Compensation report

The following compensation report explains the compensation system for the Executive Board and Supervisory Board in the 2019 / 2020 reporting year. In addition the compensation received by the members of the Executive Board and Supervisory Board of thyssenkrupp AG for the fiscal year 2019 / 2020 is disclosed individually.

Fundamentals of the Executive Board compensation system

The current compensation system for the members of the Executive Board of thyssenkrupp AG has been in place since fiscal year 2014 / 2015. It was resolved by the Supervisory Board following preparation by the Personnel Committee and was approved by the Annual General Meeting on January 30, 2015 with a majority of 98.79% of the capital represented. While the current Executive Board compensation system complies with all recommendations of the German Corporate Governance Code (GCGC) as amended on February 7, 2017, it is planned to submit a new Executive Board compensation system to the Annual General Meeting for approval on February 5, 2021 which meets the requirements of the Act Implementing the Second Shareholders' Rights Directive (ARUG II) and is in line with the recommendations of the GCGC as amended on December 16, 2019.

On the basis of the compensation system, the Supervisory Board determines the concrete target total compensation for each Executive Board member following preparation by the Personnel Committee. The Supervisory Board ensures the compensation is appropriate to the duties and performance of the Executive Board member and the situation of the company, and overall that the compensation does not fall above or below the prevailing range. The Supervisory Board assesses the appropriateness of the compensation by benchmarking against other DAX and MDAX companies and – within the company – by ensuring a suitable ratio between Executive Board compensation and the compensation of the top management team and workforce as a whole, also over the course of time.

The Personnel Committee regularly reviews the appropriateness and commensurateness of the compensation – both as a whole and in terms of the individual compensation components – and proposes adjustments to the Supervisory Board where required. The Personnel Committee is advised in this by an independent external compensation expert.

The compensation system for the Executive Board is geared to sustainable long-term company development

The aim of the compensation system is to support the implementation of the business strategy and thereby contribute to the sustainable and long-term development of thyssenkrupp. To achieve this aim, the variable compensation components are mainly based on performance over several years, so the share of variable compensation resulting from the achievement of long-term targets exceeds the share resulting from short-term targets. As long-term variable compensation also recognizes the performance of the stock price, overall variable compensation is largely stock-based; this aligns the objectives of management with the direct interests of shareholders.

Overview of compensation components

COMPENSATION COMPONENT

	Assessment basis/parameters
Performance-independent compensation	
Fixed compensation	Chairwoman of the Executive Board: €1,340,000 Member of the Executive Board: €700,000
Fringe benefits	Company car, security services, insurance premiums and health checks as standard; further transitional benefits for newly appointed members may be granted by explicit resolution of the Supervisory Board
Pension plans	
Lump-sum payment (New entitlements from October 1, 2019: Martina Merz, Dr. Klaus Keysberg)	Payment of a fixed amount that may be used for personal provision: – For the Chairwoman of the Executive Board: €536,000 p.a. – For the members of the Executive Board: €280,000 p.a.
Annuity and pension capital entitlements (entitlements from the period before October 1, 2019: Oliver Burkhard, Dr. Klaus Keysberg, Johannes Dietsch)	Pension benefits to be paid in the form of an annuity or as a lump sum: – For Oliver Burkhard: Accumulation of pension entitlement through annual contributions of €280,000; pension benefits in the form of a lifelong annuity capped at €350,000 p.a. – For Dr. Klaus Keysberg: Continuation of the annuity entitlement in accordance with the rules of the “pension scheme C of the Essener Verband pension association” from previous duties in the thyssenkrupp group – For Johannes Dietsch: Accumulation of pension capital through payment of contributions in the amount of €280,000 p.a.; the pension will be paid out in the form of a lump sum
Performance-related compensation	
Annual bonus (Short-Term Incentive; STI)	Target bonus for 100% target achievement: – For the Chairwoman of the Executive Board: €1,250,000 – For the members of the Executive Board: €680,000 Basis for target achievement: – Company’s financial performance targets: EBIT, ROCE and FCF before M & A – Targets derived from corporate planning and set annually by the Supervisory Board Bonus-malus factor in a range of +/- 20%: – Sustainability multiplier: Indirect Financial Targets in the areas people, innovations, environment and procurement – Discretionary factor: assessment of overall performance of Executive Board Cap: 200% of target bonus
Possibility of special payment	For exceptional achievements and successes at the discretion of the Supervisory Board and within the applicable overall cap
Long-Term Incentive (LTI)	Award of virtual shares in the company with three-year tkVA performance period: – Initial value for the Executive Board Chairwoman: €2,000,000 – Initial value for the members of the Executive Board: €1,050,000 The number of virtual shares provisionally granted at the beginning of each installment is obtained by dividing the initial value by the average thyssenkrupp share price during the 1st quarter of the fiscal year in which the tkVA performance period begins. The final number of virtual shares after the end of the performance period depends on the average tkVA achieved over the performance period. The average thyssenkrupp share price during the 1st quarter of the fiscal year after the end of the three-year tkVA performance period determines the final value of the payout. Cap: 250% of the target value
Other compensation rules	
Share ownership guidelines	Obligation to purchase within the appointment period thyssenkrupp shares for the amount of one year’s fixed compensation (Executive Board Chairwoman) or a half year’s fixed compensation (ordinary members of the Executive Board) and to hold the purchased shares until termination of appointment; minimum annual investment
Overall cap	Upper limit of €9,000,000 for the Executive Board Chairwoman and €4,500,000 for each of the other members of the Executive Board in relation to overall compensation including all fringe benefits and pension service cost per fiscal year
Severance cap	Severance payments limited to a maximum of two years’ compensation, compensation over remaining contract term may not be exceeded – GCGC-compliant
Severance in case of change of control (Oliver Burkhard, Dr. Klaus Keysberg, Johannes Dietsch)	Severance payments in the case of a change of control may not exceed 100% of the severance payment cap
Clawback rule	Supervisory Board right to reduce compensation in case of deterioration in company’s situation pursuant to § 87 (2) AktG

