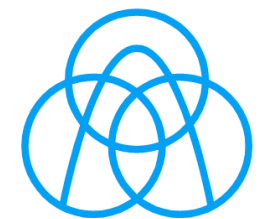


Investor Dialogue on Corporate Governance

Ticker: TKA (Share) TKAMY (ADR)

Prof. Dr.-Ing. Siegfried Russwurm - Chairman of the Supervisory Board | November 2019

engineering.tomorrow.together.

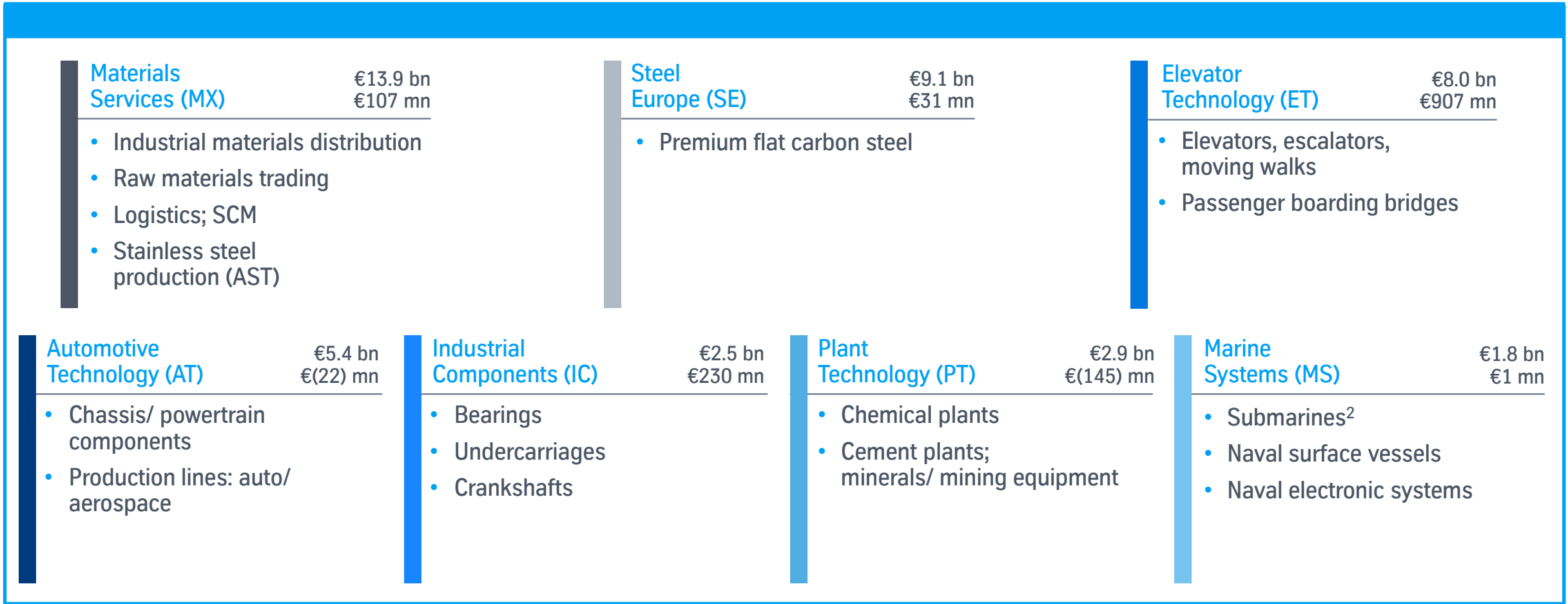


thyssenkrupp

Content

1	newtk – the new thyssenkrupp	03-04
2	Supervisory Board and Committee work	05-15
3	Considerations for AGM proposals	16-19





1. All figures relate to FY 2018/19; AT, IC and PT on a pro-forma basis | 2. Non-nuclear



PERFORMANCE FIRST; EFFICIENT ORGANIZATION



FLEXIBLE PORTFOLIO

Value-driven exploitation of consolidation opportunities

SE, MX

- **Steel Europe:**
 - Efficient repositioning
 - Consolidation still sensible, but on a large scale currently not possible (EU Commission)
- **Materials Services:**
Assessing consolidation options

Majority Stake

Value-driven development

CT-Auto, IS, MS, CT-Industry

- **CT-Auto:** Develop a strong automotive components business
- **Industrial Solutions:**
Focus on turnaround
- **Open to new, value creating options:**
partnerships, business combinations

Open to different ownership structures incl. Minority Stakes

Value realization and crystallization

ET

- **IPO process for Elevator initiated:**
 - Financial headroom for Group restructuring
 - Catalyst for additional performance improvement of ET
 - Elevator shares as “currency” for further development of ET

IPO / evaluation alternative options



- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals



“Advance tk’s transformation to a performance-driven and agile organisation with clear accountability at all management positions and with higher speed and quality in decision making.”

