


Corporate governance statement

The Executive Board and Supervisory Board issue the corporate governance statement for both thyssenkrupp AG and the Group in accordance with §§ 315d, 289f HGB (German GAAP).

Declaration of conformity with the German Corporate Governance Code

In accordance with § 161 (1) AktG (Stock Corporation Act) the Executive Board and Supervisory Board of thyssenkrupp AG issued the following declaration, which was published on the Company's website at www.thyssenkrupp.com on October 1, 2018:

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**Declaration by the Executive Board and Supervisory Board
of thyssenkrupp AG
on the recommendations of the
"Government Commission on the German Corporate Governance Code"
in accordance with Art. 161 of the Stock Corporation Act (AktG)**

1. thyssenkrupp AG complies with all recommendations of the German Corporate Governance Code as amended on February 7, 2017 and published by the Federal Ministry of Justice in the official section of the Federal Gazette ("Bundesanzeiger") on April 24, 2017, and will continue to comply with these recommendations in the future with the following exception:

The recommendation in Section 5.3.2 (3) sentence 3 of the Code, pursuant to which the chairperson of the Supervisory Board shall not chair the audit committee, is not complied with. The Supervisory Board of thyssenkrupp AG elected on September 30, 2018 Prof. Dr. Bernhard Pellens as chairman of the Supervisory Board. Against the background that the term of office of the Supervisory Board members appointed by the Annual General Meeting, also of Prof. Dr. Bernhard Pellens, already ends at the beginning of 2020 at the close of the Annual General Meeting, which resolves on the ratification of the acts of the Supervisory Board in the 2018/2019 fiscal year, Prof. Dr. Bernhard Pellens will not resign from his office as chairman of the audit committee but will, for continuity reasons, continue to exercise this office for the time being.

2. Furthermore, since issuing its last declaration of conformity on July 13, 2018 thyssenkrupp AG has complied with all recommendations of the German Corporate Governance Code as amended on February 7, 2017 and published by the Federal Ministry of Justice in the official section of the Federal Gazette on April 24, 2017 with the exception of the deviation stated under 1. above regarding Section 5.3.2 (3) sentence 3 of the Code.

Duisburg/Essen, September 30, 2018

For the Supervisory Board

- Pellens -

For the Management Board

- Kerkhoff -

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Chairman of the Supervisory Board: Prof. Dr. Bernhard Pellens; Executive Board: Guido Kerkhoff, Chairman; Oliver Burkhard, Dr. Donatus Kaufmann
Registered office: Duisburg und Essen, Commercial register: Duisburg HR B 9052, Essen HR B 15364

Owing to the resignation of Executive Board Chairman Dr. Heinrich Hiesinger on July 6, 2018, the recommendation in Section 4.2.1 (1) sentence 1 of the Code that the Company shall have a chair or spokesperson was not complied with until Mr. Guido Kerkhoff was appointed as Chairman of the Executive Board on July 13, 2018. Accordingly, in July 2018 the Executive Board and Supervisory Board issued two declarations of conformity. Following the election of the Chairman of the Audit

Committee, Prof. Dr. Bernhard Pellens, as Chairman of the Supervisory Board, the Executive Board and Supervisory Board stated in the declaration of conformity of September 30, 2018 that Section 5.3.2 (3) sentence 3 of the Code was not complied with. The declarations of conformity issued over the past five years are permanently accessible on the Company's website.

Our listed subsidiary Eisen- und Hüttenwerke AG also complies with the Code, taking into account the particularities of its membership of the Group. Individual deviations are presented and explained in the Company's declaration of conformity published on October 1, 2018.

Information on corporate governance practices

thyssenkrupp AG voluntarily follows all the Code's suggestions. We report on relevant corporate governance practices going beyond the statutory requirements in the corporate governance report.

