

Corporate Governance Declaration

The Nemetschek Group is a globally active corporation with an international shareholder structure. The executive and supervisory boards place particular importance on responsible and transparent company leadership and control which is aligned with increasing value in the long term. Meaningful and transparent corporate communication, observance of shareholder interests, forward-looking handling of risks and opportunities and efficient and trustful cooperation between the executive board and the supervisory board are major aspects of good corporate governance. The latter is conducive to the Nemetschek Group's gaining the trust of shareholders, business partners, employees and ultimately society as a whole. At the same time, these principles are important orientation standards for the management and control of the Group.

The Corporate Governance Statement as per § 289f and § 315d of the German Commercial Code (HGB) is part of the consolidated management report. In accordance with § 317 Section 2 Sentence 6 HGB, the audit of the information provided as per § 289f and § 315d HGB by the auditor is to be limited to whether the disclosures were made. Within the scope of the Corporate Governance Statement, the executive board and supervisory board also report on the company's corporate governance.

Declaration of Conformity with the German Corporate Governance Code

On December 18, 2020, the executive board and supervisory board submitted the following updated Declaration of Conformity in accordance with §161 of the German Stock Corporation Act (AktG) and made it permanently available to the shareholders on the website of the Nemetschek Group:

„The executive board and supervisory board declare:

The recommendations of the “Government Commission of the German Corporate Governance Code”, version dated February 7, 2017 (“DCGK 2017”), published by the German Federal Ministry of Justice in the official part of the Federal Gazette on April 24, 2017, have been met during the time period since the previous Declaration of Conformity of December 19, 2019 up to the DCGK version dated December 16, 2019 going into effect on March 20, 2020, with the exception of the following Code Items for the reasons specified therein and in the time periods specified.

a) The D & O insurance does not include excess insurance for supervisory board members (Code Item 3.8 Clause 3). Nemetschek SE does not believe that excess insurance would increase the motivation and sense of responsibility of the members of the supervisory board.

b) For the specification of executive board remuneration, the supervisory board made no vertical comparison of remunera-

tion at the level of Nemetschek SE, as recommended by Code Item 4.2.2 Clause 2. As a holding company, Nemetschek SE does not offer any appropriate standards of comparison for either upper management circles or staff as a whole. Nevertheless, the supervisory board – as in the past – used the remunerations of the heads of the most important product organizations as a standard of comparison on which to base its remuneration decisions.

c) The variable short-term incentive plan does stipulate upper limits, which however are not always expressed as a fixed amount but as a percentage of a fixed amount. Ultimately, the executive board employment contracts do not stipulate upper limits in terms of amount for the total remuneration (Code Item 4.2.3 Clause 2). Nemetschek SE is not of the opinion that this is required in the case of the existing remuneration system. If the amount of variable incentive plans is limited, this also applies for the total remuneration to be achieved.

d) Neither an age limit for members of the executive board and the supervisory board nor a defined limit for the duration of the term of office on the supervisory board have been specified explicitly and are not currently planned (Code Items 5.1.2 Clause 2 and 5.4.1 Clause 2). Such an age limit or defined limit for the duration of the term of office on the supervisory board would generally restrict the company in its selection of suitable members of the executive board and the supervisory board. With regard to the composition of the executive board, supervisory board and further management circles, the individual's experience, skills and knowledge are of primary importance to the company (Code Items 4.1.5, 5.1.2 Clause 1 and 5.4.1 Clause 2). In contrast, the supervisory board and, with reference to Code Item 4.1.5, the executive board regard diversity criteria as less important, even if these are expressly welcomed.

e) The Code's recommendation on the creation of qualified committees of the supervisory board is not followed (Code Item 5.3) as the supervisory board only has four members at present. The tasks for which the Code recommends the formation of such committees are all performed by the supervisory board of Nemetschek SE.

The executive board and supervisory board also 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 this version of the DCGK went into effect 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 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 D.1 (making rules of procedure for the supervisory board accessible)

The Supervisory Board of Nemetschek SE sets 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.