Structure and components of the Executive Board compensation system

The compensation of Executive Board members is made up of performance-independent and performance-related elements. The former comprise fixed compensation, fringe benefits and retirement benefits. The performance-related compensation includes the bonus (short-term incentive plan – STI) and the long-term incentive plan (LTI). The individual components are explained below.

The target direct compensation (fixed compensation + bonus + LTI) of the Executive Board mainly comprises variable, performance-related compensation elements. The fixed compensation makes up around 30% of the target direct compensation, the bonus around 28%, and LTI around 42%. The ratio of long-term (LTI) to short-term (bonus) variable compensation is around 60 : 40. Executive Board compensation therefore complies with the GCGC recommendations that variable compensation should be largely stock-based and the share of variable compensation resulting from the achievement of long-term targets should exceed the share resulting from short-term targets.

Performance-independent compensation

Fixed compensation

The fixed compensation is paid to the Executive Board members monthly as a salary. Since the last review at October 1, 2014 it has been €700,000 per year for an ordinary Executive Board member and €1,340,000 per year for the Executive Board chairwoman.

Against the background of the consequences of the coronavirus pandemic and resultant short-time work in the workforce, the members of the Executive Board of thyssenkrupp AG voluntarily agreed to waive 10% of their gross monthly salary for each of the three months from May to July 2020. Half of this amount remained in the company and the other half was donated to local aid projects in the context of the coronavirus pandemic to demonstrate solidarity with thyssenkrupp's neighbors.

The Executive Board voluntarily waived 10% of its gross monthly salary for three months during the coronavirus pandemic

Fringe benefits

In addition to the fixed compensation the Executive Board members receive fringe benefits, regularly comprising a company car and driver, security services, insurance premiums and health checks. These fringe benefits apply in principle to all Executive Board members; the amount varies according to personal situation. In addition newly appointed Executive Board members may be granted further transitional benefits for a limited period by explicit resolution of the Supervisory Board. In this connection Martina Merz was granted a temporary housing and mobility allowance up to June 30, 2020 as she assumed the role of Executive Board Chairwoman at short notice.

Retirement benefits

All Executive Board members appointed since October 1, 2019 (Martina Merz, Dr. Klaus Keysberg) receive a fixed annual amount per year that may be used for personal provision in place of a company pension entitlement. This annual amount is €280,000 for an ordinary Executive Board member and €536,000 for the Executive Board Chairwoman. It has also been agreed with Dr. Klaus Keysberg that the pension entitlement acquired in the course of his previous duties in the thyssenkrupp group will continue unchanged in accordance with the rules of the "pension scheme C of the Essener Verband pension association" (hereinafter pension scheme C entitlement).

All Executive Board members appointed before October 1, 2019 are entitled to benefits from a company pension scheme which will be paid out once they have either reached retirement age or become permanently incapacitated for work. This also applies to the aforementioned pension scheme C entitlement of Dr. Klaus Keysberg.

For Oliver Burkhard and Johannes Dietsch the entitlement to a company pension is based on a defined contribution arrangement with an annual contribution of €280,000 for each member. Oliver Burkhard will receive pension benefits in the form of an annuity with an agreed cap of €350,000 p.a., while the pension entitlements of Johannes Dietsch will be paid out in the form of a lump sum. Dr. Klaus Keysberg will receive an annuity from his pension scheme C entitlement.

The retirement age is 60, provided a service contract with the Company no longer exists at this time. If the service contract ends on or after the member's 60th birthday, the retirement benefits can only be claimed after the service contract ends. In the case of Oliver Burkhard current pension payments will be increased by 1% per year and in the case of the pension scheme C entitlement of Dr. Klaus Keysberg they will be reviewed regularly by the Essener Verband pension association and adjusted in line with the altered circumstances where necessary.