Prof. Dr.-Ing. Siegfried Russwurm
Chairman of the Supervisory Board
thyssenkrupp AG



thyssenkrupp Supervisory Board – Shareholder Representatives

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals



**Prof. Dr.-Ing.
Siegfried Russwurm**
Chairman

Born 1963, German
Member since 2019

Independent Business
Consultant



**Dr.
Wolfgang Colberg**

Born 1959, German
Member since 2018
Senior Advisor, CVC Advisers



**Prof. Dr. Dr. h.c.
Ursula Gather**

Born 1953, German
Member¹ since 2018
Rector Technical University,
Dortmund



**Dr.
Ingrid Hengster**

Born 1961, Austrian
Member since 2015
Executive Board of KfW
Bankengruppe



**Prof. Dr.
Bernhard Pellens**

Born 1955, German
Member since 2005
Professor Ruhr University,
Bochum



Martina Merz

Born 1963, German
Member since 2019
Independent Business
Consultant

CEO (temporary
delegation)²



Carola v. Schmettow

Born 1964, German
Member since 2012
CEO HSBC Trinkaus &
Burkhardt



Angelika Gifford

Born 1965, German
Member since 2019
Former MD Hewlett-Packard



**Dr.
Lothar Steinebach**

Born 1948, German
Member¹ since 2013
Former CFO Henkel



Jens Tischendorf

Born 1973, German
Member since 2015
Partner at Cevian Capital



**Dr.
Ingo Luge**

Born 1957, German
Member since 2019
Former CEO E.ON
Deutschland, E.ON SE

Temporary stand-
in for Martin Merz²



thyssenkrupp Supervisory Board – Employee Representatives

1 newtk – the new thyssenkrupp


2 Supervisory Board and Committee work

3 Considerations for AGM proposals




Markus Grolms
Vice Chairman

Born 1971, German
Member since 2009
Trade union secretary at IG Metall



Achim Hass

Born 1965, German
Member since 2017
Power electronics technician




Susanne Herberger