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

The supervisory board of Nemetschek SE formed no committees. 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 are all performed by the supervisory board of Nemetschek SE. Since no specialized committees were formed, the recommendations on the independence of the chairs of the audit committee and of the nomination committee (Recommendation C.10) are not relevant for Nemetschek SE.

e) 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.

f) 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 make a decision concerning performance criteria and targets only on the basis of preliminary business figures from the previous financial year. Consequently, a provisional departure from Recommendation G.7 Sentence 1 is declared.

g) 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 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.“

Website of the company

The Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act (AktG) is published on the website ir.nemetschek.com/en/corporate-governance. Declarations of Conformity of previous years are also available on this website.

In addition to the Declaration of Conformity, the website ir.nemetschek.com/en/corporate-governance has made further information on the Corporate Governance Statement and on the corporate governance of the Nemetschek Group publicly accessible.

Relevant information on corporate governance practices that are applied above and beyond the legal requirements, in addition to specification as to where these are accessible to the general public

The Nemetschek Group is to be perceived worldwide as a responsibly acting enterprise with high ethical and legal standards.

The specific culture of the Nemetschek Group is the common basis for action. This culture is reflected in the fair and respectful treatment of coworkers amongst one another and vis-à-vis third parties, and is distinguished by high performance willingness, open communication, integrity and trustworthiness as well as the careful use of natural resources.

These principles are summarized in the “Code of Conduct” of the Nemetschek Group. This Code of Conduct is binding for all employees regardless of role or position in the Group. It is only by maintaining an ongoing focus on these values and integrating them into day-to-day actions that a clear commitment to the company culture is made and the long-term entrepreneurial success of the company is ensured. The Code of Conduct can be accessed on the company website at www.nemetschek.com/en/

[coc.pdf](#). You will find further information on this subject in the nonfinancial declaration in Section 2.

Moreover, details on enterprise controlling and corporate governance are provided in the consolidated management report under [<< 1.3 Corporate Management and Governance >>](#).

Compliance and the management of opportunities and risks

Weighing opportunities and risks continuously and responsibly is one of the principles of responsible company leadership. The objective of opportunity and risk management is to develop a strategy and define targets which generate a balanced equilibrium between growth targets and profit targets on the one hand and the risks inherent to such on the other. Please refer to the consolidated management report [<< 5. Opportunity and risk report >>](#) for details on the opportunity and risk management system of the Nemetschek Group.

Compliance

Alignment of the business activities with all relevant laws and standards as well as with the company-internal principles is a basic prerequisite for successful economic activity in the long term. The success of the Nemetschek Group is therefore based not only on a good corporate policy but also on integrity in terms of business ethics, trust and open and fair dealings with employees, customers, 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 entrenched in the company 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 executives bear special responsibility in this regard. They are role models and as such required to ensure adherence to compliance provisions within their area of responsibility, to clearly communicate this expectation to every employee and to consistently set an example for ethical behavior according to the rules within the context of compliance.

Compliance organization

Compliance activities are closely linked to risk management and the internal control system. The business unit Corporate Legal & Compliance controls compliance activities Group wide. The focus is on creating suitable structures and processes as well as providing support for the efficient implementation of compliance measures. In addition, the business unit Corporate Legal & Compli-

ance is available as a contact partner in the case of individual questions arising from the organization. There is a direct line of reporting to the CFOO of the Nemetschek Group.

Compliance program and communication

The compliance structures and measures for ensuring adherence to laws, guidelines and ethical principles are consistently aligned with the risk situation of the Nemetschek Group and continuously further developed. The point of departure for compliance activities is the Code of Conduct of the Nemetschek Group, which is binding for all employees. Besides the company website, employees can access the Code of Conduct and other company guidelines via the Group-internal intranet platform "Nemetschek ONE". Moreover, the Nemetschek Group uses a modern compliance training tool for efficiently and sustainably imparting this subject Group wide.

Compliance reporting channels, reviews and further development

Reliable reporting channels and the protection of internal information providers against sanctions are major elements in identifying compliance risks.