How the Executive Board and Supervisory Board operate

The Executive Board and Supervisory Board work together closely in the interest of the Company. The Supervisory Board has issued Rules of Procedure for itself, its committees and the Executive Board which among other things govern the provision of information by the Executive Board to the Supervisory Board. In the periods between meetings the Executive Board Chairman and Supervisory Board Chairman maintain regular contact and discuss questions relating to strategy, planning, business performance, risk management and compliance at the Company. The Executive Board reports at the Supervisory Board meetings, which as a rule take place four times a year, and the committee meetings. The Rules of Procedure for the Executive Board and Supervisory Board are available at www.thyssenkrupp.com.


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Description of the composition and method of operation of the Supervisory Board committees

The Supervisory Board has formed a total of six committees. With the exception of the Nomination Committee, these are composed of equal numbers of shareholder and employee representatives. The Mediation Committee pursuant to § 27 (3) Codetermination Act (MitbestG) must be composed of the Supervisory Board Chairman and his deputy as well as one member elected by the shareholders and one by the employees. The Executive Committee (Praesidium) and Personnel Committee are composed of the same four members. The Audit Committee has six members, the Strategy, Finance and Investment Committee eight, of whom half in each case are shareholder representatives proposed by the Nomination Committee and half employee representatives proposed by the employee representatives. Under the recommendations of the German Corporate Governance Code, the Supervisory Board Chairman should not chair the Audit Committee. For this reason following the election of the Chairman of the Audit Committee as Chairman of the Supervisory Board, the Executive Board and Supervisory Board declared on September 30, 2018 that Section 5.3.2 (3) sentence 3 of the Code was not complied with. The Nomination Committee is composed of up to five shareholder representatives

elected exclusively by the shareholder representatives on the Supervisory Board. Details of the composition of the committees and their responsibilities are provided in the Rules of Procedure for the committees issued by the Supervisory Board. These and the current members can be found at www.thyssenkrupp.com.

The chairmen of the committees report regularly on the meetings and work of the committees at the Supervisory Board meetings. The primary task of the committees is to prepare topics for discussion and decision in the full meetings of the Supervisory Board, except where the Supervisory Board has delegated decision-making powers to the committees. Preparatory and decision-making responsibilities are set out in the Rules of Procedure for the committees. Details on the tasks and method of operation of the committees in the fiscal year are provided in the Report by the Supervisory Board.

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Committees

Female representation targets

thyssenkrupp has been pursuing a Groupwide strategy to promote diversity since 2013. Among other things we aim to achieve a 15% proportion of women in all the Group's leadership positions globally by 2020. We report on this strategy and progress made in the "Employees" section of the annual report of thyssenkrupp AG.

For the Supervisory Board of thyssenkrupp AG, the law stipulates that the board must be composed of at least 30% women and at least 30% men. The minimum quota of 30% female representation required by law and set by the Supervisory Board was achieved overall in the course of the 2017/18 fiscal year. The minimum requirement for the employee representatives was already met when the law to promote participation by women entered into force in 2015. Following the appointment of Prof. Dr. Dr. hc Ursula Gather as designated member of the Supervisory Board of thyssenkrupp AG in January 2018, the shareholder representatives also meet the statutory minimum quota of 30%.

In May 2017 the Supervisory Board set a target of 20% women on the Executive Board, to be implemented by June 30, 2022.

In April 2017 the Executive Board of thyssenkrupp AG raised the female representation target for the first management level below the Executive Board from 8% to 11% and for the second from 23% to 25%, to be implemented by June 30, 2022. At the same time the Executive Board of thyssenkrupp AG continues to pursue the aforementioned Group wide strategy targeting a global 15% proportion of women in all leadership positions by 2020.

Furthermore 24 companies of the thyssenkrupp Group subject to codetermination law again adopted targets for the proportion of women on supervisory boards, management boards, and two management levels below for the period after June 30, 2017. The implementation deadlines in each case expire on June 30, 2022. In the first implementation period ended June 30, 2017 the share of women on supervisory boards was increased from 13% to 20%. There is no supervisory board without a female member. The number of Group companies without women on the management board was also reduced.

