Compensation report 2020 / 2021

The following compensation report in accordance with § 162 German Stock Corporation Act (AktG) outlines and explains the compensation of the current and former members of the Executive and Supervisory Boards of thyssenkrupp AG in fiscal year 2020 / 2021.

In order to facilitate the ordering of the disclosures made and enhance understanding, the main features of the compensation systems in effect for the Executive and Supervisory Boards in fiscal year 2020 / 2021 are also outlined. Detailed information can be found on the company's website at www.thyssenkrupp.com > Company > Management > Corporate governance > Compensation system / Compensation report.

www.thyssenkrupp.com > Company > Management > Corporate governance > Compensation system / Compensation report

A look back at compensation year 2020 / 2021

Resolution on the approval of the compensation system for Executive Board members

The current compensation system for members of the Executive Board of thyssenkrupp AG was resolved by the Supervisory Board – following preparation by the Personnel Committee – in accordance with §§ 87 (1), 87a (1) AktG and approved by the Annual General Meeting on February 5, 2021 with a majority of 96.70% of the capital represented. A comparison of the main features of the current and previous systems has been published on the company's website at the link given above.

Resolution on the approval of the compensation system for Supervisory Board members

The compensation system for the Supervisory Board, which is governed by § 14 of the Articles of Association, was likewise approved by the Annual General Meeting on February 5, 2021 with a majority of 99.71% of the capital represented. The system resolved by the Annual General Meeting on January 17, 2014 was thus confirmed without any changes.

Application of the Executive Board compensation system in fiscal year 2020 / 2021

The current service contracts of active Executive Board members were amended by way of amending agreements with retrospective effect from October 1, 2020, as a result of which the compensation system was used for all active Executive Board members in fiscal year 2020 / 2021. Moreover, in fiscal year 2020 / 2021 the Executive Board members were awarded individual compensation within the meaning of § 162 AktG which, in previous fiscal years, had been promised under the compensation system in effect at that time. If relevant, this compensation is also outlined and explained in the following.

The compensation system approved by the Annual General Meeting on February 5, 2021 applied to all active Executive Board members in fiscal year 2020 / 2021.

The Personnel Committee regularly reviews the appropriateness and commensurateness of Executive Board compensation and proposes adjustments to the Supervisory Board where required so as to ensure within the boundaries of the applicable framework that the compensation package for Executive Board members is both in line with the market and competitive. The commensurateness of the compensation was last reviewed by an independent external compensation expert while the current Executive Board compensation system was being drafted. In doing so, the compensation of thyssenkrupp Executive Board members was compared against DAX and MDAX companies, taking into account the criteria sales, employees and market capitalization; in light of the ongoing transformation, consideration was also given to various scenarios for the carve-out of further lines of business from the group. Ultimately, the compensation of thyssenkrupp Executive Board members is still in line with the market, also taking into account the ongoing changes to the portfolio. The appropriateness of the Executive Board compensation within the group is reviewed annually based on the change in the Executive Board compensation compared with the change in the compensation of senior management, defined as the two levels of management below the Executive Board, and compared with the change in the compensation of the workforce as a whole, defined as the average compensation of the group's full-time employees in Germany.

In accordance with the compensation system in effect, the Supervisory Board has set specific target compensation for each Executive Board member. The target compensation of the Executive Board members was left unadjusted year-on-year in fiscal year 2020 / 2021. Neither is it planned to adjust the target compensation for fiscal year 2021 / 2022.

The target compensation of the Executive Board members remained unchanged year-on-year.

For each Executive Board member, the Supervisory Board has also set performance criteria with regard to the performance-related, variable compensation components for fiscal year 2020 / 2021 to the extent that these do not result directly from the compensation system in effect.

Concerning the Short-Term Incentive (STI), the positive sales performance, which depends to a large extent on the market recovery, and restructuring in all segments meant that the targets for financial performance criteria set at the beginning of the reporting year were exceeded in fiscal year 2020 / 2021. With regard to individual performance, the targets set by the Supervisory Board were fully achieved overall. The payout due in fiscal year 2020 / 2021 from the installment of the Long-Term Incentive (LTI) issued for fiscal year 2017 / 2018 is just over 53% of the target value.

In the past fiscal year, the Supervisory Board did not make use of any of the options established in the compensation system in accordance with statutory provisions to deviate temporarily from the compensation system or in certain circumstances to make adjustments to target achievement.

Application of the compensation system for the Supervisory Board in fiscal year 2020 / 2021

The compensation system for the Supervisory Board was unchanged compared with previous years and fully applied as set out in § 14 of the company's Articles of Association.

Executive Board compensation in fiscal year 2020 / 2021

Overview of the design of the Executive Board compensation system

The compensation system meets the requirements of the German Stock Corporation Act (AktG), in particular the requirements of the Act Implementing the Second Shareholders' Rights Directive (ARUG II), and is in line with the recommendations of the German Corporate Governance Code as amended on December 16, 2019. The Executive Board compensation system is a key element in the group's alignment and makes a significant contribution to promoting business strategy, improving operating performance and thus to the group's long-term success. It is intended to support successful and sustainable corporate governance; the compensation of Executive Board members is therefore tied to the group's short- and long-term performance. At the same time, suitable performance criteria are selected, creating important incentives for implementing the group's strategic realignment.

The Executive Board compensation system meets all statutory and regulatory requirements currently in effect.

This means that the compensation of Executive Board members comprises performance-independent and performance-related elements. The total target compensation of the Executive Board consists of fixed compensation, a pension allowance or company pension, fringe benefits, the Short-Term Incentive (STI) target amount and the Long-Term Incentive (LTI) target amount. These are mainly performance-related compensation elements; the aim here is to strengthen the performance focus of the compensation system. The share of the target amount of the four-year LTI in the total target compensation exceeds that of the STI. This ensures that the variable compensation resulting from the achievement of long-term targets exceeds the share from short-term targets and that, overall, the compensation system is therefore geared to sustainable and long-term development.

The table on the following page shows the basic components of the compensation system and their design. The components and how they were actually applied in fiscal year 2020 / 2021 are explained in detail in the following.

Overview of all compensation components

COMPENSATION COMPONENT

	Assessment basis / parameters
Performance-independent compensation	
Fixed compensation	The fixed compensation of Executive Board members is paid monthly as a salary
Fringe benefits	Company car, security services, insurance premiums and health checks as standard; further once-only or time-limited (transitional) benefits for new members subject to explicit resolution of Supervisory Board
Pension plans	
Pension allowance	As of October 1, 2019 newly appointed Executive Board members receive an annual pension allowance in cash for personal pension provision in lieu of a company pension plan. Protection of vested rights for previous pension plans.
Performance-related compensation	
Short-Term Incentive (STI)	Annual performance bonus Basis for target achievement: • **70% group's financial performance criteria:** 35% net income, 35% free cash flow before M&A • **30% individual performance** (operational and strategic targets in connection with transformation of thyssenkrupp) Supervisory Board sets financial targets based on annual planning and individual performance criteria for each fiscal year Cap: 200% of target amount
Long-Term Incentive (LTI)	Performance Share Plan Performance-period: 4 years Basis for target achievement: • 30% relative TSR (Ranking against individual stocks included in Index STOXX® Europe 600 Basic Resources) • 40% ROCE • 30% non-financial sustainability targets Cap: 200% of target amount
Other compensation rules	
Share Ownership Guidelines (SOG)	Requirement to purchase and hold thyssenkrupp shares for the amount of one year's fixed compensation (gross) Until this amount is reached, Executive Board members must invest each year at least 25% of the net amount of performance-related compensation paid at the close of the fiscal year (STI + LTI) in thyssenkrupp shares
Maximum compensation	Cap for total compensation granted for one fiscal year in accordance with § 87a (1) sentence 2 no. 1 AktG: • Chair: €9.0 million • Ordinary Executive Board members: €4.5 million
Severance cap	Severance payments limited to maximum of two years' annual compensation; compensation over remaining contract term must not be exceeded
Malus and clawback rule	Malus: In the event of serious infringement of applicable law or internal policies, Supervisory Board may reduce or cancel variable compensation components (STI/LTI) for the relevant assessment period Clawback: Option of Supervisory Board to reclaim already paid variable compensation if a malus is subsequently discovered or if inaccuracies are identified in the consolidated financial statements (difference)

Performance-independent compensation components

Fixed compensation

The fixed compensation of Executive Board members is paid monthly in equal installments and represents a steady, plannable income for Executive Board members. The current annual fixed compensation is €1,340,000 for the Executive Board Chairwoman and €700,000 for ordinary Executive Board members.

Fringe benefits

In addition to the fixed compensation, Executive Board members receive fringe benefits; standard benefits include a car and driver for business and private use, security services, insurance premiums and health checks. In principle, all Executive Board members are equally entitled to these fringe benefits; the amount varies according to their personal situation.

In the past fiscal year, the Supervisory Board did not make use of the option provided for under the compensation system to grant additional benefits for a limited period in certain cases.

Pension allowance and company pension

As specified for all Executive Board members appointed since October 1, 2019, Martina Merz and Dr. Klaus Keysberg receive a pension allowance in the form of a fixed annual amount that may be used for personal provision in place of a company pension. This is €280,000 per year for an ordinary Executive Board member and €536,000 per year for the Executive Board Chairwoman and is in each case paid out in December. This enables Executive Board members to take care of their pension provision independently and at their own discretion; in return, thyssenkrupp is relieved of the long-term financial burden of recognizing provisions to fund a company pension plan.