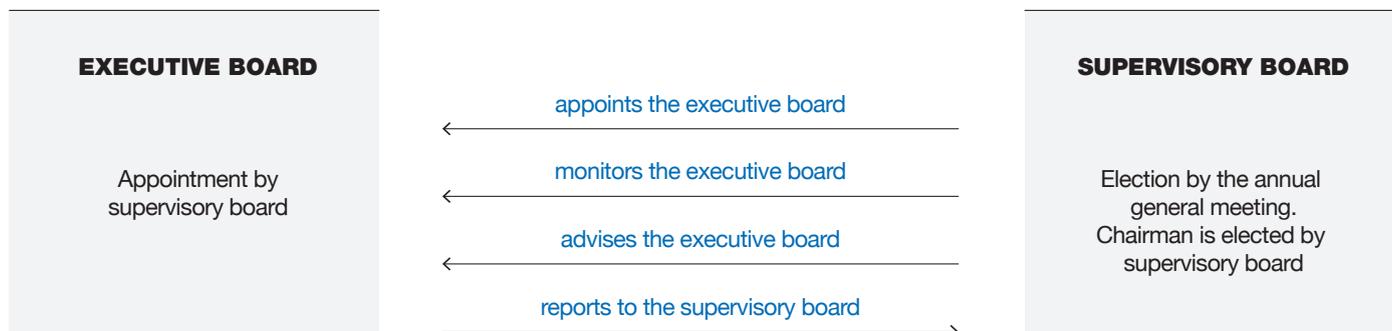
In addition to directly contacting their supervisor, Nemetschek Group employees can provide information on possible violations of laws or guidelines directly to the Compliance business unit using a specially created separate e-mail account. Furthermore, employees can also report compliance violations to a commissioned international law firm without disclosing their identity. All reported information and violations will be promptly investigated and evaluated; appropriate measures and sanctions will be undertaken as required.

Adherence to internal guidelines and applicable provisions is subject to regular internal audits by the business unit Corporate Audit. The executive and supervisory boards are regularly informed about compliance-relevant matters and the extension of compliance structures as well as planned compliance-related action.

Description of executive board and supervisory board procedures

Even after conversion of the form of business from a German "Aktiengesellschaft" (AG) to a Societas Europaea (SE) in 2016, Nemetschek SE retained the dual management and monitoring structure with the two bodies of executive board and supervisory board.

DUAL MANAGEMENT SYSTEM OF NEMETSCHKE SE



Executive board

Composition

The executive board, which was appointed by the supervisory board, consisted of three members, as was the case in the previous year. The executive board structure with a stronger focus on the segments, established at the beginning of the 2019 financial year, proved its merits and was retained without changes. Thus, consideration is given to the strategic alignment of the Nemetschek Group, which involves even greater consolidation of the competencies of the brand companies in the four customer-oriented segments: Design, Build, Manage and Media & Entertainment.

In the 2020 financial year, the executive board was composed of the following three members:

- » Viktor Várkonyi, Chief Division Officer, Planning & Design Division.
- » Jon Elliott, Chief Division Officer, Build & Construct Division and CEO of the Bluebeam brand.
- » Dr. Axel Kaufmann, Spokesman of the Executive Board and Chief Financial & Operations Officer (CFOO). Further, he is responsible for the Media & Entertainment Division.

As of January 1, 2020, Dr. Axel Kaufmann was appointed Spokesman of the Executive Board and CFOO of Nemetschek SE by the supervisory board.

For Nemetschek SE, the appointment of executive board members, like the filling of executive positions, is invariably subject to the relevant criteria of quality and suitability, and is done independent of gender. According to the principle of qualification-based neutrality, Nemetschek SE is assured to best serve the interests of the company.

Details on further mandates performed by the members of the executive board are provided in the notes to the consolidated financial statements. Information on the remuneration of the executive board members is reported in the consolidated management report under [« 7.3 Remuneration Report »](#).