Description of the diversity model for the composition of the Executive Board and Supervisory Board of thyssenkrupp AG

As a listed company, thyssenkrupp AG meets the diversity requirements in particular under the Stock Corporation Act (AktG), the German Corporate Governance Code, and the applicable accounting standards. These contain different requirements for the composition of the Executive Board and Supervisory Board. In addition thyssenkrupp has set itself its own targets. These requirements and targets are the basis of the diversity model adopted by the Supervisory Board in November 2017 for the composition of the Executive Board and Supervisory Board of thyssenkrupp AG. With regard to the proportion of women and the target set, please refer to the preceding section.

Executive Board

The diversity model is aimed at securing sufficient diversity of opinion and knowledge on the Executive Board. The assessment, selection and appointment of candidates is based on the rules and generally accepted principles of non-discrimination. In selecting candidates for the Executive Board, the Supervisory Board also considers further diversity criteria: the candidate's personality, expertise and experience, internationality, training and professional background as well as age and gender.

The value and weighting given to the diversity criteria depends on the Executive Board position and duties to be performed in each individual case. In the reporting year, the Supervisory Board Personnel Committee took the above criteria into account in the structured process to find a successor for Dr. Hiesinger and appointed Guido Kerkhoff as Chairman of the Executive Board.

Supervisory Board

The diversity model for the Supervisory Board aims to ensure that the members of the Supervisory Board have the knowledge, skills and professional experience needed to perform their tasks properly.

In setting the target for the proportion of women on the Supervisory Board, thyssenkrupp AG follows the statutory requirements, which state that the Supervisory Board must be composed of at least 30% women and at least 30% men. In addition the diversity model contains two key elements: the targets of the Supervisory Board for its own composition and the competency profile for the Supervisory Board as a whole.

The concrete targets are:

- Supervisory Board to have sufficient members with international experience, in particular in the expansion markets, and Supervisory Board members as a whole to be familiar with the sectors in which thyssenkrupp operates;
- Consideration of special knowledge and experience in the application of accounting principles and internal control processes, expertise in the areas of accounting and auditing, also consideration of technical expertise, and knowledge of financing strategies and financial instruments;
- Experience in corporate management and the development and formulation of corporate strategies;
- Avoidance of significant and non-temporary conflicts of interest (existing conflicts of interest or conflicts of interest to be expected in the future) and appropriate handling of other conflicts of interest;
- Supervisory Board members to serve no more than a maximum three periods of office, and an age limit of 75 (i.e. Supervisory Board members to stand down from the Supervisory Board at the end of the Annual General Meeting after they reach 75);
- Increase in the proportion of women to at least 30%;

- At least fifteen independent Supervisory Board members.

The competency profile adopted by the Supervisory Board for the board as a whole specifies the areas of competency the Supervisory Board considers important for its work. These are areas such as general management and globalization, management of companies subject to codetermination law, IT and digitization, personnel management and development, and further competencies already included in the targets for the composition of the board.

The diversity model is implemented through the election of Supervisory Board members. The election recommendations made to the Annual General Meeting must meet the statutory requirements for the representation of women and men on the Supervisory Board while taking into account the targets set by the Supervisory Board itself and aiming to fulfill the competency profile for the board as a whole. This also applies to the appointment of successor candidates to the Supervisory Board. The diversity model is taken into account by the Nomination Committee in its search for candidates for the two vacancies on the shareholder representative side of the Supervisory Board.

In the assessment of the Supervisory Board the appropriate number of independent members on the shareholder representative side is at least five. The Supervisory Board has defined specific criteria for evaluating independence, in particular those specified in the German Corporate Governance Code. On this basis, in addition to the employee representatives, the following members representing shareholders are independent: Prof. Dr. Dr. h.c. Ursula Gather, Dr. Ingrid Hengster, Prof. Dr. Hans-Peter Keitel, Prof. Dr. Bernhard Pellens, Carola Gräfin v. Schmettow, Carsten Spohr, Dr. Lothar Steinebach and Jens Tischendorf as well as Dr. Ralf Nentwig, Prof. Dr. Ulrich Lehner and René Obermann who have in the meantime stood down. As an independent member of the Supervisory Board with expertise in the areas of accounting and auditing in the meaning of § 100 (5) AktG, Prof. Dr. Bernhard Pellens is Chairman of the Audit Committee.

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