ir.nemetschek.com/en/managerstransactions).

Nemetschek SE also reports on notifiable changes in shareholdings when the voting right thresholds specified in the German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG) have been reached, exceeded, or fallen short of. These reports are published on the company's website at [ir.nemetschek.com/en/votingrights](https://ir.nemetschek.com/en/votingrights).

The Nemetschek Group wishes to involve the Executive Board and other categories of employees in the company's future success over the medium and long term. A stock appreciation rights (SAR) plan was initiated for this purpose and integrated into the current Executive Board remuneration system which was approved at the Annual General Meeting on May 12, 2022. This SAR plan is based on virtual subscription

rights. The development of their value depends on the development of Nemetschek's stock price. There is no entitlement to receiving new shares. The increase in the value of the notional subscription rights is normally paid out in cash, though it can also take the form of treasury stocks. Information about the SAR plan can be found in the current system for Executive Board remuneration on the company's website at [ir.Nemetschek.com/remuneration](https://ir.nemetschek.com/remuneration).

Munich, March 17, 2023

Yves Padrines

Louise Öfverström

Viktor Várkonyi

Jon Elliott