Procedures

The supervisory board issued rules of procedure for the executive board which govern cooperation within the executive board as well as cooperation between the executive board and the supervisory board. In compliance with corporate interests, the executive board performs its leadership role with the objective of sustainably increasing corporate value. The executive board bears overall responsibility for the management of the Nemetschek Group. In addition, every member of the executive board is solely responsible for the tasks assigned to him according to the business allocation plan. The executive board collaboratively resolves all matters which 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 and for the preparation of the annual financial statements and consolidated financial statements as well as the consolidated management report of Nemetschek SE and of the Group.

The executive board reports to the supervisory board regularly, quickly and comprehensively in written and verbal form about all relevant topics relating to business development, company planning, strategic alignment, the opportunity and risk situation, risk management and compliance. The supervisory board is promptly involved and, provided by the executive board, with complete information concerning all decisions which may materially affect the net asset situation, financial situation and earnings situation of the company. In the case of acquisition projects, the executive board provides detailed information about project progress and project status at an early stage and coordinates the acquisition and integration processes in close collaboration with the supervisory board.

Supervisory board

Composition

In the 2020 financial year, the composition of the supervisory board in terms of personnel remained unchanged vis-à-vis the previous year.

The supervisory board consisted of the following four members:

- » Kurt Dobitsch, Chairman of the supervisory board
- » Prof. Georg Nemetschek, Deputy Chairman
- » Rüdiger Herzog, member of the supervisory board
- » Bill Krouch, member of the supervisory board

The members of the supervisory board are elected by the annual general meeting.

Details on further mandates performed by the members of the supervisory board are provided in the notes to the consolidated financial statements. Information on the remuneration of the supervisory board members is reported in the consolidated management report under [« 7.3 Remuneration Report »](#).

Procedures

The supervisory board serves the executive board in an advisory capacity, monitors the executive board in its management of the company and verifies all significant business transactions for the executive board by examining the documents in question in terms of the Regulation (EC) No. 2157/2001 of the Council on the statute of the European Company (SE-VO), the German SE Implementation Act (SEAG), the German Stock Corporation Act (AktG), the company's Articles of Incorporation and Articles of Association. The supervisory board is also provided with information on the position of segments including the individual brands and the Group as well as on major developments by the executive board outside of the regular supervisory board meetings. In this way, it can accompany operative business with advice and recommendations made on an appropriate base of information.

The supervisory board defines a catalog of business which requires approval as well as a business allocation plan in the Articles of Association for the executive board. The supervisory board acts on the basis of its own rules of procedure. Moreover, the supervisory board approves the annual financial statements, the consolidated financial statements and the consolidated management report of Nemetschek SE and of the Group. The chairman of the supervisory board presents the activities of the supervisory board every year in his report to the annual general meeting as part of the annual report.

Together with the executive board, the supervisory board ensures that there is long-term succession planning. For this purpose, the supervisory board is in regular communication with the executive board. Together, the executive board and supervisory board evaluate the suitability of potential succession candidates and discuss how suitable internal candidates may be further developed. In addition, on an ongoing basis, the supervisory board examines whether the best possible composition of the executive board is maintained. For this purpose, the chairman of the supervisory board discusses with the executive board what skills and experience as well as what professional and personal areas of expertise, in particular, should be represented on the executive board

with a view to the company's strategic development, taking into consideration the extent to which the composition of the executive board already satisfies these requirements.

In accordance with the recommendations of the German Corporate Governance Code, the supervisory board has specified actual objectives for its composition and has resolved a competence profile for the committee of the Nemetschek SE supervisory board as a whole. Accordingly, every member of the supervisory board must meet the prerequisites required by law and the prerequisites as per the Articles of Association for membership in the supervisory board (cf § 100 (1 to 4) of the German Stock Corporation Act – AktG). Every member of the supervisory board must possess the knowledge and skills necessary for due performance of the tasks required of the member by law and by the Articles of Association. The members of the supervisory board as a whole must be familiar with the sector in which the company is active (cf § 100 (5) AktG). Every member of the supervisory board must have sufficient time available and the willingness to dedicate the necessary time and attention to this office. In addition to these general prerequisites, the board as a whole is to meet the following prerequisites in particular:

- » Every member is to have a general understanding of the business of the Nemetschek Group, especially of the worldwide AEC market environment, the individual business segments, the customer requirements, the regions in which the company conducts business, and the strategic alignment of the enterprise.
- » At least one member is to have expertise in the areas of accounting or auditing.
- » At least two members are to meet the criterion of internationality to a high degree or have acquired operational experience in internationally active enterprises.
- » One or more members are to have expertise in the area of business administration.
- » On the board as a whole, one or more members are to have experience in the area of governance, compliance and risk management.
- » All members are to have operational experience in human resources management.