All Executive Board members appointed since October 1, 2019 receive a pension allowance in the form of a fixed annual amount that may be used for personal provision in place of a company pension.

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). This will be paid out as a life-long annuity once Dr. Klaus Keysberg has reached retirement age or becomes permanently incapacitated for work.

As an Executive Board member first appointed with effect from February 1, 2013, Oliver Burkhard has in previous years been promised benefits from a company pension scheme on the basis of a defined-contribution arrangement, which will likewise be paid out to him as a life-long annuity once he has reached retirement age or becomes permanently incapacitated for work. The amount of the later annuity is determined by the annual pension modules accrued and therefore grows gradually over the period of service. The agreed maximum annuity of €350,000 p.a. was reached in 2019, as a result of which no further regular provisions have since been recognized for increases in this entitlement.

The retirement age is 63 in the case of Dr. Klaus Keysberg and 60 in the case of Oliver Burkhard, provided there is no longer a service contract with the company at that time. If the Executive Board contract of Dr. Klaus Keysberg ends after his 60th birthday, but before his 63rd birthday because the service contract is not extended after July 31, 2024, the retirement benefits can be drawn from the end of the Executive Board contract, provided Dr. Klaus Keysberg does not refuse an extension offered to him on equal or, for him, more favorable terms or the contract is not extended for good cause for which he is responsible.

In the case of Oliver Burkhard, current pension payments will be increased by 1% per year and, in the case of Dr. Klaus Keysberg's pension scheme C entitlement, they will be reviewed regularly by the Essener Verband pension association and adjusted in line with altered circumstances where necessary.

In the case of annuity entitlements, the surviving dependants' benefits plan provides for a payment of 60% of the pension for the spouse or life partner and 20% for each dependent child, up to a maximum of 100% of the regular pension entitlement.

The amounts expensed or recognized as provisions and the current values of the pension entitlements for Executive Board members in post as of September 30, 2021 are as follows:

COMPANY PENSION FOR THE EXECUTIVE BOARD 2020 / 2021

		Martina Merz		Oliver Burkhard		Dr. Klaus Keysberg[1]	
		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	
all figures in €000s		2019 / 2020	2020 / 2021	2019 / 2020	2020 / 2021	2019 / 2020	2020 / 2021
Figures in accordance with IFRS	Service costs	—	—	1	1	360	157
	Present value of the obligation	—	—	11,819	11,271	360	486
Figures in accordance with HGB	Service costs	—	—	1	0	503	109
	Present value of the obligation	—	—	7,312	8,428	2,693	3,178

[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 current 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.

Performance-related compensation components

Short-Term Incentive (STI) 2020 / 2021

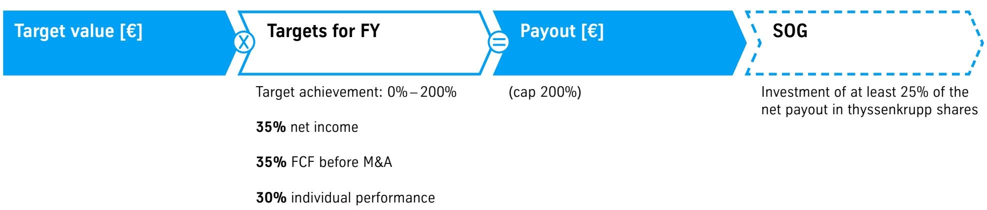
How it works

The STI is the short-term variable compensation element; it has a term of one year. 70% of the STI amount depends on the performance of two equally weighted key financial performance indicators of the group – net income for the fiscal year and free cash flow before M&A – and 30% on individual performance targets.

The STI is the short-term variable compensation element and has a term of one year.

The payout from the STI is calculated as follows:

SHORT-TERM INCENTIVE (ANNUAL BONUS) CALCULATION



The payout from the STI is capped at 200% of the target value in total. There is no guaranteed minimum target achievement; there may therefore be no payout at all.

Contribution to the group's long-term development

The STI is intended to ensure the ongoing implementation of operational targets, the achievement of which is crucial as a basis for the group's long-term development. The financial performance criteria net income for the fiscal year and free cash flow before M&A emphasize the importance of systematically improving the performance of all businesses. They create incentives in areas expected to provide the biggest lever for improving cash flow. With an eye toward thyssenkrupp's strategic realignment, they create incentives to increase the profitability of the businesses.

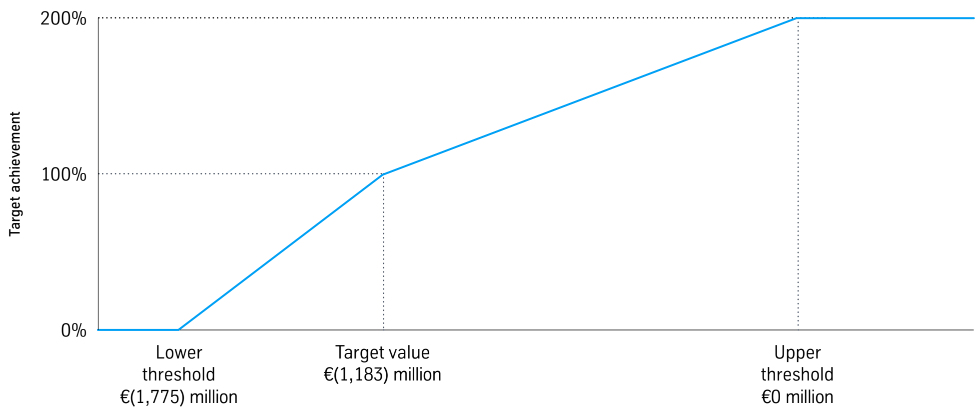
In addition, the inclusion of individual performance places emphasis on collective and individual transformation and turnaround targets, providing an even greater incentive to ensure thyssenkrupp's successful transformation.

Financial performance criteria

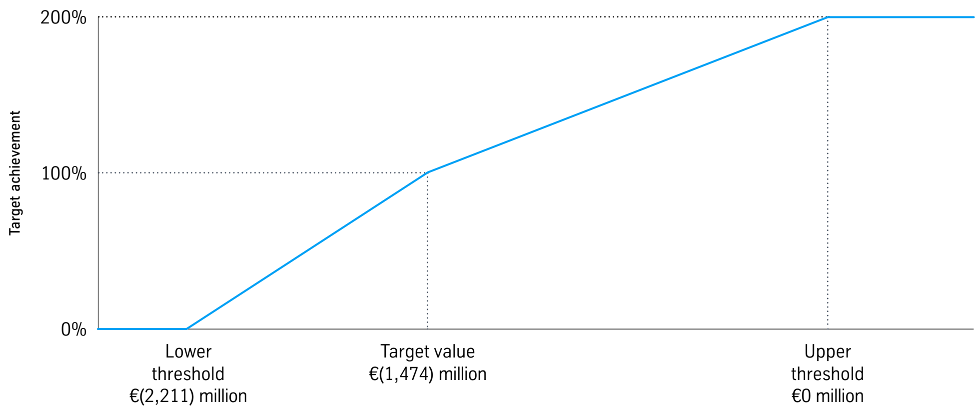
At the beginning of the fiscal year, the Supervisory Board resolved the target and threshold values for the two financial performance criteria. The target value for each financial performance criterion is derived from the corporate planning and is equal to 100% target achievement. The lower threshold value is 0% and target achievement is capped at an upper threshold of 200%.

The target achievement curves for the financial targets for fiscal year 2020 / 2021 are shown below.

NET INCOME



FREE CASH FLOW BEFORE M&A



After the fiscal year-end, the Supervisory Board determined the following target achievement with regard to the financial performance criteria for fiscal year 2020 / 2021:

STI 2020 / 2021 TARGET ACHIEVEMENT WITH REGARD TO THE FINANCIAL PERFORMANCE CRITERIA

Performance criterion	Threshold value for 0% target achievement	Target value for 100% target achievement	Threshold value for 200% target achievement	Result for 2020 / 2021	Target achievement (%)
Net income (€ million)	(1,775)	(1,183)	0	(25)	197.9
Free cash flow before M&A (€ million)	(2,211)	(1,474)	0	(1,273)	113.6

Individual performance criteria

To assess the individual performance of the Executive Board members, the Supervisory Board set the targets listed in the following table for fiscal year 2020 / 2021. These are based not only on operational, but primarily on strategic aspects and apply jointly to all Executive Board members. This is intended to underline the aspiration that the Executive Board – compared with previous years reduced to three members – deliberately acts as a team, working together to address the priorities specified by the Supervisory Board. Furthermore, the Supervisory Board deliberately refrained from predefining target weightings so that differences in terms of actual relevance can be given due consideration after the fiscal year-end. The maximum target achievement for individual performance is also 200%.

The Supervisory Board set shared targets for the three Executive Board members for fiscal year 2020 / 2021.

After the fiscal year-end, the Supervisory Board determined the related target achievement based on the results achieved. This is also shown in the table below. In this case too, the Supervisory Board deliberately looked at the Executive Board as a team and determined target achievement for all three Executive Board members jointly.