Born 1964, German
Member since 2009
Engineer (FH) – IT



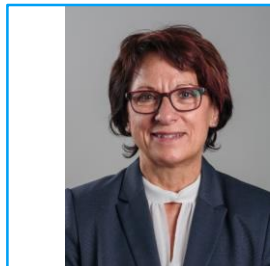
Tanja Jacquemin

Born 1972, German
Member since 2016
Dipl.-Kauffrau



Dr. Norbert Kluge

Born 1955, German
Member since 2014
Diplom-Sozialwirt



Barbara Kremser-Bruttel

Born 1960, German
Member since 2019
Office clerk




Peter Remmler

Born 1958, German
Member since 2009
Wholesale and export trader




Dirk Sievers

Born 1971, German
Member since 2018
Industrial mechanic



Friedrich Weber

Born 1954, German
Member since 2013
Machine setter



Isolde Würz

Born 1959, German
Member since 2015
Attorney



thyssenkrupp Supervisory Board – Shareholder Representatives

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

20 Board members



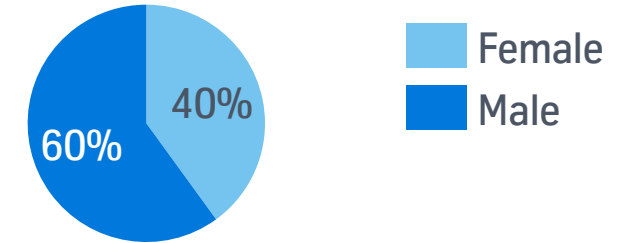
Board tenure in years



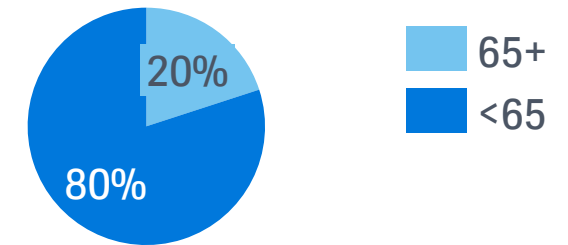
No. of mandates



Gender



Age



Nationality



Terms of Supervisory Board Shareholder Representatives

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals



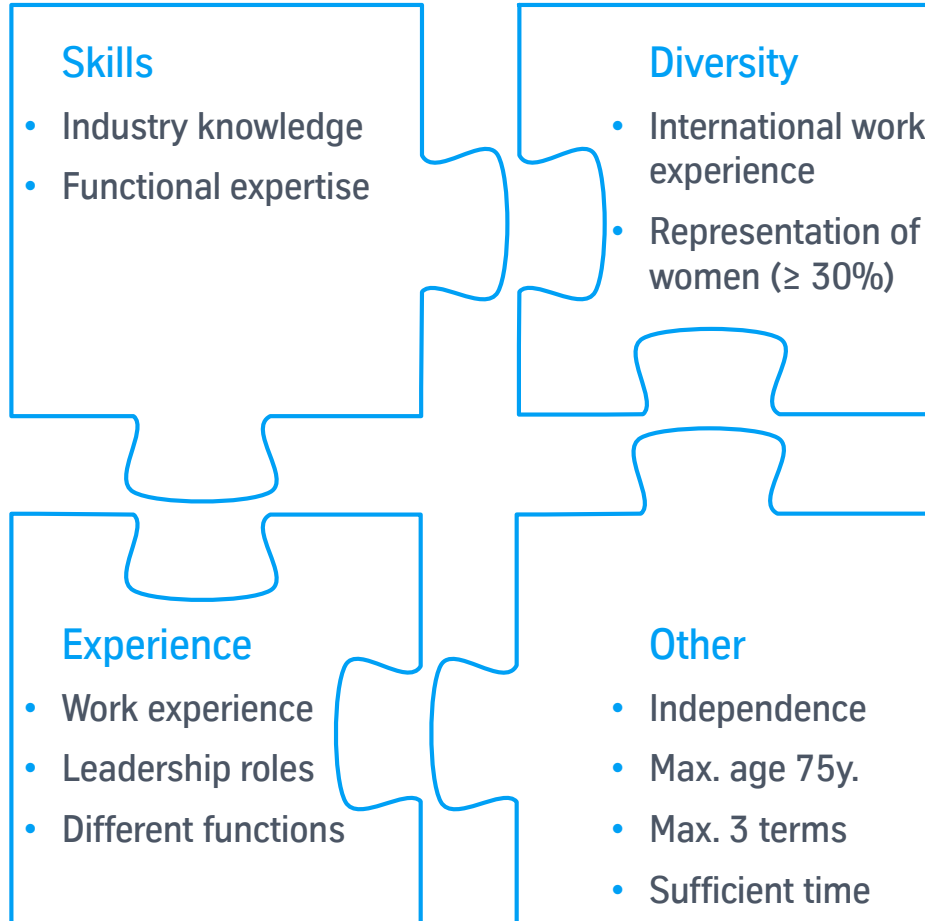
1. Currently CEO (temporary delegation max. until Sep. 30, 2020) | 2. Temporary stand-in for Martin Merz



Nomination process for new Supervisory Board candidates

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

Step 1 – Definition of required profile¹



1. Diversity concept 2017; competence profile 2018

Step 2

Nomination Committee

- Identify potential candidates
- Propose candidates to Supervisory Board

Step 3

Supervisory Board

- Confirm candidates
- Propose candidates to shareholders (AGM)

Step 4

Shareholders at AGM

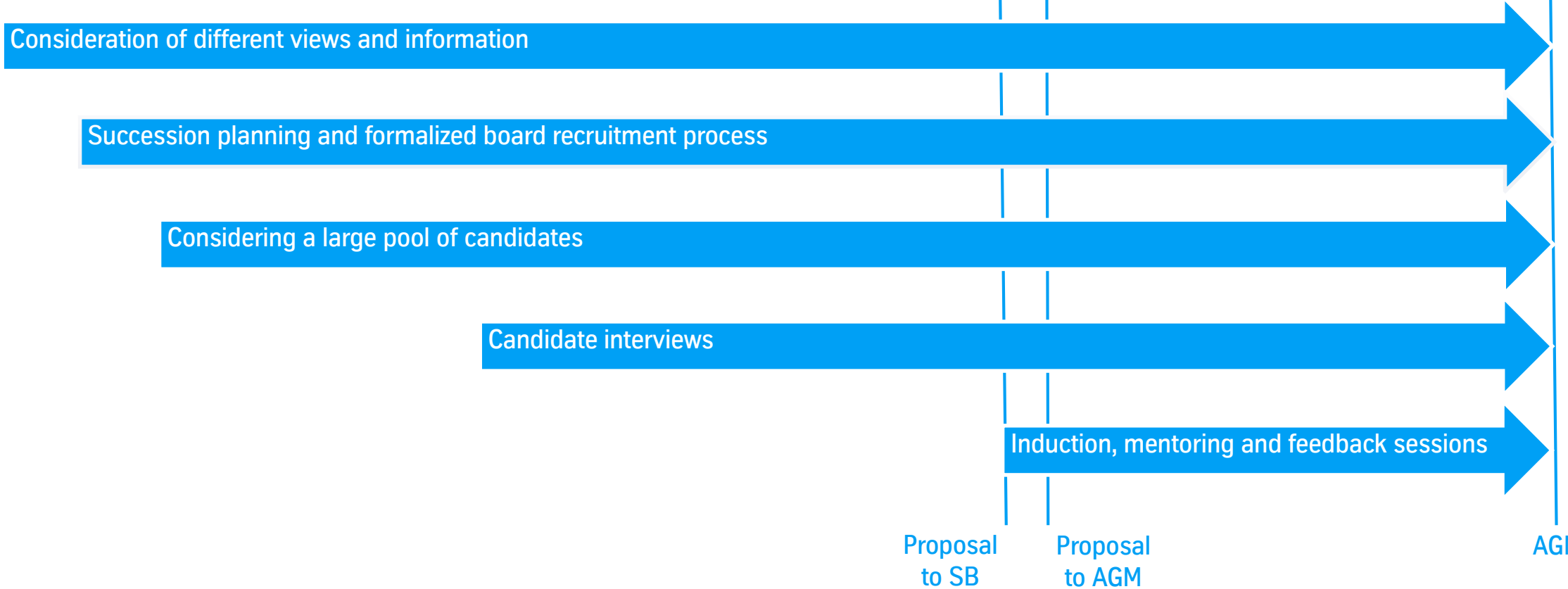
- Vote/approve candidates at AGM (8 SB members at AGM 2020)