The surviving dependants' benefits plan provides for a payment of 60% of the pension for the partner and 20% for each dependent child, up to a maximum of 100% of the regular pension entitlement. In the case of benefits paid in the form of a lump sum surviving dependants will receive the amount of the pension contributions plus interest at the time the benefits become payable.

Performance-related compensation

Bonus (Short-Term Incentive – STI)

The first performance-related compensation element is the annual bonus. The amount of the bonus is dependent on three key performance indicators of the group for the respective fiscal year. Earnings before interest and taxes (EBIT) and free cash flow before M & A (FCF before M & A) are each weighted at 40%, while return on capital employed (ROCE) accounts for the remaining 20%. Total target achievement for the three financial targets is therefore determined from the weighted average of the three parameters.

Annual bonus target amounts for fiscal year 2019 / 2020

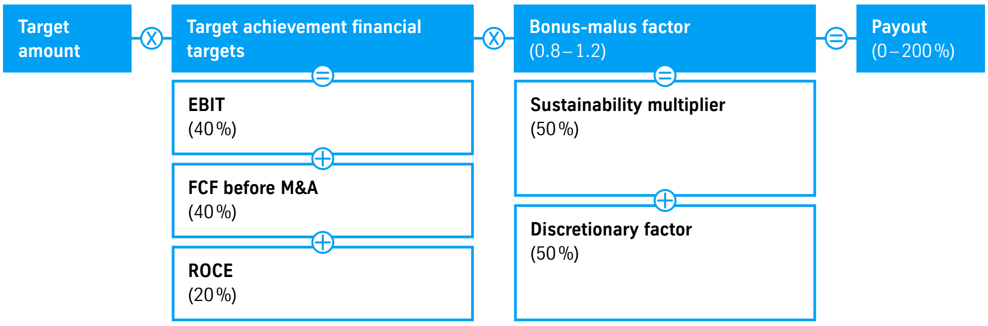
Martina Merz	€1,250,000
Oliver Burkhard	€680,000
Dr. Klaus Keysberg	€680,000
Johannes Dietsch[1)]	-

[1)] On leaving the company at March 31, 2020, Johannes Dietsch waived all entitlements to a bonus for fiscal year 2019 / 2020.

To reflect the overall performance of the Executive Board members more accurately and include non-financial, strategic targets as well as direct financial targets, the bonus also includes a bonus-malus factor, which is multiplied by the total target achievement for the financial targets. This factor consists in equal amounts of a sustainability multiplier and a discretionary factor. The sustainability multiplier is based on Indirect Financial Targets from the areas people, innovations, environment and procurement. The discretionary factor allows the Supervisory Board to evaluate the overall performance of the Executive Board. The bonus-malus factor lies in a range from 0.8 to 1.2 and can therefore adjust financial target achievement either upwards or downwards; it also allows individual differentiation. The Supervisory Board decides on target achievement in respect of this part of the bonus at its own discretion, taking into account in particular the appropriateness criteria of § 87 AktG.

Details on the individual sustainability targets can be found under "Fundamental information about the group" in the section "Targets", under "Sustainability and Indirect Financial Targets".

BONUS CALCULATION



Total target achievement and the resultant payout on the bonus are capped at 200% of the target value. There is no guaranteed minimum bonus, so there may be no payout at all.

The target values for the financial targets are derived from the corporate planning; in addition threshold values are defined for all three indicators, above or below which a further improvement or deterioration of the result has no effect on the level of target achievement. At the beginning of each fiscal year the Supervisory Board resolves challenging target and threshold values; this resolution too is prepared by the Personnel Committee.

Long-Term Incentive (LTI)

The second performance-related compensation element is the LTI, which has a long-term incentive effect. Determining factors here are value generation – measured on the key performance indicator thyssenkrupp Value Added (tkVA) – and the performance of the thyssenkrupp stock. The design of the LTI and the link to stock performance bring the objectives of management and the direct interests of shareholders into alignment. The LTI is based on virtual shares and is granted to Executive Board members in annual installments. The term of the individual installments begins October 1 of each year and extends in total over four fiscal years (three-year tkVA performance period and stock price performance in the 1st quarter of the following fiscal year), so creating incentives for the long-term development of the Company.

At the beginning of each installment a certain number of virtual shares is granted, initially provisionally. This number is obtained by dividing the initial value (target amount) by the average thyssenkrupp stock price in the 1st quarter of the fiscal year in which the tkVA performance period begins, with the number being rounded half even. The provisionally granted number of virtual shares can therefore vary from year to year.