STI 2020 / 2021 – ACHIEVEMENT OF INDIVIDUAL TARGETS

Target	Relevant criteria	Achievements in 2020 / 2021	Target achievement 2020 / 2021
Transformation & Performance	Develop tracking tool for transformation	Regular reporting to Supervisory Board and general public along the transformation curve, including deep dives on selected topics	100 %
	Develop tracking tool for operating performance	Monthly reporting on all essential financial KPI, plus weekly liquidity monitoring in the coronavirus pandemic, quarterly reporting on level of individual measures (particularly on restructuring) and performance discussions with focus on earnings- / value levers	
Portfolio measures	Propose a decision-ready solution for Steel Europe that maintains a sufficiently broad range of options	Final evaluation of options with strategic and financial investors complete – talks recently ended with Liberty Steel; conditions successively created for spin-out of steel segment and parallel development of "Steel Strategy 20-30"	90 %
	Transactions in MT segment: transactions progress vs. plan / disposal proceeds vs. potential	Disposal (signing) of the Mining, Infrastructure and Carbon Components businesses and the stainless steel plant in Terni, Italy (AST); Implement closure of Heavy Plate	
People & Culture	Manage necessary HR measures to overcome crisis (adjustments, flexibility and costs)	Measures against coronavirus (including vaccination program) consistently implemented; short-time working depending on situation (up to 30,000 employees) and successive implementation of restructuring agreed with collective bargaining partners (up to 12,000 FTE)	110 %
	Implement a representative measurement system (micro-census) to measure employee satisfaction with the transformation process and beyond	The global "Employee Pulse Check" was implemented for the first time and established as a new, fast way of getting feedback on employee satisfaction and key change drivers	
	Concept, timetable and list of activities, in addition to first steps to develop a sustainable, performance-oriented leadership culture	Refined HR performance management approach that combines the agreement and achievement of individual performance and development targets starting in fiscal year 2021 / 2022 in a joint process; new tools for communication (klar:text) and cooperation (lean & agile)	
		Total	100 %

STI target achievement 2020 / 2021

For fiscal year 2020 / 2021, total target achievement for the STI is therefore as follows:

STI 2020 / 2021 SUMMARY

	Target amount (€)	Target achievement Net income (weighting: 35%)	Target achievement FCF before M&A (weighting: 35%)	Target achievement individual performance (weighting: 30%)	Overall target achievement	Payout amount (€)
Martina Merz	1,250,000	197.9%	113.6%	100.0%	139.0%	1,737,813
Oliver Burkhard	680,000	197.9%	113.6%	100.0%	139.0%	945,370
Dr. Klaus Keysberg	680,000	197.9%	113.6%	100.0%	139.0%	945,370

The amounts resulting from the table above will be paid out to the Executive Board members in December 2021; they will therefore be added to compensation awarded or due in fiscal year 2021 / 2022 within the meaning of § 162 (1) AktG.

Payouts from the Short-Term Incentive (STI) and the special payment for fiscal year 2019 / 2020

By contrast, the compensation awarded or due in fiscal year 2020 / 2021 in accordance with § 162 (1) AktG includes the STI for fiscal year 2019 / 2020, which would have been due for payment in December 2020, and the special payment disbursed to Executive Board members in December 2020.

Short-Term Incentive (STI) for fiscal year 2019 / 2020

The STI for fiscal year 2019 / 2020 is based on the compensation system in effect at that time. Target achievement is dependent on three key performance indicators, earnings before interest and taxes (EBIT), free cash flow before M&A (FCF before M&A) and return on capital employed (ROCE) of the group for the fiscal year in question, and additionally on a bonus-malus factor in order to take into account further non-financial strategic objectives; see also the detailed commentary in the compensation report for fiscal year 2019 / 2020.

thyssenkrupp's business performance was severely impacted by the effects of the coronavirus pandemic in fiscal year 2019 / 2020. As a result, the thresholds set for EBIT, free cash flow before M&A and ROCE were not all reached; the resulting target achievement is therefore 0%. In December 2020, the Executive Board members did not therefore receive an STI payout for fiscal year 2019 / 2020.

The Executive Board members did not receive an STI payout for fiscal year 2019 / 2020.

Special payment for fiscal year 2019 / 2020

As stated, the Executive Board members did not receive an STI payout for fiscal year 2019 / 2020. Nevertheless, they achieved a great deal in fiscal year 2019 / 2020: under the difficult conditions of the coronavirus pandemic, the sale of thyssenkrupp Elevator was completed promptly at July 31, 2020 and an outstanding price was achieved. These proceeds enabled the company to significantly improve its balance sheet figures and continue with its transformation, which the Executive Board – reduced to three members and led by Martina Merz – systematically drove forward alongside urgent crisis management. At the meeting on November 18, 2020, the Supervisory Board therefore decided to honor these exceptional achievements via the option provided for under the compensation system at that time to grant a one-time special payment. This special payment amounted to €500,000 for Martina Merz and to €200,000 each for Oliver Burkhard and Dr. Klaus Keysberg and was disbursed to the Executive Board members in December 2020.

The Executive Board members received a special payment for 2019 / 2020, which was disbursed in December 2020.

The grant of this special payment was reported in detail in the compensation report for fiscal year 2019 / 2020 and at the Annual General Meeting on February 5, 2021.

A look forward to the individual targets for the STI 2021 / 2022

For fiscal year 2021 / 2022, the Supervisory Board has set the following individual targets for the STI, which again apply jointly to all Executive Board members:

- Creating the necessary conditions for and preparing the basis for decision-making on a possible spin-off of Steel Europe
- Continuing the portfolio measures, including addressing growth areas as part of the development of "Future tk"
- Advancing performance – issues (among others, improving the quality of interim forecasts, continuing restructuring measures and further enhancing performance – leadership culture)
- Continuing to shape and establish a forward-looking working culture (new ways of working) and sharpening the focus on technology- and innovation-related topics in external employer communications with a view to attracting and retaining talent and high-potential individuals

Long-Term Incentive (LTI) 2020 / 2021

How it works

The second performance-related compensation element is the LTI, which with a performance period of four years is designed as a long-term incentive. The LTI is also share-based; this brings the interests of the Executive Board and those of shareholders even better into line.

With a performance period of four years, the LTI is designed as a long-term incentive.

The LTI is issued in annual installments. Before the new installment is issued, the Supervisory Board sets challenging target and threshold values for the following three additively linked performance criteria to the extent that these do not result directly from the compensation system in effect:

- Relative total shareholder return (TSR) (weighting 30%).
- Return on capital employed (ROCE) (weighting 40%).
- Sustainability (weighting 30%).

The target and threshold values remain valid throughout the four-year term of the installment; after each fiscal year-end during the four-year term, the Supervisory Board determines whether and to what extent the targets have been achieved (see below for details on determining the annual levels of target achievement).

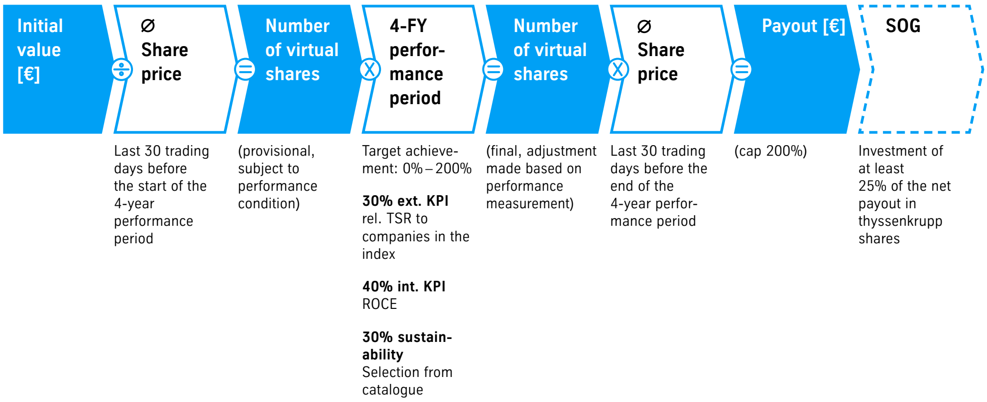
At the start of each installment, the Executive Board members are awarded a certain number of virtual shares, initially on a provisional basis. This is calculated by dividing the initial value (target amount) by the average thyssenkrupp share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days before the beginning of the fiscal year for which the respective LTI installment is issued; in doing so, this number is rounded half even. The provisionally awarded number of virtual shares can therefore vary from year to year.

The number of virtual shares finally awarded to the Executive Board members after the end of the four-year performance period is determined by the arithmetic mean of the four annual levels of target achievement, taking into account the weighting of the performance criteria. This total target achievement is multiplied by the number of virtual shares provisionally awarded so as to calculate the final number of virtual shares earned.

To determine the amount of the final payout, the final number of virtual shares reached at the end of the performance period is multiplied by the average thyssenkrupp share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days of the final fiscal year of the four-year performance periodInstead of a cash payment, the LTI can also be granted in whole or in part in the form of thyssenkrupp AG shares at the decision of the Supervisory Board.

The actual payout from the LTI is therefore calculated as follows:

LONG-TERM INCENTIVE (LTI) CALCULATION



The payout amount calculated in this way is capped at 200% of the LTI target amount.

Contribution to the group's long-term development

The share-linked aspect of the LTI enables the Executive Board members to share in the relative and absolute performance of the share price, bringing the objectives of management and the interests of shareholders even more closely into line. This gives the Executive Board an incentive to sustainably increase the company's value over the long term. The implementation of relative total shareholder return means that an external performance criterion geared to the capital market is also used, enabling a comparison to be drawn with relevant competitors. This creates an incentive to outperform competitors over the long term.

ROCE as a further financial performance criterion serves portfolio optimization and creates incentives to ensure that it is primarily profitable thyssenkrupp businesses that are continued. This also strengthens our performance.

The inclusion of non-financial sustainability criteria in the LTI emphasizes our social and ecological responsibility as well as our goal of sustainable corporate development.