Supervisory Board nomination process timeline

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

2019																								2020															
July					Aug.					Sept.					Oct.					Nov.					Dec.					Jan.				Febr.					
27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	01	02	03	04	05	06	07							
■					■	■					■	■					■					■	■										■				■		



Supervisory Board Composition Matrix

Screening potential candidates on the basis of required competencies

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

	Name	Independent Member	Diversity: Nationality	Diversity: Gender	Diversity: Age	Financial Expert	CEO Experience	International Board Experience	Digitalization	Product / Technology - Materials -	Product / Technology - Industrials -	Operations / Industrial activities in the global marketplace - Materials -	Operations / Industrial activities in the global marketplace - Industrials -	Global macro-economic and political environment	Experience in advisory or supervisory board bodies	Risk Management / Compliance & Legal / Corporate Governance	Business Strategy	HR/Transformation	Management of co-determined companies	Other
n.n.	Yes	European/ U.S. American	female/ male	35-45/46- 55/56-65															tbd	
n.n.	Yes	European/ U.S. American	female/ male	35-45/46- 55/56-65															tbd	
n.n.	Yes	European/ U.S. American	female/ male	35-45/46- 55/56-65															tbd	
n.n.	Yes	European/ U.S. American	female/ male	35-45/46- 55/56-65															tbd	
n.n.	Yes	European/ U.S. American	female/ male	35-45/46- 55/56-65															tbd	
n.n.	Yes	European/ U.S. American	female/ male	35-45/46- 55/56-65															tbd	
n.n.	Yes	European/ U.S. American	female/ male	35-45/46- 55/56-65															tbd	
Average in %					21	64	57	54	39	57	25	57	68	36	46	57	57	57		
Competence assessment (>75%)					0	2	1	0	2	1	1	1	3	1	1	1	2	1		



Executive Committee

- Prepares the agenda of the SB meetings (nucleus of EC debate)

Members

- S. Russwurm (Chairman; SR)
M. Grolms (ER), B. Pellens (SR), D. Sievers (ER)

Strategy, Finance and Investment Committee

- Prepares major decisions on e.g. strategic developments, financing, investments

- S. Russwurm (Chairman; SR)
U. Gather (SR), M. Grolms (ER), S. Herberger (ER),
P. Remmler (ER), D. Sievers (ER), J. Tischendorf (SR),
N. N. (SR)

Audit Committee

- Monitors the accounting process and internal control systems

- B. Pellens (Chairman; SR)
M. Grolms (ER), T. Jacquemin (ER), D. Sievers (ER),
L. Steinebach (SR), J. Tischendorf (SR)

Nomination Committee

- Proposes SB candidates to SB

Members

- S. Russwurm (Chairman; SR)
U. Gather (SR), B. Pellens (SR),
C. v. Schmettow (SR), J. Tischendorf (SR)

Personnel Committee

- Proposes Executive Board candidates to SB
- Develops EB remuneration

- S. Russwurm (Chairman; SR)
M. Grolms (ER), B. Pellens (SR), D. Sievers (ER)

Mediation Committee¹

- Makes proposals for the appointment and dismissal of the Executive Board members in case when there is no majority of at least 2/3

- S. Russwurm (Chairman; SR)
M. Grolms (ER), B. Pellens (SR), D. Sievers (ER)