At present, the company's supervisory board considers that the specified targets for the composition of the supervisory board are met.

According to the supervisory board, in keeping with Recommendations C.1/C.6 of the German Corporate Governance Code, it is appropriate for the supervisory board to have at least three members – i.e. more than half of the shareholder representatives – who are independent from the company and its executive board (cf. Recommendation C.7 of the German Corporate Governance Code (DCGK)) as well as at least two members who are indepen-

dent from a controlling shareholder (cf. Recommendation C.9 of the German Corporate Governance Code (DCGK)). Overall, according to the supervisory board, it is appropriate for the supervisory board to have at least two members who are independent from the company and from its executive board as well as from any controlling shareholder.

According to the supervisory board, at the present time, all of its members are independent from the company and its executive board within the context of Recommendation C.7 of the German Corporate Governance Code (DCGK). This estimation does not conflict with the fact that Mr. Dobitsch, Prof. Nemetschek and Mr. Herzog have been members of the supervisory board for more than twelve years. Pursuant to Recommendation C.7 of the German Corporate Governance Code (DCGK), many years of membership on the supervisory board merely is an indicator of a possible lack of independence; an indicator which also allows for a different estimation by the supervisory board. A purely formal consideration, which would automatically assume a lack of independence after more than twelve years on the supervisory board, is deemed inappropriate by the supervisory board. It is the view of the supervisory board that the mere fact of long-standing membership on the supervisory board neither constitutes grounds for a conflict of interest or conflict of role, nor does it impair the manner in which the office is discharged. In the work of the supervisory board over the previous years, there have been no major conflicts of interest, or any conflicts of interest which were not just temporary. No indications are or have been given that Mr. Dobitsch, Prof. Nemetschek or Mr. Herzog would possibly confront the executive board in a biased or prejudiced manner. The supervisory board is also of the absolute conviction that the fact of serving for more than twelve years does not hinder one's ability to critically reflect on one's own supervisory board activities or to work towards increasing efficiency.

Moreover, Mr. Dobitsch and Mr. Krouch are also independent from a controlling shareholder within the context of Recommendation C.9 of the German Corporate Governance Code (DCGK).

The supervisory board regularly assesses how effectively it discharges its duties. General subject areas include the conducting of supervisory board meetings, collaboration of supervisory board members, working together with the executive board as well as the quality of the provision of information to the supervisory board. In the 2020 financial year, no self-assessment of the supervisory board was made. This is, however, planned for the year 2021.

Please refer to the [«< Supervisory board report >>](#) for further information on the subject areas and work of the supervisory board in the 2020 financial year.

Details on further mandates performed by supervisory board members are provided in the notes to the consolidated financial statements.

Remuneration of executive board and supervisory board

In accordance with the recommendations of the German Corporate Governance Code, Nemetschek SE has been reporting the remuneration of each member of the executive board and supervisory board for some time now. The remuneration of the members of the executive board consists of fixed compensation and the usual additional components such as health and long-term care insurance as well as a company car, and a variable, performance-based compensation. The variable compensation has a current and noncurrent component. The current, performance-based (variable) compensation mainly depends on corporate targets achieved (revenue, EBITA and earnings per share) which are agreed between the supervisory board and executive board at the beginning of each financial year. With a view to corporate management in the long term and in accordance with applicable provisions, the executive board remuneration system also contains a long-term variable component, also referred to as the Long-Term Incentive Plan (LTIP). The amount and payment of this depends on the achievement of specified targets for revenue, operating result and earnings per share as well as previously defined strategic project targets. The period which is relevant for this is always three financial years.