Virtual shares awarded for the LTI installment issued in fiscal year 2020 / 2021

For the LTI installment issued in fiscal year 2020 / 2021, the Executive Board members were provisionally awarded a total of 728,242 virtual shares (stock rights):

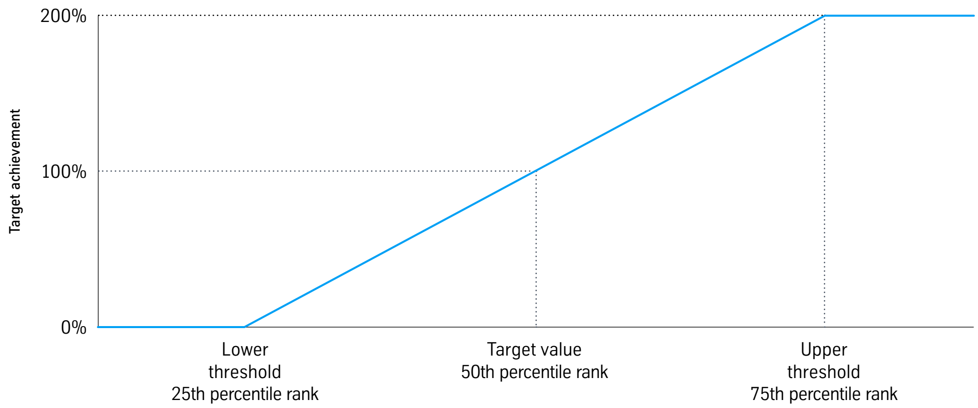
LTI INSTALLMENT 2020 / 2021 – ALLOCATION

	LTI initial value (€)	Allotment price (€) (average thyssenkrupp share price)	Provisionally granted number of virtual shares	Maximum number of virtual shares (200% target achievement)
Martina Merz	2,000,000	5.63	355,240	710,480
Oliver Burkhard	1,050,000	5.63	186,501	373,002
Dr. Klaus Keysberg	1,050,000	5.63	186,501	373,002

Financial performance criteria for the LTI installment issued in fiscal year 2020 / 2021

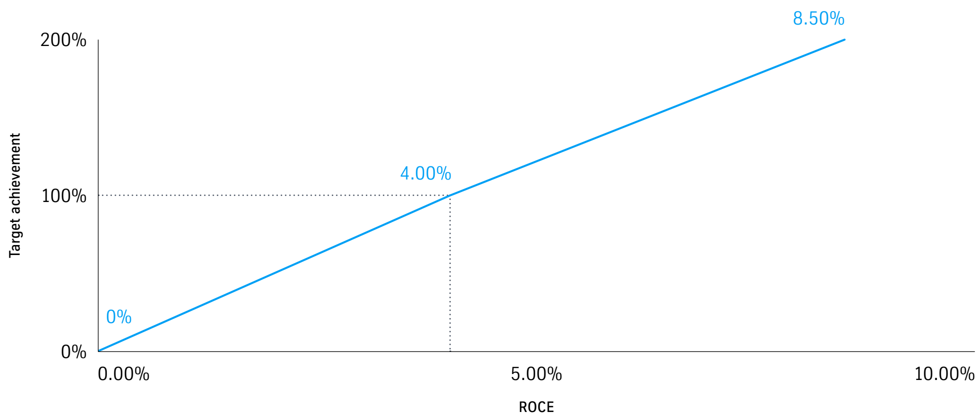
The following target and threshold values for the two performance criteria relative total shareholder return (TSR) and return on capital employed (ROCE) apply throughout the four-year term of the installment:

RELATIVE TOTAL SHAREHOLDER RETURN



In the case of relative TSR, the target and threshold values for the comparison of thyssenkrupp's performance with the TSR performance of companies in the STOXX® Europe 600 Basic Resources are already firmly established in the compensation system in effect. TSR performance is calculated per fiscal year on the basis of the share price performance plus distributed dividends. The average share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days before the beginning or end of the fiscal year, is used for the start and end values. The TSR performance of all companies, including thyssenkrupp, is ranked on this basis. Target achievement is then determined from thyssenkrupp's positioning on the target achievement curve above, measured as a percentile rank, with intermediate values rounded up to the respective full percentile.

RETURN ON CAPITAL EMPLOYED (ROCE)



The target value and the threshold values for ROCE were set by the Supervisory Board on the basis of return expectations before allocation of installment 2020 / 2021 began. Target achievement for each fiscal year during the four-year performance period is measured against the target value set before the start of the installment and determined on the basis of the target achievement curve above.

Sustainability targets for the LTI installment issued in fiscal year 2020 / 2021

In addition to the financial performance criteria TSR performance and ROCE, sustainability targets are taken into account at a weighting of 30%. These are formulated as so-called indirect financial targets (IFTs) as part of thyssenkrupp's corporate management. Prior to the issue of installment 2020 / 2021, the Supervisory Board selected from a list of criteria two specific, equally weighted sustainability targets/IFTs as performance criteria that apply to the installment over the four-year performance period:

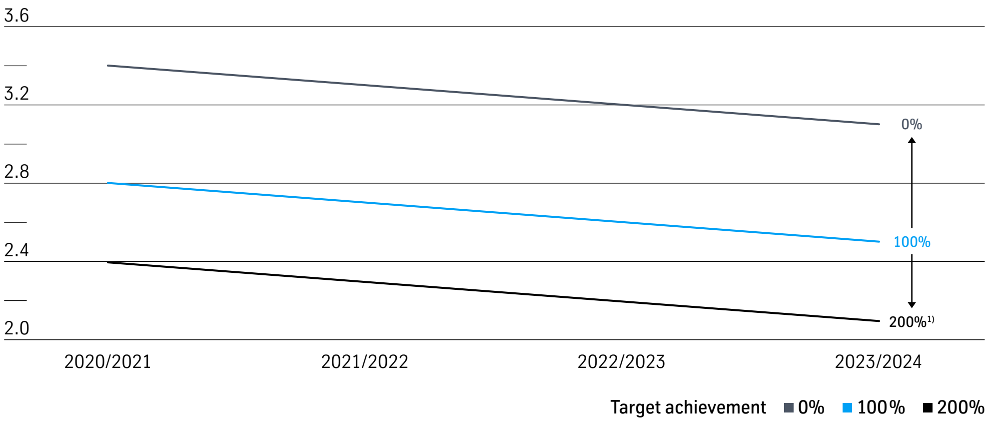
The Supervisory Board has selected two sustainability targets for LTI installment 2020 / 2021 that apply over the four-year performance period.

- Reduction in the accident rate to 2.5 per one million hours worked within the group by 2023 / 2024 (weighting 15%).
- Increase in the proportion of women in leadership positions within the group to 15% by 2023 / 2024 (weighting 15%).

The sustainability targets are formulated using measurable key indicators, for which the Supervisory Board has resolved the following target and threshold values that apply throughout the four-year term of the installment. Target achievement is measured on an annual basis over the four-year performance period within a range of 0% and 200%.

TARGETS AND THRESHOLDS FOR THE ACCIDENT FREQUENCY RATE

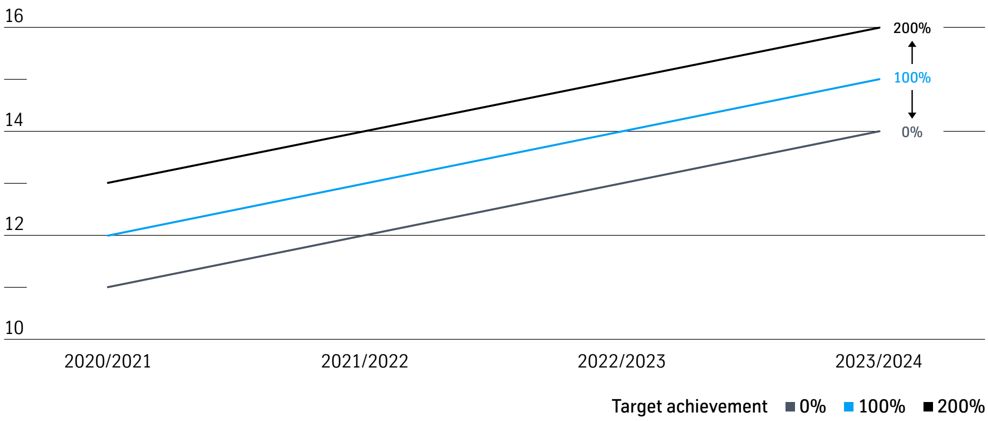
per 1 million working hours at group level through to 2023/2024



[1)] Asymmetric target achievement range, as a further increase at an already-high level is increasingly difficult to achieve.
Around 70% of thyssenkrupp companies are already accident-free. No further increase is possible at this level, but there may be a deterioration.