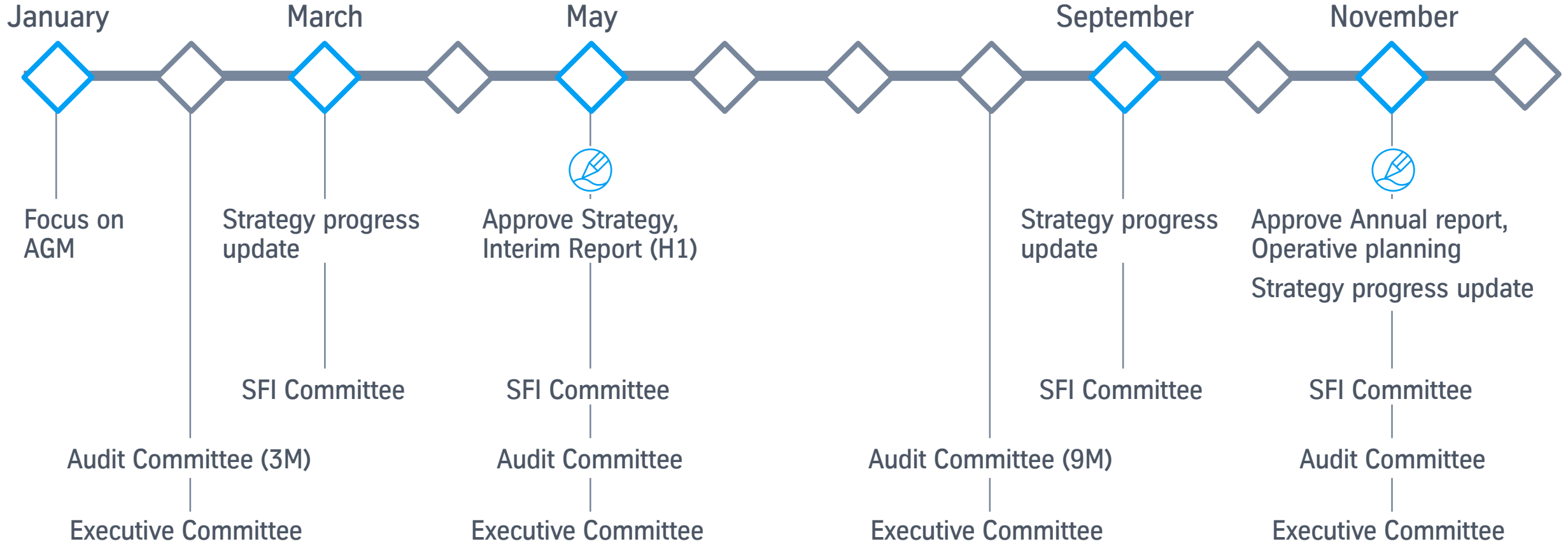
(SR) Shareholder Representative | (ER) Employee Representative

1. Required by law



Ordinary schedule and topics of Supervisory Board and Committee meetings

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals



 Supervisory Board meeting

 Supervisory Board decision



Developments at tk requires higher intensity of SB and Committee work

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

Meetings in
FY 2017/18

Meetings in
FY 2018/19

10x	Supervisory Board	8x
12x	Personnel Committee	19x
11x	Nomination Committee	18x
8x	Executive Committee	30x
7x	Audit Committee	6x
5x	SFI Committee	5x



Topics:

- Situation of the group
- Group separation project Gemini; approval of newtk
- Board matters and special topics



New bi-weekly meeting format „Executive Committee with guests/experts“:

- Bi-weekly alternating focus of meeting on newtk topics „Portfolio“ and „Performance“
- „Guests/experts“ by invitation:
 - Supervisory Board members (Colberg – Portfolio, Russwurm – Performance)
 - Executive Board members (CEO – Portfolio, CFO – Performance, CHRO – Organization)
 - External consultants for Supervisory Board only
- Establishment of „discussion and debate“ culture