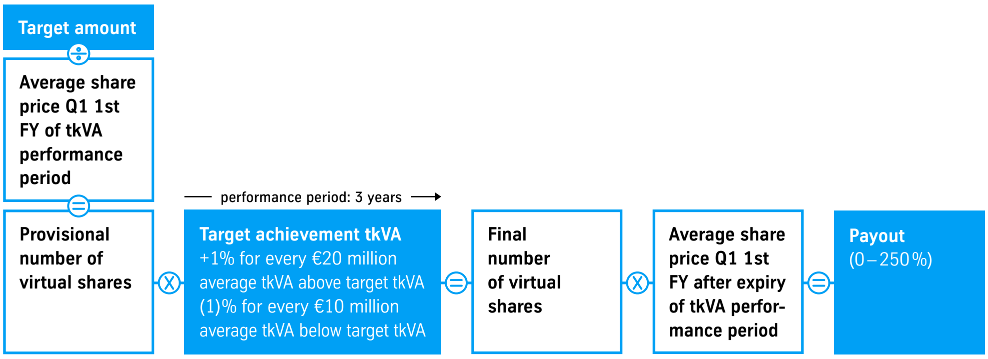
LTI initial values for fiscal year 2019 / 2020

Martina Merz	€2,000,000
Oliver Burkhard	€1,050,000
Dr. Klaus Keysberg	€1,050,000
Johannes Dietsch[1]	€525,000

[1] Prorated up to March 31, 2020

The number of virtual shares finally awarded to the Executive Board members at the end of the three-year tkVA performance period may be higher or lower than the provisionally granted number. The parameter used to determine the final number of virtual shares is the development of average tkVA over the performance period.

LONG-TERM INCENTIVE (LTI) CALCULATION



For every €20 million of average actual tkVA above the target value set by the Supervisory Board, the number of virtual shares increases by 1%. For every €10 million of average actual tkVA below the target value set by the Supervisory Board, the number of virtual shares decreases by 1%. Intermediate values are linearly interpolated and the obtained number of virtual shares is rounded half even. The number of virtual shares can fall to zero, meaning there is no payout.

To determine the payout amount the final number of virtual shares achieved at the end of the performance period is multiplied by the average thyssenkrupp stock price in the 1st quarter of the fiscal year immediately after the three-year tkVA performance period. The payout amount calculated in this way is capped at 250% of the target value.

In the case of the LTI the Supervisory Board resolves challenging target and threshold values for each new annual installment at the beginning of each fiscal year; this resolution too is prepared by the Personnel Committee. The target value for the LTI installment granted to the Executive Board members in March 2020 relates to the tkVA performance period 2019 / 2020 through 2021 / 2022. The Supervisory Board set an average tkVA of €3.0 billion as the target value.

Details on tkVA can be found in the section “Management of the group”.

Share ownership guidelines

All Executive Board members are required to purchase shares in thyssenkrupp AG for a total of one fixed annual salary (chairwoman of the Executive Board) or half a fixed annual salary (ordinary Executive Board members) within the appointment period and hold them for the duration of their appointment. A minimum annual investment amount of one third (for three-year appointments) or one fifth (for five-year appointments) of the total investment amount applies until the total investment amount is reached. This notwithstanding it has been agreed with Martina Merz that the share purchase requirement in her current term of office from April 1, 2020 to March 31, 2023 should be prorated to three fifths of a full fixed annual salary due to the five-year term of office for the Executive Board chairwoman assumed on development of the program, which corresponds to a total amount of €804,000.

Existing pre-held shares may be contributed once upon joining the share purchase program. Only the purchase price at the time of acquisition is decisive for the fulfillment of the buy and hold requirement; subsequent changes in the share price do not affect the scope of the buy and hold requirement. The requirement is subject to it being legally permissible to realize the share acquisition, in particular with a view to stock and capital market law regulations.

Maximum compensation

In addition to the caps applying to the variable compensation elements, the compensation system for the Executive Board provides for maximum compensation amounts for total compensation received by the Executive Board members per fiscal year – including fixed compensation, fringe benefits, performance-related compensation (bonus and LTI), retirement benefit costs and any special compensation. The maximum compensation amounts to €9 million per fiscal year for the Executive Board chairwoman and €4.5 million each for the ordinary Executive Board members, whereby the stated amounts are reduced on a prorated basis where a member joins or leaves the board during the year. The maximum compensation takes precedence over any other rules agreed for the amount of compensation.

In addition to the caps for the variable compensation elements, maximum compensation amounts exist for the members of the Executive Board

Commitments in connection with the ending of Executive Board service

Severance payments

Severance payment arrangements are agreed in the service contracts of Executive Board members which comply with the recommendations of the GCGC. They regulate that payments made in the event of the early ending of Executive Board service may not exceed two years' compensation (severance payment cap) and may not compensate more than the remaining term of the service contract.

Change of control

In the event of a change of control the Executive Board members have the right, within a period of six months after the change of control, to resign their employment for good reason and terminate their Executive Board service contract on three months' notice to the end of a month (special termination right).

On exercise of the special termination right arrangements apply which provide that severance payments in connection with a change of control may not exceed two years' compensation, limited however to fixed salary and bonus, and may not compensate more than the remaining term of the service contract. The special termination right and the right to severance payments do not apply if the change of control is by the Alfried Krupp von Bohlen und Halbach Foundation.

The regulations set out above for the event of a change of control were agreed with Oliver Burkhard, Dr. Klaus Keysberg and Johannes Dietsch in the reporting year. No such agreement exists with Martina Merz.