TARGETS AND THRESHOLDS FOR THE PERCENTAGE OF WOMEN

in leadership positions at group level through to 2023/2024



Annual levels of target achievement of the performance criteria for the LTI installment issued in fiscal year 2020 / 2021

As stated, target achievement of the underlying performance criteria for the LTI is calculated on an annual basis. For fiscal year 2020 / 2021, the Supervisory Board determined the following target achievement:

LTI 2020 / 2021 – 2023 / 2024: TARGET ACHIEVEMENT ON ANNUAL BASIS FOR 2020 / 2021

Performance criterion	Weighting	Threshold value for 0% target achievement	Target value for 100% target achievement	Threshold value for 200% target achievement	Result for 2020 / 2021	Target achievement
Relative Total Shareholder Return (Percentile)	30%	25	50	75	69	176.0%
Return on Capital Employed (%)	40%	0.0	4.0	8.5	3.362	84.1%
Accident frequency rate per 1 million working hours	15%	3.4	2.8	2.4	2.6	150.0%
Proportion of women in leadership positions (%)	15%	11	12	13	12.2	120.0%
Total	**100%**					**126.9%**

Payout from the Long-Term Incentive (LTI) 2017 / 2018

The LTI installment issued for fiscal year 2017 / 2018 and based on the compensation system in effect at that time fell due for payment in fiscal year 2020 / 2021. The determining factors here were value generation – measured by the key performance indicator thyssenkrupp Value Added (tkVA) – and the performance of the thyssenkrupp share price. The term of installment 2017 / 2018 began on October 1, 2017 and spanned four fiscal years in total (three-year tkVA performance period and share price performance in the first quarter of the following fiscal year). See also the detailed commentary in the compensation report for fiscal year 2017 / 2018.

The LTI installment issued for 2017 / 2018 fell due for payment in 2020 / 2021.

For the performance criterion tkVA, the Supervisory Board had set a target value of €0. After the end of the performance period, the related payout amount is therefore inferred as follows:

CALCULATION OF THE LTI PAYOUT FOR THE INSTALLMENT 2017 / 2018[1)]

Performance targets	thyssenkrupp Value Added (tkVA) Performance of thyssenkrupp stock	
tkVA performance period	2017 / 2018 – 2019 / 2020	
Relevant stock price	Avg. stock price Q1 FY 2020 / 2021 vs. avg. stock price Q1 FY 2017 / 2018	
Link	Multiplicative	
Possible target achievement	0 – 250%	
Provisionally granted number of virtual shares	Initial value: €950,000 Avg. stock price Q1 FY 2017 / 2018: €23.20	40,948 virtual shares
Target achievement tkVA	Average tkVA actually achieved is €2,596 million above the target tkVA leading to an increase in the number of awarded virtual shares by 129.80%	
Finally granted number of virtual shares	(100% + 129.80%) x 40,948 virtual shares = 94.099 virtual shares	
Payout	94,099 virtual shares Avg. stock price Q1 FY 2020 / 2021: €5.40	€ 508,134.60

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

In January 2021, the following amounts were paid out to the current and former Executive Board members listed below based on the tkVA achieved and the share price performance:

LTI INSTALLMENT 2017 / 2018 – SUMMARY

		Initial value (€)	Avg. Share price Q1 FY 2017 / 2018 (€)	Provisionally granted number of virtual shares	tkVA target achievement	Finally granted number of virtual shares	Avg. Share price Q1 FY 2020 / 2021 (€)	Payout amount (€)
Current members of the Executive Board	Oliver Burkhard	950,000	23.20	40,948	229.8%	94,099	5.40	508,134.60
	Guido Kerkhoff	1,050,000	23.20	45,259	229.8%	104,005	5.40	561,627.00
Former members of the Executive Board	Dr. Donatus Kaufmann	950,000	23.20	40,948	229.8%	94,099	5.40	508,134.60
	Dr. Heinrich Hiesinger	1,528,767	23.20	65,895	229.8%	151,427	5.40	817,705.80

Martina Merz and Dr. Klaus Keysberg were not yet members of the Executive Board of thyssenkrupp AG in fiscal year 2017 / 2018, as a result of which they did not receive any payouts from the installment launched for the Executive Board at that time.

A look forward to the sustainability targets for the LTI installment 2021 / 2022

The Supervisory Board has selected the following sustainability targets for the LTI installment to be set up for fiscal year 2021 / 2022, which runs from 2021 / 2022 until 2024 / 2025:

- Reduce emissions intensity annually by 1t CO2 equivalent per €1 million sales at group level (not including Steel Europe and AST) by 2024 / 2025 (15% weighting).

- Increase the volume of net climate-neutral steel production at Steel Europe from 20,000t in fiscal year 2021 / 2022 to 500,000t in fiscal year 2024 / 2025 (15% weighting).

The above sustainability targets apply to the entire four-year term of the installment, with the proviso that the target "Increase the volume of net climate-neutral steel production" no longer applies for future fiscal years if and from the time at which the Steel Europe segment is spun out of the group. In this case the reduction of emissions intensity will be the sole sustainability target for the remainder of the LTI installment. Detailed explanations of the calculation method and the annual targets and threshold values are provided with the disclosure of annual target achievement in the compensation report for fiscal year 2021 / 2022.

Other compensation rules

Share ownership guidelines (SOG)

All Executive Board members are required to purchase thyssenkrupp shares to a total value of one annual fixed salary (gross) and to hold them for the duration of their appointment. This brings the interests of the Executive Board and shareholders further into alignment and also recognizes thyssenkrupp's sustainable and long-term development. The minimum annual investment is 25% of the net payout from the performance-related compensation components (STI and LTI) until the prescribed investment amount is reached. Fulfillment of the share buy and hold requirement is determined based on the purchase price at the acquisition date. This notwithstanding it has been agreed with Martina Merz that the share purchase requirement in her current period of appointment from April 1, 2020 to March 31, 2023 should be prorated to three fifths of a full annual fixed salary (gross) due to the five-year period of appointment assumed on development of the program, which corresponds to a total amount of €804,000.

Share ownership guidelines have been agreed for the Executive Board members.

The Executive Board members were entitled to contribute existing pre-held shares. Use was made of this option as follows:

SHARE OWNERSHIP GUIDELINES: EXISTING PRE-HELD SHARES CONTRIBUTED IN 2020 / 2021

	contributed in FY 2020 / 2021		Status quo per Sept. 30, 2021		
	Number of shares	Value taken into account (€)[1]	Number of shares in deposit account	Investments made (€)	in % of SOG requirements
Martina Merz	–	–	–	–	–
Oliver Burkhard	14,530	181,769	14,530	181,769	26
Dr. Klaus Keysberg	–	–	–	–	–

[1] The shares were purchased by Oliver Burkhard in February and May 2019 under the rules of the share purchase program at that time and counted towards the share hold requirement at the purchase price at the acquisition date in accordance with the rules.

Under the program in effect, shares will normally be purchased for the first time in fiscal year 2021 / 2022 from the STI paid in December 2021 for fiscal year 2020 / 2021 and from the payment due in January 2022 from the LTI installment issued for fiscal year 2018 / 2019. The compensation report 2021 / 2022 will subsequently report on the investments made in the process and the extent to which the requirements were fulfilled.

Observance of the maximum compensation of Executive Board members

The compensation of Executive Board members is capped in two respects. Firstly, caps are set for each of the performance-related components and, under the current compensation system, are 200% of the target amount both for the STI and for the LTI. By contrast, the maximum payout for performance-related compensation promised in prior fiscal years up to and including 2019 / 2020 is 200% of the target amount for the STI and 250% of the target amount for the LTI. With regard to the performance-related compensation awarded or due in fiscal year 2020 / 2021, these caps were observed in all cases, as shown in the following tables:

All aspects of the maximum compensation of Executive Board members were observed in 2020 / 2021.

OBSERVANCE OF THE MAXIMUM COMPENSATION WITH REGARD TO THE PERFORMANCE-RELATED COMPENSATION OF THE CURRENT MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2020 / 2021

		Martina Merz			Oliver Burkhard			Dr. Klaus Keysberg		
		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		
€000s		Target compensation	Maximum	Payout	Target compensation	Maximum	Payout	Target compensation	Maximum	Payout
One-year variable compensation	STI 2019 / 2020	1,250	2,500	0	680	1,360	0	680	1,360	0
Multiple-year variable compensation	LTI 2017 / 2018 - 2020 / 2021	–	–	–	950	2,375	508	–	–	–

OBSERVANCE OF THE MAXIMUM COMPENSATION WITH REGARD TO THE PERFORMANCE-RELATED COMPENSATION OF THE FORMER MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2020 / 2021

		Guido Kerkhoff			Dr. Donatus Kaufmann			Dr. Heinrich Hiesinger		
		Ordinary member of the executive board April 1, 2011 – July 12, 2018 Chairman of the executive board July 13, 2018 – Sept. 30, 2019			Ordinary member of the executive board Feb. 1, 2014 – Sept. 30, 2019			Vice chairman of the executive board Oct. 1, 2010 – Jan. 20, 2011 Chairman of the executive board Jan. 21, 2011 – July 6, 2018		
€000s		Target compensation	Maximum	Payout	Target compensation	Maximum	Payout	Target compensation	Maximum	Payout
Multiple-year variable compensation	LTI 2017 / 2018 - 2020 / 2021	1,050	2,625	562	950	2,375	508	1,529	3,822	818

Secondly, in accordance with § 87a (1) sentence 2 no. 1 AktG, the Supervisory Board has set a maximum compensation amount that limits the total compensation granted and actually allocated for a particular fiscal year (consisting of annual fixed compensation, pension allowance or pension plan, fringe benefits, payout from STI and payout from LTI). The maximum compensation amount is €9.0 million for the Executive Board Chairwoman and €4.5 million each for the ordinary Executive Board members. This maximum compensation can only be reviewed retrospectively once the payout from the LTI installment launched for the respective fiscal year has been made. In fiscal year 2020 / 2021, the payout was made from the LTI installment for fiscal year 2017 / 2018, for which the same defined maximum compensation amount had been set out in the compensation system in effect at that time. This was likewise observed in all cases by the Executive Board members serving in fiscal year 2017 / 2018, as shown in the following table:

OBSERVANCE OF THE MAXIMUM COMPENSATION WITH REGARD TO THE TOTAL COMPENSATION OF THE CURRENT AND FORMER MEMBERS OF THE EXECUTIVE BOARD GRANTED FOR FY 2017 / 2018

		Oliver Burkhard			Guido Kerkhoff			Dr. Donatus Kaufmann			Dr. Heinrich Hiesinger		
		Ordinary member of the executive board since February 1, 2013			Ordinary member of the executive board April 1, 2011 – July 12, 2018 Chairman of the executive board July 13, 2018 – Sept. 30, 2019			Ordinary member of the executive board Feb. 1, 2014 – Sept. 30, 2019			Vice chairman of the executive board Oct. 1, 2010 – Jan. 20, 2011 Chairman of the executive board Jan. 21, 2011 – July 6, 2018		
all figures in €000s		Target compen-sation	Maximum compen-sation	Allocation	Target compen-sation	Maximum compen-sation	Allocation	Target compen-sation	Maximum compen-sation	Allocation	Target com-pensation[1]	Maximum com-pensation[1]	Allocation
Performance-independent compensation	Fixed compensation 2017 / 2018	700	700	700	700	700	700	700	700	700	1,027	1,027	1,027
	Fringe benefits 2017 / 2018	57	57	57	44	44	44	57	57	57	142	142	142
	Pension allowance 2017 / 2018	–	–	–	–	–	–	–	–	–	–	–	–
Total		**757**	**757**	**757**	**744**	**744**	**744**	**757**	**757**	**757**	**1,169**	**1,169**	**1,169**
One-year variable compensation	STI 2017 / 2018	630	1,260	448	680	1,360	484	630	1,260	448	955	1,911	556
Multiple-year variable compensation	LTI 2017 / 2018 - 2020 / 2021	950	2,375	508	1,050	2,625	562	950	2,375	508	1,529	3,822	818
Total		**2,337**	**4,392**	**1,713**	**2,474**	**4,729**	**1,790**	**2,337**	**4,392**	**1,713**	**3,653**	**6,902**	**2,543**
Pension	Service costs 2017 / 2018	924	924	924	610	610	610	280	280	280	1,543	1,543	1,543
Total compen-sation		**3,261**	**4,500**	**2,637**	**3,084**	**4,500**	**2,400**	**2,617**	**4,500**	**1,993**	**5,196**	**6,898**	**4,086**

[1] As Dr. Heinrich Hiesinger stepped down during the year, the target and maximum compensation for fiscal year 2017 / 2018 was accrued on a time-apportioned basis.

Termination benefits

Severance payment provisions

The Executive Board service contracts contain severance payment provisions that comply with the recommendations of the German Corporate Governance Code. In the event that the service contract is terminated early before the end of the agreed contract term at the instigation of the company, the Executive Board member may receive a severance payment.

The severance payment provisions contained in the Executive Board service contracts comply with the recommendations of the German Corporate Governance Code.

In the service contracts entered into from October 1, 2019 onwards, the amount of the severance payment is determined by the sum of the annual fixed salary and the STI actually paid out for the past fiscal year, as well as the annual fixed salary and the expected STI for the current fiscal year in which the Executive Board service contract ends, but does not exceed the sum of the annual fixed salaries and the expected STI benefits for the remaining term of the Executive Board service contract. Other compensation, in particular pension plan contributions retirement benefit costs, LTI and fringe benefits, are not considered.

This notwithstanding, for Oliver Burkhard as an Executive Board member first appointed before October 1, 2019, the arrangement is that the parties will agree on the amount of any severance payment as and when required, in which case such a payment may not exceed the caps stated in the following: a severance payment will amount to no more than the sum of the value from two times the most recent annual fixed salary, the STI actually paid out for the past fiscal year and the expected STI for the current fiscal year in which the Executive Board service contract ends and two times the most recent LTI target amount. If the value of the aforementioned benefits for the remaining term of the Executive Board service contract is less than that sum total, that lower value is the cap.

Post-contractual non-compete clause

The Executive Board service contracts do not currently contain a post-contractual non-compete clause.

Change of control

Executive Board service contracts entered into since April 1, 2020 (Martina Merz) do not include any commitments for benefits in the event of early termination by the Executive Board member due to a change of control.

Executive Board service contracts entered into since April 1, 2020 do not contain any commitments for benefits in the event of a change of control.

Executive Board service contracts entered into before April 1, 2020 (Oliver Burkhard, Dr. Klaus Keysberg) contain commitments according to which, in the event of a change of control, the Executive Board members have the right, within a period of six months of the change of control, to resign as a member of the Executive Board for good cause and terminate their service contract on three months' notice to the end of a month (special termination right). On exercise of the special termination right, severance payment rules apply which provide that payments in connection with the termination of employment on the Executive Board due to a change of control may not exceed two years' compensation, limited however to fixed salary and STI, 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.

Malus/clawback

In the event of serious breaches by Executive Board members of applicable law or applicable internal company or group policies and guidelines, the Supervisory Board has the option to reduce or completely cancel any variable compensation components not yet paid out and – if a breach is subsequently discovered – to reclaim in part or in full any variable compensation components already paid out. In the case of variable compensation components paid out on the basis of inaccurate consolidated financial statements, the latter also applies to the difference determined on the basis of corrected financial statements.

In the past fiscal year, the Supervisory Board did not find any cause to make use of the option provided for under the compensation system to reduce, completely cancel or reclaim variable compensation components.

Third-party benefits

In the past fiscal year, no Executive Board member was promised or granted benefits by a third party in connection with their activity as an Executive Board member.

Compensation for supervisory board positions within and outside the thyssenkrupp group

In the past fiscal year, no Executive Board member was granted compensation for holding supervisory board positions within the thyssenkrupp group or for holding external supervisory board positions in connection with their Executive Board activity and in the interest of thyssenkrupp.

Executive Board compensation disclosed for each member individually

Target compensation and actual compensation of the current Executive Board members for the past fiscal year

The following table shows the target compensation of the incumbent Executive Board members for fiscal year 2020 / 2021. This includes the target compensation promised for the fiscal year, which is granted in the event of 100% target achievement, supplemented by details of the individually attainable minimum and maximum compensation. In addition, the allocation for the fiscal year in accordance with the definition given in the GCGC as amended on February 7, 2017 is stated as the actual compensation. This actual compensation includes the fixed compensation paid out in the fiscal year, the fringe benefits accrued in the fiscal year, the pension allowance due for the fiscal year, the payout in December 2021 from the STI promised for fiscal year 2020 / 2021 and the payout in January 2021 from the LTI issued for fiscal year 2017 / 2018. For current retirement benefits, the service cost incurred for the fiscal year under IFRS is also taken into account.

TARGET COMPENSATION AND ACTUAL COMPENSATION ACCORDING TO GCGC (2017) FOR FY 2020 / 2021

		Martina Merz				Oliver Burkhard				Dr. Klaus Keysberg			
		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			
all figures in €000s		Target compen-sation	Minimum compen-sation	Maximum compen-sation	Allocation	Target compen-sation	Minimum compen-sation	Maximum compen-sation	Allocation	Target compen-sation	Minimum compen-sation	Maximum compen-sation	Allocation
Performance-independent compensation	Fixed compensation 2020 / 2021	1,340	1,340	1,340	1,340	700	700	700	700	700	700	700	700
	Fringe benefits 2020 / 2021	24	24	24	24	75	75	75	75	121	121	121	121
	Pension allowance 2020 / 2021	536	536	536	536	–	–	–	–	280	280	280	280
Total		**1,900**	**1,900**	**1,900**	**1,900**	**775**	**775**	**775**	**775**	**1,101**	**1,101**	**1,101**	**1,101**
One-year variable compensation	STI 2020 / 2021	1,250	0	2,500	1,738	680	0	1,360	945	680	0	1,360	945
Multiple-year variable compensation	LTI 2017 / 2018 - 2020 / 2021	–	–	–	–	–	–	–	508	–	–	–	–
	LTI 2020 / 2021 - 2023 / 2024	2,000	0	4,000	–	1,050	0	2,100	–	1,050	0	2,100	–
Total		**5,150**	**1,900**	**8,400**	**3,638**	**2,505**	**775**	**4,235**	**2,228**	**2,831**	**1,101**	**4,561**	**2,046**
Pension	Service costs 2020 / 2021	–	–	–	–	1	1	1	1	157	157	157	157
Other compensation		–	–	–	–	–	–	–	–	–	–	–	–
Total compen-sation		**5,150**	**1,900**	**9,000**	**3,638**	**2,506**	**776**	**4,500**	**2,229**	**2,988**	**1,258**	**4,500**	**2,203**

Compensation awarded or due to the current Executive Board members in the past fiscal year in accordance with § 162 AktG

The following table shows the fixed and variable compensation components awarded or due to the current Executive Board members in the past fiscal year, including their relative share, in accordance with § 162 AktG. These are the annual fixed compensation paid out in the fiscal year, the fringe benefits accrued in the fiscal year, the pension allowance paid out in the fiscal year, the STI paid out in fiscal year 2020 / 2021 as well as the special payment for fiscal year 2019 / 2020 and the LTI issued in fiscal year 2017 / 2018, both of which were also paid out in fiscal year 2020 / 2021. By definition, current costs for retirement benefits are disregarded here.