1. The work of the Supervisory Board that is conducted outside of Supervisory Board meetings has not been considered

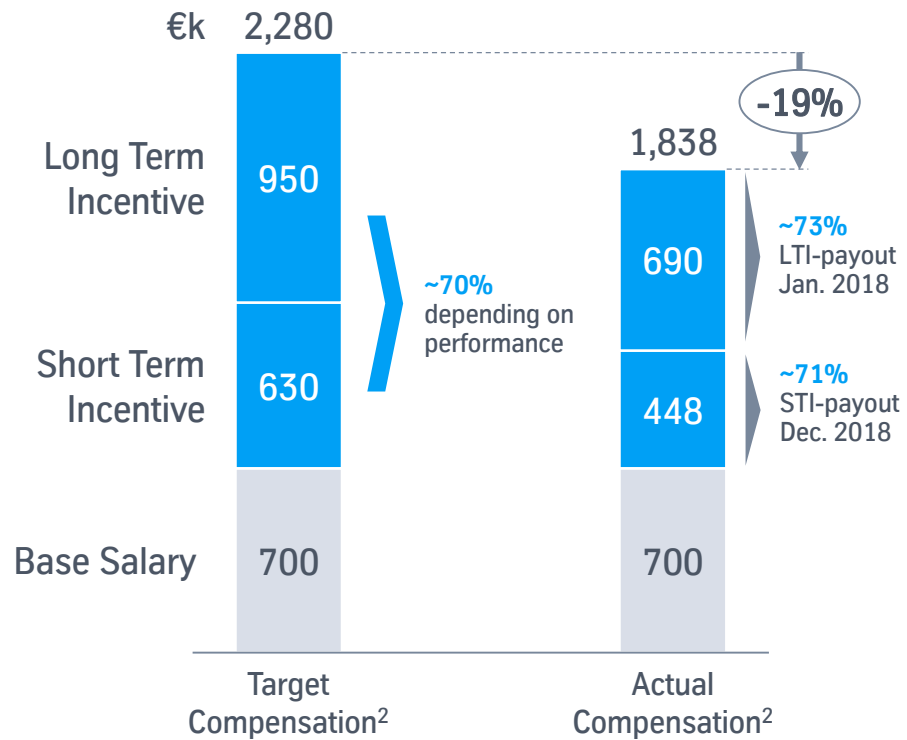


Executive Board Compensation system with effective mechanics

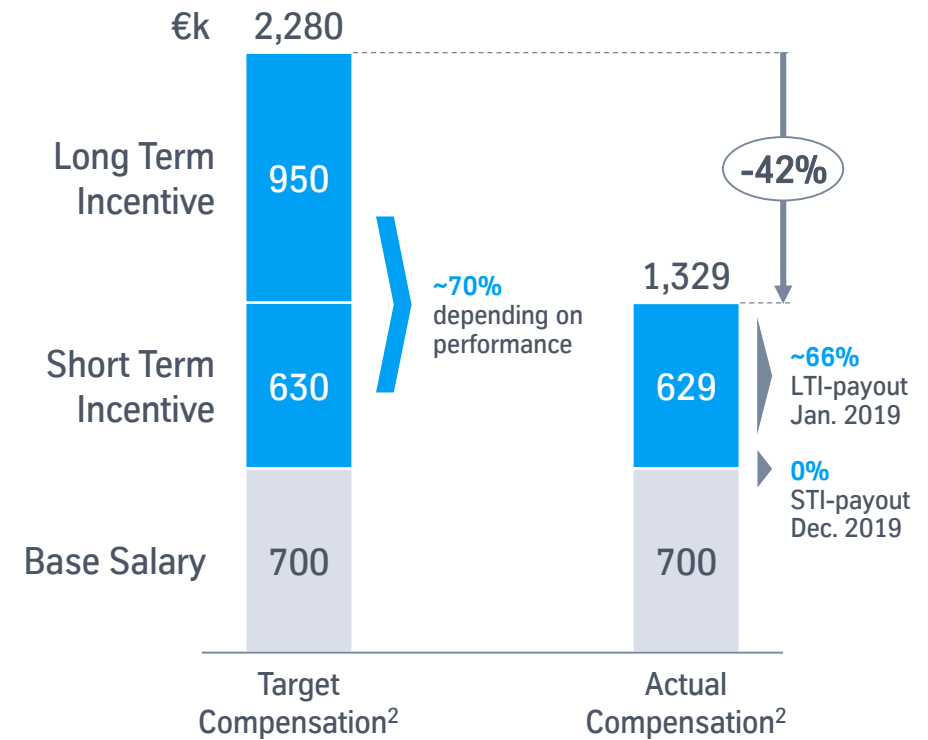
– Example¹: challenging development in FYs 2017/18, 2018/19

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

FY 2017/18



FY 2018/19



Actual payout FY 2017/18 and FY 2018/19 significantly below target compensation

1. Example for an ordinary Board Member | 2. w/o fringe benefits & pension service costs



Current thyssenkrupp Executive Board compensation system

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

➤ First steps towards a possible revision; first discussion with experts ongoing;

Compensation Elements

- Annual performance bonus
- Internal financial targets
- Bonus-malus factor 0.8 – 1.2 based on indirect financial targets & overall performance of the Board
- Payout in cash; range: 0% - 200% of initial value

Base Salary (~25%)

- • Current annual base salaries: €1,340,000 (CEO) / €700,000 (ordinary board member)

+

Short Term Incentive (~25%)

+

Long Term Incentive (~40%)

- • Performance Share Plan with 3 FY perf. period
- Criteria: Indirect financial target & absolute share performance
- Payout in cash; range: 0% - 250% of initial value

- Defined contribution pension plans
- For all new Executive Board Members since 2014: Pension is paid in the form of a lump sum instead of a lifelong annuity

+

Pension (~10%)

➤ Share Ownership Guideline

- • Obligation to invest in tk shares at regular intervals until stock of 100% (CEO) / 50% of (ordinary board member) annual base salary is reached

- Supervisory Board right to reduce compensation in case of deterioration in company's situation pursuant to § 87 (2) AktG

➤ Clawback rule

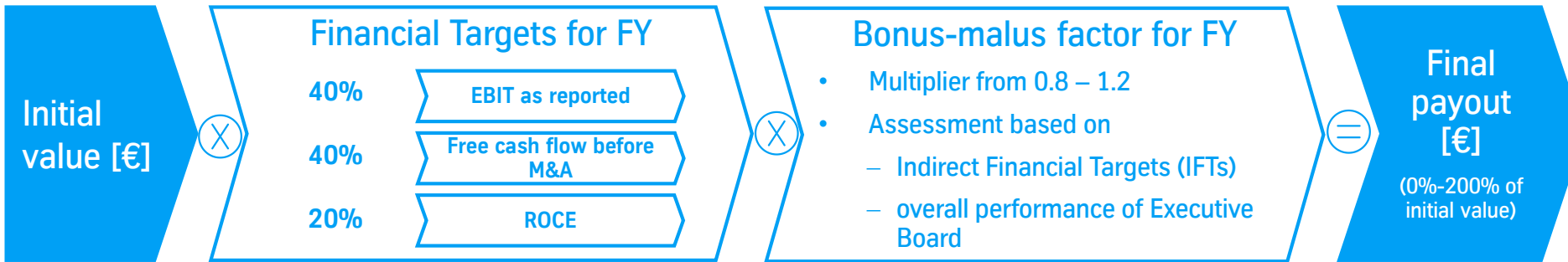
In place since fiscal year 2014/15; AGM approval (98.79%) on January 30, 2015