Loans, advance payments, third-party benefits

As in previous fiscal years, no loans or advance payments were granted to the Executive Board members in fiscal year 2019 / 2020, nor were any guarantees or other commitments entered into by thyssenkrupp in their favor. thyssenkrupp has no knowledge of benefits or corresponding promises given to Executive Board members by third parties in connection with their Executive Board positions.

Actual performance-related compensation for fiscal year 2019 / 2020

Bonus 2019 / 2020

thyssenkrupp's business performance was severely impacted by the effects of the coronavirus pandemic in the reporting year. As a result the thresholds set for EBIT, free cash flow before M & A and ROCE for fiscal year 2019 / 2020 were all not achieved, so the resultant target achievement amounts to 0%. The Executive Board members will therefore not receive a bonus for the past fiscal year.

The Executive Board members will not receive a bonus for the past fiscal year.

Special payment 2019 / 2020

As stated, the Executive Board members will receive no bonus for the 2019 / 2020 fiscal year. Nevertheless they achieved a great deal in the past fiscal year: Under the difficult conditions of the coronavirus pandemic, the sale of thyssenkrupp Elevator was completed promptly at July 31, 2020, achieving an outstanding price. The proceeds enabled us to significantly improve our balance sheet figures and continue with the ongoing transformation of the company, which the Executive Board – reduced to three members and led by Martina Merz – systematically drove forward alongside urgent crisis management. The Supervisory Board has therefore decided to honor these exceptional achievements via the option set out in the applicable compensation system of granting a one-time special payment; this amounts to €500,000 for Martina Merz and €200,000 each for Oliver Burkhard and Dr. Klaus Keysberg.

The Executive Board members will receive a special payment for their outstanding achievements in the past fiscal year.

LTI 2016 / 2017

The 7th installment of the LTI due in fiscal year 2019 / 2020 was issued for the fiscal year 2016 / 2017. The associated payment amount is calculated as follows:

CALCULATION OF THE LTI PAYOUT FOR THE INSTALLMENT 2016 / 2017 [1)]

Performance targets	thyssenkrupp Value Added (tkVA) Performance of thyssenkrupp stock	
tkVA performance period	2016 / 2017 – 2018 / 2019	
Relevant stock price	Avg. stock price Q1 FY 2019 / 2020 vs. avg. stock price Q1 FY 2016 / 2017	
Link	Multiplicative	
Possible target achievement	0 – 250%	
Provisionally granted number of virtual shares	Initial value: €950,000 Avg. stock price Q1 FY 2016 / 2017: €21.92	43,339 virtual shares
Target achievement tkVA	Average tkVA actually achieved is €645.3 million below the target tkVA leading to a reduction in the number of awarded virtual shares by 64.53%	
Finally granted number of virtual shares	(100% – 64.53%) x 43,339 virtual shares = 15,372 virtual shares	
Payout	15,372 virtual shares Avg. stock price Q1 FY 2019 / 2020: €12.50	€192,150

1) Example of an ordinary Executive Board member with an initial value of €950,000

On the basis of achieved tkVA and the stock performance, €192,150 was paid out to Oliver Burkhard, which corresponds to around 20.2% of the initial value granted. Martina Merz, Dr. Klaus Keysberg and Johannes Dietsch were not members of the Executive Board of thyssenkrupp AG in fiscal year 2016 / 2017 so no entitlement can be derived from the installment granted that year and consequently there was no payout from the associated installment.

Executive Board benefits granted and allocations

The following two tables show total Executive Board compensation whereby, in accordance with practice in previous years, a differentiation is made between benefits granted and allocations:

- Table 1 shows the benefits granted for fiscal year 2019 / 2020, i.e. the individual compensation promised in the case of 100% target achievement, as well as the minimum and maximum values for the individual Executive Board members.
- Table 2 shows the benefits allocated for fiscal year 2019 / 2020, i.e. the compensation actually paid out to the individual Executive Board members.

TABLE 1: EXECUTIVE BOARD COMPENSATION 2019/2020 (BENEFITS GRANTED)