COMPENSATION OF THE CURRENT MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2020 / 2021

		Martina Merz				Oliver Burkhard				Dr. Klaus Keysberg			
		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			
		2019 / 2020		2020 / 2021		2019 / 2020		2020 / 2021		2019 / 2020		2020 / 2021	
		€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %
Performance-independent compensation	Fixed Compensation	1,307	85	1,340	56	683	72	700	47	683	82	700	54
	Fringe benefits	93	6	24	1	79	8	75	5	81	10	121	9
	Pension allowance	134	9	536	22	–	–	–	–	70	8	280	22
Total		**1,534**	**100**	**1,900**	**79**	**762**	**80**	**775**	**52**	**834**	**100**	**1,101**	**85**
One-year variable compensation	STI 2018 / 2019	–	–	–	–	0	0	–	–	–	–	–	–
	STI 2019 / 2020	–	–	0	0	–	–	0	0	–	–	0	0
Multiple-year variable compensation	LTI 2016 / 2017 - 2019 / 2020	–	–	–	–	192	20	–	–	–	–	–	–
	LTI 2017 / 2018 - 2020 / 2021	–	–	–	–	–	–	508	34	–	–	–	–
Total		**1,534**	**100**	**1,900**	**79**	**954**	**100**	**1,283**	**87**	**834**	**100**	**1,101**	**85**
Other compensation	Special payment 2019 / 2020	–	–	500	21	–	–	200	13	–	–	200	15
Total compen-sation		**1,534**	**100**	**2,400**	**100**	**954**	**100**	**1,483**	**100**	**834**	**100**	**1,301**	**100**

Compensation awarded or due to former Executive Board members in the past fiscal year

The following table contains the fixed and variable compensation components awarded or due in the past fiscal year to former members of the Executive Board who have terminated their activity within the last ten fiscal years, including their relative share, in accordance with § 162 AktG:

COMPENSATION OF THE FORMER MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2020 / 2021

		Guido Kerkhoff		Dr. Donatus Kaufmann		Dr. Heinrich Hiesinger		Ralph Labonte		Edwin Eichler		Dr. Jürgen Claassen	
		Ordinary member of the executive board April 1, 2011 – July 12, 2018 Chairman of the executive board July 13, 2018 – Sept. 30, 2019		Ordinary member of the executive board Feb. 1, 2014 – Sept. 30, 2019		Vice chairman of the executive board Oct. 1, 2010 – Jan. 20, 2011 Chairman of the executive board Jan. 21, 2011 – July 6, 2018		Ordinary member of the executive board Jan. 1, 2003 – March 31, 2013		Ordinary member of the executive board Oct. 1, 2002 – Dec. 31, 2012		Ordinary member of the executive board Jan. 21, 2011 – Dec. 31, 2012	
		2020 / 2021		2020 / 2021		2020 / 2021		2020 / 2021		2020 / 2021		2020 / 2021	
		€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %
Performance-independent compensation	Fixed compensation 2020 / 2021	–	–	–	–	–	–	–	–	–	–	–	–
	Fringe benefits 2020 / 2021	–	–	–	–	–	–	–	–	–	–	–	–
	Pension allowance 2020 / 2021	–	–	–	–	–	–	–	–	–	–	–	–
Total		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
One-year variable compensation	STI 2018 / 2019	–	–	–	–	–	–	–	–	–	–	–	–
	STI 2019 / 2020	–	–	–	–	–	–	–	–	–	–	–	–
Multiple-year variable compensation	LTI 2016 / 2017 - 2019 / 2020	–	–	–	–	–	–	–	–	–	–	–	–
	LTI 2017 / 2018 - 2020 / 2021	562	100	508	100	818	55	–	–	–	–	–	–
Total		**562**	**100**	**508**	**100**	**818**	**55**	**–**	**–**	**–**	**–**	**–**	**–**
Other compensation	Pension payments	–	–	–	–	670	45	375	57	444	100	222	100
	Payout DC[1]	–	–	–	–	–	–	288	43	–	–	–	–
Total compensation		**562**	**100**	**508**	**100**	**1,488**	**100**	**663**	**100**	**444**	**100**	**222**	**100**

[1] Deferred compensation: compensation converted into additional pension benefits.

Supervisory Board compensation in fiscal year 2020 / 2021

Fundamentals of the compensation system for the Supervisory Board

The compensation system for the Supervisory Board is governed by § 14 of the Articles of Association and provides both the abstract and the concrete framework for Supervisory Board member compensation. This ensures that Supervisory Board member compensation always complies with the compensation system resolved by the Annual General Meeting.

The compensation system for the Supervisory Board is governed by the Articles of Association.

Under § 14 of the Articles of Association, Supervisory Board members are entitled to a fixed compensation component and a meeting attendance fee. The amount of (fixed) compensation awarded to members of the Supervisory Board is measured based on the member's duties on the Supervisory Board or its committees. The compensation arrangements therefore reflect the requirements of the GCGC in particular. The fixed compensation, the compensation for additional committee activities, meeting attendance fees and the lack of any performance-related Supervisory Board compensation are intended to promote the independence of Supervisory Board members in particular. The supervisory and advisory activities usefully carried out by the Supervisory Board are intended to support the company's long-term development.

Design and application of the Supervisory Board compensation system in fiscal year 2020 / 2021

In addition to having their expenses reimbursed, Supervisory Board members receive annual base compensation of €50,000. The annual compensation is €200,000 for the Supervisory Board Chairman and €150,000 for the Vice Chairman. This also covers memberships and chairs of committees.

For membership of a committee – with the exception of the Mediation Committee under § 27 (3) of the German Codetermination Act (MitbestG) and the Audit Committee – the other Supervisory Board members receive a premium of €12,500 on top of their annual base compensation, while the chair of each committee receives a premium of €25,000. Each member of the Audit Committee receives a premium of €20,000 on top of their annual base compensation, while the Chairman of the Audit Committee receives a premium of €40,000.

Supervisory Board members who serve on the Supervisory Board or a committee for only part of the fiscal year receive prorated compensation.

In addition, members of the Supervisory Board and the committees receive a meeting attendance fee of €500 for each meeting attended in the form of an in-person meeting, telephone or video conference or similar.

All aspects of the Supervisory Board compensation system as set out in § 14 of the company's Articles of Association were applied in fiscal year 2020 / 2021. In the reporting year, the Supervisory Board members received no further compensation or benefits for personal services rendered, in particular advisory and agency services. Furthermore, no loans or advance payments were granted to Supervisory Board members, nor were any guarantees or other commitments entered into in their favor.

Supervisory Board compensation disclosed for each member individually

The following table shows the fixed and variable compensation components awarded or due to current and former Supervisory Board members in the past fiscal year, including their relative share, in accordance with § 162 AktG. Under § 14 (7) of the company's Articles of Association, the total Supervisory Board compensation is due after the fiscal year-end. The disclosures for fiscal year 2020 / 2021 therefore show the base compensation for Supervisory Board activity and the compensation for committee memberships in fiscal year 2019 / 2020 that was paid out in fiscal year 2020 / 2021. The meeting attendance fee, on the other hand, is paid out immediately at month-end, as a result of which the related disclosures refer to meetings attended in fiscal year 2020 / 2021. There is one exception for Friederike Helfer, who at her own request only receives the meeting attendance fee together with the other Supervisory Board compensation after the fiscal year-end.

The following table shows the compensation of the individual members:

COMPENSATION OF THE CURRENT AND FORMER MEMBERS OF THE SUPERVISORY BOARD AWARDED OR DUE IN FY 2020 / 2021

	Fixed compensation[1]		Compensation for committee work[1]		Meeting fee[2]		Compensation from directorships within the group[3]		Total compensation	
	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %
Current members of the Supervisory Board										
Prof. Dr.-Ing. Siegfried Russwurm, Chairman	200,000	92	–	–	18,000	8	–	–	218,000	100
Jürgen Kerner, Vice Chairman	112,500	87	–	–	17,000	13	–	–	129,500	100
Birgit A. Behrendt	37,500	95	–	–	2,000	5	–	–	39,500	100
Stefan Erwin Buchner	–	–	–	–	1,000	100	–	–	1,000	100
Dr. Wolfgang Colberg	50,000	96	–	–	2,000	4	–	–	52,000	100
Prof. Dr. Dr. h. c. Ursula Gather	50,000	63	25,000	31	5,000	6	–	–	80,000	100
Angelika Gifford	45,833	96	–	–	2,000	4	–	–	47,833	100
Dr. Bernhard Günther	37,500	33	58,125	52	16,500	15	–	–	112,125	100
Achim Hass	50,000	87	–	–	2,000	3	5,400	9	57,400	100
Friederike Helfer	37,500	48	33,750	43	7,500	10	–	–	78,750	100
Tanja Jacquemin	50,000	67	20,000	27	4,500	6	–	–	74,500	100
Daniela Jansen	–	–	–	–	1,000	100	–	–	1,000	100
Barbara Kremser-Bruttel	50,000	84	–	–	2,000	3	7,700	13	59,700	100
Dr. Ingo Luge	45,833	66	18,750	27	5,000	7	–	–	69,583	100
Tekin Nasikkol	8,333	44	2,083	11	4,000	21	4,500	24	18,916	100
Peter Remmler	50,000	60	12,500	15	4,000	5	16,500	20	83,000	100
Dirk Sievers	50,000	40	57,500	46	17,000	14	–	–	124,500	100
Dr. Verena Volpert	–	–	–	–	4,000	100	–	–	4,000	100
Friedrich Weber	50,000	87	–	–	2,000	3	5,450	9	57,450	100
Isolde Würz	50,000	96	–	–	2,000	4	–	–	52,000	100
Former members of the Supervisory Board										
Markus Grolms (Vice Chairman until Jan. 31, 2020)	50,000	100	–	–	–	–	–	–	50,000	100
Dr. Ingrid Hengster (until Sept. 30, 2020)	50,000	100	–	–	–	–	–	–	50,000	100
Susanne Herberger (until July 31, 2020)	41,667	41	10,417	10	–	–	49,167	49	101,251	100
Dr. Norbert Kluge (until Feb. 5, 2021)	50,000	98	–	–	1,000	2	–	–	51,000	100
Prof. Dr. Bernhard Pellens (until Jan. 31, 2020)	16,667	39	25,833	61	–	–	–	–	42,500	100
Carola v. Schmettow (until Jan. 31, 2020)	16,667	80	4,167	20	–	–	–	–	20,834	100
Dr. Lothar Steinebach (until Feb. 5, 2021)	50,000	70	20,000	28	1,500	2	–	–	71,500	100
Jens Tischendorf (until Jan. 31, 2020)	16,667	53	15,000	47	–	–	–	–	31,667	100
Total	**1,266,667**		**303,125**		**121,000**		**88,717**		**1,779,509**	