Current Short Term Incentive: Annual Bonus

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

➤ First steps towards a possible revision; first discussion with experts ongoing;



Configuration

- Target bonus model
- Performance period: one FY
- Financial Targets: EBIT, ROCE and FCF before M&A as the group's most relevant indicators for financial performance
- Bonus-malus factor: Indirect Financial Targets (IFTs) from the areas people, innovations, environment and procurement as well as overall performance of Executive Board
- Performance conditions & standards¹
 - Financial targets: Actual \geq budget
 - Bonus-malus factor: Predefined objectives are met (IFTs) / Supervisory Board decides at its own discretion (overall performance of Exec. Board)
- Payout range: 0% - 200% of initial value

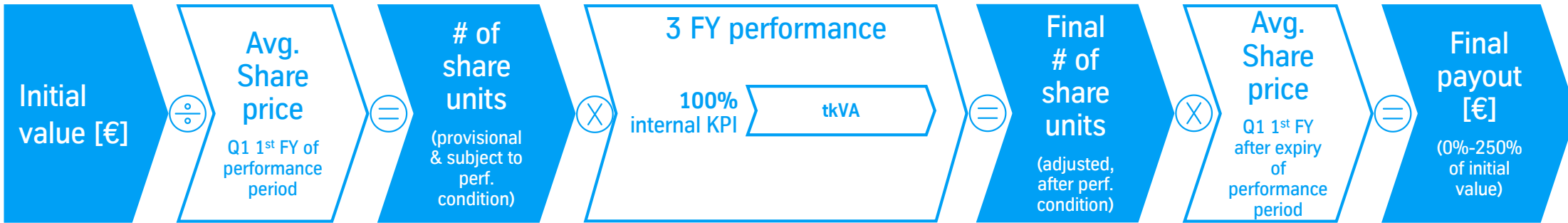
1. Performance standard for $\geq 100\%$ target achievement



Current Long Term Incentive

- 1 newtk – the new thyssenkrupp
- 2 Supervisory Board and Committee work
- 3 Considerations for AGM proposals

➤ First steps towards a possible revision; first discussion with experts ongoing;



Configuration

- Performance Share Units
- Performance period: three FYs
- Performance conditions & standards¹
 - Absolute share performance: Increase in share price
 - tkVA: Avg. tkVA ≥ 0 over three FY, meaning return on capital employed ≥ capital costs
- Payout range: 0% - 250% of initial value

1. Performance standard for ≥100% target achievement



Appendix



Individual disclosure of Supervisory Board members' attendance at meetings in FY 2018/19

Supervisory Board Member	Number of Meetings ¹	Participation	Attendance
Martina Merz (since December 5, 2018; Chairwoman since February 1, 2019 until September 30, 2019)	72	72	100%
Prof. Dr. Bernhard Pellens (Chairman until February 1, 2019)	84	81	96%
Markus Grolms (Vice Chairman)	70	68	97%
Dr. Wolfgang Colberg (since December 29, 2018)	17	16	94%
Prof. Dr. Dr. h. c. Ursula Gather	33	32	97%
Achim Hass	8	8	100%
Dr. Ingrid Hengster	8	8	100%
Susanne Herberger	13	13	100%
Tanja Jacquemin	14	14	100%
Prof. Dr. Hans-Peter Keitel (until January 28, 2019)	9	7	78%
Dr. Norbert Kluge	8	7	88%
Barbara Kremser-Bruttel (since February 1, 2019)	6	6	100%
Tekin Nasikkol (until February 1, 2019)	2	2	100%
Peter Remmler	13	13	100%
Prof. Dr.-Ing. Siegfried Russwurm (since April 24, 2019)	9	9	100%
Carola v. Schmettow	26	25	96%
Dirk Sievers (since October 2, 2018)	70	70	100%
Carsten Spohr (until September, 26 2019)	7	6	86%
Dr. Lothar Steinebach	19	19	100%
Jens Tischendorf	39	38	97%
Friedrich Weber	8	8	100%
Isolde Würz	8	8	100%
	Σ 543	530	98%

1. The work of the Supervisory Board that is conducted outside of Supervisory Board meetings has not been considered



At thyssenkrupp we systematically create sustainable value

How we manage sustainability

- 1 Board-level responsibility**
 - Definition of sustainability strategy & targets
 - Monitoring of sustainability performance
- 2 Indirect financial targets**
 - Annual progress report and target redefinition
 - Performance factors into board compensation
- 3 Strategic programs**
 - Climate Action Program for Sustainable Solutions
 - Group wide Energy Efficiency Program (GEEP)
- 4 Transparency**
 - Integrated reporting approach (EU CSR directive)
 - Corresponds to TCFD¹ framework