		Martina Merz				Oliver Burkhard				Dr. Klaus Keysberg				Johannes Dietsch			
		Chairwoman of the Executive board since October 1, 2019				Ordinary member of the executive board since February 1, 2013				Ordinary member of the executive board since October 1, 2019				Ordinary member of the executive board until March 31, 2020			
all figures in €000s		2018/2019 Initial value	2019/2020 Initial value	2019/2020 Minimum	2019/2020 Maximum[1]	2018/2019 Initial value	2019/2020 Initial value	2019/2020 Minimum	2019/2020 Maximum[1]	2018/2019 Initial value	2019/2020 Initial value	2019/2020 Minimum	2019/2020 Maximum[1]	2018/2019 Initial value	2019/2020 Initial value	2019/2020 Minimum	2019/2020 Maximum[1]
Fixed compensation[2]		—	1,307	1,307	1,307	700	683	683	683	—	683	683	683	467	350	350	350
Lump sum payment instead of company pension		—	536	536	536	—	—	—	—	—	280	280	280	—	—	—	—
Fringe benefits		—	93	93	93	72	79	79	79	—	81	81	81	14	17	17	17
Total		**—**	**1,936**	**1,936**	**1,936**	**772**	**762**	**762**	**762**	**—**	**1,044**	**1,044**	**1,044**	**481**	**367**	**367**	**367**
One-year variable compensation	Performance bonus (cash)	—	1,250	0	2,500	680	680	0	1,360	—	680	0	1,360	453	—	—	—
Special payment[3]		—	500	500	500	—	200	200	200	—	200	200	200	—	—	—	—
Multiple-year variable compensation	10th installment LTI 2019/2020 – 2022/2023	—	586	0	5,000	—	307	0	2,625	—	307	0	2,625	—	154	0	1,313
	9th installment LTI 2018/2019 – 2021/2022	—	—	—	—	734	—	—	—	—	—	—	—	489	—	—	—
Total		**—**	**4,272**	**2,436**	**9,936**	**2,186**	**1,949**	**962**	**4,947**	**—**	**2,231**	**1,244**	**5,229**	**1,423**	**521**	**367**	**1,680**
Service costs in accordance with IFRS		—	—	—	—	980	1	1	1	—	360	360	360	198	145	145	145
Total		**—**	**4,272**	**2,436**	**9,936**	**3,166**	**1,950**	**963**	**4,948**	**—**	**2,591**	**1,604**	**5,589**	**1,621**	**666**	**512**	**1,825**

[1] In addition to the individual caps stated in the “Maximum” column, total annual compensation is limited to €9.0 million for the Executive Board chairwoman and €4.5 million for the ordinary Executive Board members.
[2] Against the background of the consequences of the coronavirus pandemic and resultant short-time work in the workforce, the Executive Board members Martina Merz, Oliver Burkhard and Dr. Klaus Keysberg voluntarily agreed to waive 10% of their gross monthly salary for each of the three months from May to July 2020.
[3] The Executive Board members Martina Merz, Oliver Burkhard and Dr. Klaus Keysberg will receive a special payment for their outstanding achievements in the past fiscal year.

TABLE 2: EXECUTIVE BOARD COMPENSATION 2019 / 2020 (ALLOCATIONS)

		Martina Merz		Oliver Burkhard		Dr. Klaus Keysberg		Johannes Dietsch	
		Chairwoman of the Executive board since October 1, 2019		Ordinary member of the executive board since February 1, 2013		Ordinary member of the executive board since October 1, 2019		Ordinary member of the executive board until March 31, 2020	
all figures in €000s		2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
Fixed compensation[1]		—	1,307	700	683	—	683	467	350
Lump sum payment instead of company pension		—	536	—	—	—	280	—	—
Fringe benefits		—	93	72	79	—	81	14	17
Total		**—**	**1,936**	**772**	**762**	**—**	**1,044**	**481**	**367**
One-year variable compensation	Performance bonus (cash)	—	0	0	0	—	0	0	—
Special payment[2]		—	500	0	200	—	200	—	—
Multiple-year variable compensation	7th installment LTI 2016/2017 – 2019/2020	—	—	—	192	—	—	—	—
	6th installment LTI 2015/2016 – 2018/2019	—	—	629	—	—	—	—	—
Total		**—**	**2,436**	**1,401**	**1,154**	**—**	**1,244**	**481**	**367**
Service costs in accordance with IFRS		—	—	980	1	—	360	198	145
Total		**—**	**2,436**	**2,381**	**1,155**	**—**	**1,604**	**679**	**512**

[1] See footnote 2 to Table 1.
[2] See footnote 3 to Table 1.

Total Executive Board compensation in accordance with HGB

The following table shows total Executive Board compensation in accordance with HGB rules. It accords with the payments indicated in Table 1 above – with the difference that the payout amounts for the bonuses according to Table 2 (allocations) are included. In accordance with HGB the service cost is not included.

EXECUTIVE BOARD COMPENSATION 2019 / 2020 IN ACCORDANCE WITH HGB

	Martina Merz		Oliver Burkhard		Dr. Klaus Keysberg		Johannes Dietsch	
	Chairwoman of the Executive board since October 1, 2019		Ordinary member of the executive board since February 1, 2013		Ordinary member of the executive board since October 1, 2019		Ordinary member of the executive board until March 31, 2020	
	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
Executive board compensation in accordance with HGB in €000s	—	3,022	1,506	1,269	—	1,551	970	521

The total compensation paid to the active Executive Board members in the respective fiscal year in accordance with HGB for their work in the reporting year amounted to €6.4 million. The corresponding prior-year figure was €6.7 million.

Stock-based Executive Board compensation 2019 / 2020

In March 2020 the Executive Board members were granted new virtual shares from the 10th installment of the LTI. In total the Executive Board members now possess 509,874 virtual shares granted but not yet payable from the 8th to 10th installments of the LTI.