[1] Fixed compensation and compensation for committee work: awarded or due in 2020 / 2021 for Supervisory Board work in fiscal 2019 / 2020. See note above.
[2] Meeting attendance fee: awarded or due in 2020 / 2021 for Supervisory Board work in fiscal 2020 / 2021. See note above.
[3] Compensation for directorships at subsidiaries of thyssenkrupp AG: allocation of compensation awarded or due in 2020 / 2021 as under notes 1) und 2).

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.

Comparative table of changes in compensation and company performance

The following comparative illustration shows the annual change in compensation awarded or due to current and former Executive and Supervisory Board members, the company's earnings performance and the compensation awarded to employees on a full-time equivalent basis, with the latter being based on the average wages and salaries of the employees of all group companies in Germany in the fiscal year in question. The internal peer group is deliberately limited to Germany, firstly because of the external comparison of thyssenkrupp Executive Board compensation with DAX and MDAX companies and secondly because this is where most staff members are employed.

COMPARATIVE TABLE OF CHANGES IN COMPENSATION AND COMPANY PERFORMANCE FOR THE MEMBERS OF THE EXECUTIVE BOARD

	Compensation awarded or due in 2020/2021	Compensation awarded or due in 2019/2020	Changes 2020/2021 towards 2019/2020		Changes 2019/2020 towards 2018/2019		Changes 2018/2019 towards 2017/2018		Changes 2017/2018 towards 2016/2017		Changes 2016/2017 towards 2015/2016	
	€000s	€000s	€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %
Current members of the Executive Board												
Martina Merz	2,400	1,534	866	56	1,534	–	–	–	–	–	–	–
Oliver Burkhard	1,483	954	529	55	(895)	(48)	(767)	(29)	(117)	(4)	753	38
Dr. Klaus Keysberg	1,301	834	467	56	834	–	–	–	–	–	–	–
Former members of the Executive Board												
Guido Kerkhoff	562	7,150	(6,588)	(92)	4,619	182	(85)	(3)	(346)	(12)	445	18
Dr. Donatus Kaufmann	508	2,170	(1,662)	(77)	335	18	(584)	(24)	425	21	637	47
Dr. Heinrich Hiesinger	1,488	405	1,083	267	(2,201)	(84)	(6,028)	(70)	2,837	49	714	14
Ralph Labonte	663	645	18	3	277	75	7	2	(284)	(44)	(812)	(56)
Edwin Eichler	444	443	1	0	7	2	257	144	179	–	(485)	–
Dr. Jürgen Claassen	222	221	1	0	3	1	93	74	125	–	(693)	–
Employees												
Avg. employees in Germany	65	62	2	4	(2)	(4)	1	2	1	2	1	1
Company performance												
Net income tk group (€ million)	(25)	9,592	(9,617)	--	9,852	++	(320)	-	651	++	(852)	--
Net income thyssenkrupp AG (€ million)	(651)	(289)	(362)	-	1,518	++	(3,386)	--	1,520	++	(102)	-

COMPARATIVE TABLE OF CHANGES IN COMPENSATION AND COMPANY PERFORMANCE FOR THE MEMBERS OF THE SUPERVISORY BOARD

	Compensation awarded or due in 2020/2021	Compensation awarded or due in 2019/2020	Changes 2020/2021 towards 2019/2020		Changes 2019/2020 towards 2018/2019		Changes 2018/2019 towards 2017/2018		Changes 2017/2018 towards 2016/2017		Changes 2016/2017 towards 2015/2016	
	in €	in €	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %
Current members of the Supervisory Board												
Prof. Dr.-Ing. Siegfried Russwurm	218,000	61,250	156,750	256	56,750	1,261	4,500	–	–	–	–	–
Jürgen Kerner	129,500	16,000	113,500	709	16,000	–	–	–	–	–	–	–
Birgit A. Behrendt	39,500	3,500	36,000	1,029	3,500	–	–	–	–	–	–	–
Stefan Erwin Buchner	1,000	–	1,000	–	–	–	–	–	–	–	–	–
Dr. Wolfgang Colberg	52,000	48,667	3,333	7	40,667	508	8,000	–	–	–	–	–
Prof. Dr. Dr. h. c. Ursula Gather	80,000	84,500	(4,500)	(5)	16,833	25	60,667	867	7,000	–	–	–
Angelika Gifford	47,833	5,000	42,833	857	5,000	–	–	–	–	–	–	–
Dr. Bernhard Günther	112,125	18,500	93,625	506	18,500	–	–	–	–	–	–	–
Achim Hass	57,400	60,400	(3,000)	(5)	(14,000)	(19)	23,304	46	48,696	2,029	2,400	–
Friederike Helfer	78,750	–	78,750	–	–	–	–	–	–	–	–	–
Tanja Jacquemin	74,500	78,000	(3,500)	(4)	1,000	1	1,000	1	35,666	88	38,334	1,917
Daniela Jansen	1,000	–	1,000	–	–	–	–	–	–	–	–	–
Barbara Kremser-Bruttel	59,700	46,033	13,667	30	35,533	1,184	3,000	–	–	–	–	–
Dr. Ingo Luge	69,583	7,000	62,583	894	7,000	–	–	–	–	–	–	–
Tekin Nasikkol	18,916	24,148	(5,232)	(22)	(28,417)	(54)	(2,435)	(4)	35,833	187	18,667	3,733
Peter Remmler	83,000	86,500	(3,500)	(4)	750	1	(750)	(1)	2,750	3	1,250	2
Dirk Sievers	124,500	135,000	(10,500)	(8)	100,000	286	35,000	–	–	–	–	–
Dr. Verena Volpert	4,000	–	4,000	–	–	–	–	–	–	–	–	–
Friedrich Weber	57,450	60,600	(3,150)	(5)	1,300	2	(1,300)	(2)	2,650	5	650	1
Isolde Würz	52,000	55,000	(3,000)	(5)	1,000	2	(1,000)	(2)	2,500	5	17,167	49
Former members of the Supervisory Board												
Markus Grolms	50,000	159,000	(109,000)	(69)	(25,000)	(14)	16,500	10	40,250	32	36,750	41
Dr. Ingrid Hengster	50,000	55,000	(5,000)	(9)	1,000	2	(1,000)	(2)	2,500	5	13,000	33
Susanne Herberger	101,251	85,250	16,001	19	(250)	0	0	0	(11,333)	(12)	(7,167)	(7)
Dr. Norbert Kluge	51,000	55,000	(4,000)	(7)	1,500	3	(1,500)	(3)	2,500	5	500	1
Prof. Dr. Bernhard Pellens	42,500	168,708	(126,208)	(75)	16,541	11	35,167	30	7,000	6	2,500	2
Carola v. Schmettow	20,834	66,000	(45,166)	(68)	(2,750)	(4)	9,750	17	6,500	12	500	1
Dr. Lothar Steinebach	71,500	86,333	(14,833)	(17)	3,708	4	(375)	0	2,500	3	1,000	1
Jens Tischendorf	31,667	100,000	(68,333)	(68)	14,750	17	13,250	18	5,500	8	16,167	32
Employees												
Avg. employees in Germany	64,689	62,229	2,460	4	(2,294)	(4)	991	2	1,281	2	918	1
Company performance												
Net income tk group (€ million)	(25)	9,592	(9,617)	--	9,852	++	(320)	-	651	++	(852)	--
Net income thyssenkrupp AG (€ million)	(651)	(289)	(362)	-	1,518	++	(3,386)	--	1,520	++	(102)	-

Report of the independent auditor on the formal audit of the remuneration report pursuant to § 162 Abs. 3 AktG

To thyssenkrupp AG, Duisburg and Essen

Opinion

We have formally audited the remuneration report of thyssenkrupp AG, Duisburg and Essen, for the financial year from October 1, 2020 to September 30, 2021 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870). Our responsibility under that provision and that standard is further described in the “Auditor's Responsibilies” section of our auditor’s report. As an audit firm, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements to quality control for audit firms [IDW Qualitätssicherungsstandard – IDW QS 1]. We have complied with the professional duties pursuant to the the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP], including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor’s report.

We planned and performed our audit to determine, through comparisson of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report. In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Essen, November 15, 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Kayser Wirtschaftsprüfer (German Public Auditor)	Michael Preiß Wirtschaftsprüfer (German Public Auditor)