In accordance with the recommendations of the German Corporate Governance Code, the members of the supervisory board receive fixed remuneration. The remuneration report is part of the certified consolidated management report. It contains detailed descriptions of the principles of the remuneration systems for the executive board and for the supervisory board as well as individual declaration of the remuneration.

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 resolved this at its meeting held on December 18, 2020. For the most part, the further developed system also corresponds to the recommendations of the German Corporate Governance Code (DCGK) in the version of December 16, 2019. The further developed executive board remuneration system is to be presented to the regular annual general meeting in May 2021 for approval.

Target percentage for female representation, §§ 76 Para. 4, 111 Para. 5 of the German Stock Corporation Act (AktG) and diversity concept

According to § 111 Para. 5 of the German Stock Corporation Act (AktG), the supervisory board must define target values for the percentage of positions held by women on the supervisory board and executive board. Pursuant to § 76 Para. 4 of the German Stock Corporation Act (AktG), the executive board is to stipulate a target percentage for female representation in the two management levels below the executive board.

With the resolution of March 20, 2019, for the period ending December 31, 2021, the supervisory board defined a target value of at least 0% for the supervisory board and executive board since, with regard to the composition of the supervisory board and executive board, the individual's experience, skills and knowledge are of primary importance to the company.

Regardless of this, in the event of positions vacant on the supervisory board or executive board, the supervisory board will of course consider women as potential candidates as well.

At Nemetschek, there is only one management level below the executive board, which means that the obligation of the executive board to stipulate a target percentage pursuant to § 76 Para. 4 of the German Stock Corporation Act (AktG) is limited to this management level. With the resolution of March 20, 2019, the executive board defined a target value of at least 25% for the management level below the executive board for the period ending December 31, 2021.

The executive board and supervisory board of Nemetschek SE do not pursue a diversity concept. In the Declaration of Conformity, it is stated that the objective of the Code to ensure diversity, which includes diverse committee composition as well as appointments to executive positions, is expressly welcomed. 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 experience, skills and knowledge. The criterion of diversity will be regarded as being of lesser importance.

Further information on corporate governance

Financial reporting and year-end audit

Nemetschek SE prepares its consolidated financial statements as well as the consolidated interim reports as per the International Financial Reporting Standards (IFRS). The annual financial statements of Nemetschek SE (individual financial statements) are pre-

pared in accordance with the provisions of the German Commercial Code (HGB). The consolidated financial statements are prepared by the executive board, examined by the auditor and approved by the supervisory board. The annual general meeting selected auditing firm Ernst & Young GmbH, Munich, as auditors and Group auditors for the 2020 financial year. The supervisory board commissioned the audit, additionally set the remuneration for the audit, and verified the independence of the auditor. Furthermore, it assessed the services rendered by the auditor and resolved on evaluating the quality of the year-end audit.

Shareholders and the annual general meeting

Shareholders can assert their rights and exercise their voting rights at the annual general meeting. One vote is granted for each Nemetschek SE share. The chairman of the supervisory board chairs the meeting. The executive board presents the consolidated financial statements and annual financial statements, 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 in accordance with stock corporation laws or are made available for viewing in the offices of the company. Nemetschek supports its shareholders in the assertion of their voting rights by appointing voting representatives, who vote according to the instructions of the shareholders.

Munich, March 15, 2021

Dr. Axel Kaufmann

Viktor Várkonyi

Jon Elliott

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 capital market-relevant information is published simultaneously in German and English and made accessible on the company's website. This includes annual and quarterly reports, press releases, ad hoc notifications, information on the annual general meeting and company presentations. The financial calendar with the relevant publication and event dates can also be found there.

Directors' dealings, voting rights and stock option scheme

Nemetschek SE provides information on the trading of company shares by executive board and supervisory board members (directors' dealings) as per Art. 19 of the Market Abuse Regulation (MAR) as well as on reported changes in the shareholdings if the voting thresholds defined in the German Securities Trading Act (WpHG) are reached, surpassed or fallen below. Information on the shares held by the executive board and supervisory board is included in the notes. Nemetschek SE does not have a stock option scheme at the present time.