STOCK-BASED EXECUTIVE BOARD COMPENSATION 2019/2020

(number of stock rights granted and cost of stock-based compensation in fiscal year)

		Martina Merz		Oliver Burkhard		Dr. Klaus Keysberg		Johannes Dietsch	
		Chairwoman of the Executive board since October 1, 2019		Ordinary member of the executive board since February 1, 2013		Ordinary member of the executive board since October 1, 2019		Ordinary member of the executive board until March 31, 2020	
		2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
Number of stock rights granted	10th installment LTI 2019/2020 – 2022/2023	—	160,000	—	84,000	—	84,000	—	42,000
	9th installment LTI 2018/2019 – 2021/2022	—	—	59,356	—	—	—	39,570	—
Cost of stock-based compensation in fiscal year in €000s		—	552	(1,554)	684	—	290	335	220

Executive Board pension provisions 2019 / 2020

The following table gives an overview of the service costs incurred for fiscal year 2019 / 2020 as well as the amount of pension obligations at September 30, 2020 for the Executive Board members in post in the fiscal year.

EXECUTIVE BOARD PENSION PROVISIONS 2019/2020

		Martina Merz		Oliver Burkhard		Dr. Klaus Keysberg[1]		Johannes Dietsch	
		Chairwoman of the Executive board since October 1, 2019		Ordinary member of the executive board since February 1, 2013		Ordinary member of the executive board since October 1, 2019		Ordinary member of the executive board until March 31, 2020	
all figures in €000s		2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
Figures in accordance with IFRS	Service costs	—	—	980	1	—	360	198	145
	Present value of the obligation	—	—	11,746	11,819	—	360	198	331
Figures in accordance with HGB	Service costs	—	—	606	1	—	503	190	143
	Present value of the obligation	—	—	6,392	7,312	—	2,693	190	325

[1] As described above it has additionally been agreed with Dr. Klaus Keysberg that the pension entitlement acquired in the course of his previous duties in the thyssenkrupp group will continue unchanged in accordance with the rules of the "pension scheme C of the Essener Verband pension association". The benefits acquired in the past under this entitlement must be included in information on service cost and stated at present value of the obligation in accordance with HGB, while the corresponding information in accordance with IFRS applies only to the new benefits acquired as part of the continuation of this entitlement during his duties as Executive Board member.

Benefits in connection with the ending of Executive Board service

On March 20, 2020 the Supervisory Board of thyssenkrupp AG reached an agreement with Johannes Dietsch to terminate his Executive Board membership by mutual consent effective March 31, 2020. Based on his service contract, which was due to run until the end of January 2022, and to compensate contractual entitlements, Johannes Dietsch received a severance payment of €801,667. The agreed severance payment is thus clearly below the cap of two annual salaries or the compensation for the remaining term of the service contract as provided for in the service contract and recommended by the GCGC. Johannes Dietsch has waived all entitlements to any bonus for fiscal year 2019 / 2020. He will receive the remaining compensation for fiscal year 2019 / 2020 (fixed compensation, fringe benefits and 10th installment LTI) on a prorated basis. The stock rights (virtual shares) of the 9th installment of the LTI granted in the previous fiscal year continue to apply in full and will be settled at the regular end of the plan in accordance with the recommendations of the GCGC and the provisions of his service contract. The pension contribution for the company pension plan of Johannes Dietsch for the calendar year 2020, prorated to the end date, amounts to €70,000; from 2021 no further contributions will be granted. The entitlement to the acquired pension capital is vested and will continue to bear interest annually at the maximum technical interest rate for life insurance policies in accordance with the regulation on the principles underlying the calculation of the premium reserve (Deckungsrückstellungsverordnung) or at least 1% until claimed. The pension capital is due for payment in January 2023.

Compensation paid to former Executive Board members

Total compensation paid to former members of the Executive Board and their surviving dependants amounted to €24.4 million in fiscal year 2019 / 2020 (prior year: €15.8 million). For pension obligations benefiting former members of the Executive Board and their surviving dependants, €323.7 million (prior year: €315.9 million) was accrued in the financial statements under IFRS and €255.4 million (prior year: €237.3 million) in the financial statements under German GAAP (HGB).

Supervisory Board compensation

The compensation of the Supervisory Board is subject to § 14 of the Articles of Association. In addition to reimbursement of their expenses and a meeting attendance fee of €500, Supervisory Board members receive annual base compensation of €50,000.

The annual compensation for the Supervisory Board chairman is €200,000 and for the vice chairman €150,000. This also covers memberships and chairs of committees. The other Supervisory Board members receive premiums for the chairs/memberships of specified committees which are also defined in § 14 of the Articles of Association. Supervisory Board members who serve on the Supervisory Board or a committee for only part of the fiscal year receive prorated compensation.

The members of the Supervisory Board will receive total compensation, including meeting attendance fees, for the reporting year of €1.88 million (prior year: €1.83 million). This includes compensation paid to Supervisory Board members for directorships at subsidiaries of thyssenkrupp AG in the amount of €90,117 (prior year: €45,515).

The following table lists the compensation of the individual members:

SUPERVISORY BOARD COMPENSATION 2019 / 2020

	Fixed compensation		Compensation for committee work		Meeting fee		Compensation from directorships within the group		Total remuneration	
all figures in €	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
Prof. Dr.-Ing. Siegfried Russwurm, Chairman (Chairmanship since October 1, 2019) (Member since April 24, 2019)	25,000	200,000	6,250	—[1]	4,500	30,000	—	—	35,750	230,000
Martina Merz (Chairwoman until September 30, 2019)	141,667	—	—[1]	—	36,000	—	—	—	177,667	—
Jürgen Kerner, Vice Chairman (since January 31, 2020)	—	112,500	—	—[1]	—	16,000	—	—	—	128,500
Markus Grolms (Vice Chairman until January 31, 2020)	150,000	50,000	—[1]	—[1]	34,000	9,000	—	—	184,000	59,000
Birgit A. Behrendt (since January 31, 2020)	—	37,500	—	—	—	3,500	—	—	—	41,000
Dr. Wolfgang Colberg (since December 29, 2018)	41,667	50,000	—	—	8,000	7,000	—	—	49,667	57,000
Prof. Dr. Dr. h. c. Ursula Gather	50,000	50,000	25,000	25,000	16,000	9,500	—	—	91,000	84,500
Angelika Gifford (since November 12, 2019)	—	45,833	—	—	—	5,000	—	—	—	50,833
Dr. Bernhard Günther (since January 1, 2020)	—	37,500	—	58,125	—	18,500	—	—	—	114,125
Achim Hass	50,000	50,000	—	—	4,000	5,000	5,400	5,400	59,400	60,400
Friederike Helfer (since January 31, 2020)	—	37,500	—	33,750	—	7,500	—	—	—	78,750
Dr. Ingrid Hengster	50,000	50,000	—	—	4,000	5,000	—	—	54,000	55,000
Susanne Herberger (until July 31, 2020)	50,000	41,667	12,500	10,417	6,500	5,500	16,500	51,417	85,500	109,001
Tanja Jacquemin	50,000	50,000	20,000	20,000	7,000	8,000	—	—	77,000	78,000
Prof. Dr. Hans-Peter Keitel (until January 28, 2019)	16,667	—	12,500	—	3,500	—	—	—	32,667	—
Dr. Norbert Kluge	50,000	50,000	—	—	3,500	5,000	—	—	53,500	55,000
Barbara Kremser-Bruttel (since February 1, 2019)	33,333	50,000	—	—	3,000	5,000	—	7,700	36,333	62,700
Dr. Ingo Luge (since November 12, 2019 until January 31, 2020 and since February 11, 2020)	—	45,833	—	18,750	—	7,000	—	—	—	71,583
Tekin Nasikkol (until February 1, 2019 and since August 4, 2020)	20,833	8,333	—	2,083	1,000	1,500	1,565	3,000	23,398	14,916
Prof. Dr. Bernhard Pellens (until January 31, 2020)	112,500	16,667	45,208	25,833	40,500	11,000	—	—	198,208	53,500
Peter Remmler	50,000	50,000	12,500	12,500	6,500	7,000	16,750	17,000	85,750	86,500
Carola v. Schmettow (until January 31, 2020)	50,000	16,667	12,500	4,167	12,500	3,500	—	—	75,000	24,334
Dirk Sievers (since October 2, 2018)	50,000	50,000	57,500	57,500	35,000	27,500	—	—	142,500	135,000
Carsten Spohr (until September 26, 2019)	50,000	—	—	—	3,000	—	—	—	53,000	—
Dr. Lothar Steinebach	50,000	50,000	28,333	20,000	9,500	8,000	—	—	87,833	78,000
Jens Tischendorf (until January 31, 2020)	50,000	16,667	45,000	15,000	19,000	5,000	—	—	114,000	36,667
Friedrich Weber	50,000	50,000	—	—	4,000	5,000	5,300	5,600	59,300	60,600
Isolde Würz	50,000	50,000	—	—	4,000	5,000	—	—	54,000	55,000
Total	**1,241,667**	**1,266,667**	**277,292**	**303,125**	**265,000**	**220,000**	**45,515**	**90,117**	**1,829,473**	**1,879,909**

[1] Covered by fixed compensation in accordance with § 14 (3) of the Articles of Association

The employee representatives who are members of a trade union have declared they will pass their compensation to the Hans Böckler Foundation in accordance with the guidelines of the German Trade Union Confederation.

In the reporting year the Supervisory Board members received no further compensation or benefits for personal services rendered, in particular advisory and agency services. As in previous years, no loans or advance payments were granted to members of the Supervisory Board, nor were any guarantees or other commitments entered into in their favor.