1) Taskforce on Climate-related Financial Disclosures

External recognition



Leader
Outperformer
Average Performer
Underperformer
Laggard

ranked
3
out of
44



Sustainalytics ESG Report as of 01/19: tk ranked 3 out of 44 companies in industry group
MSCI ESG Ratings assessment as of 01/19: tk ranked A on a scale of AAA-CCC, non-official logo



Seven Indirect Financial Targets (IFTs) to track continuous progress

Targets

- Annual energy efficiency gains 200 GWh in 2018/19 and 150 GWh in 2019/20
- 100% of relevant activities covered by ISO 50001 by 2019/20
- 100% of relevant activities covered by ISO 14001 by 2019/20
- Adjusted R&D intensity ~2.5%
- 15% share of women in leadership positions by 2019/20
- 2.0 accidents per million hours worked by 2020/21, improvement of at least 10% a year
- 100 supplier sustainability audits each year

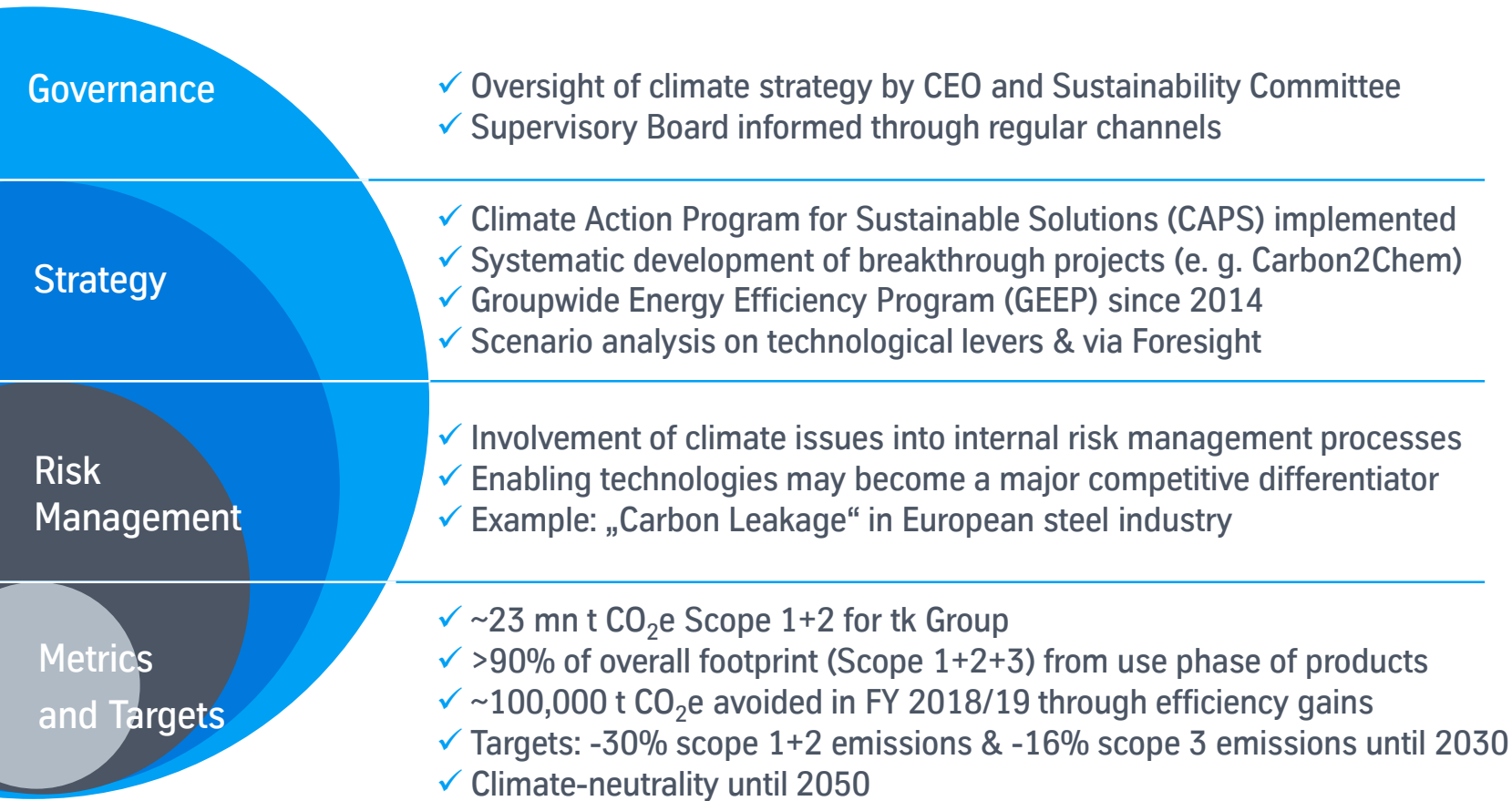
Achievements

	FY 2018/19	FY 2017/18
Annual energy efficiency gains	325 GWh	253 GWh
100% of relevant activities covered by ISO 50001	100%	83%
100% of relevant activities covered by ISO 14001	94%	91%
Adjusted R&D intensity	2.5%	2.5%
15% share of women in leadership positions	12.6%	12.0%
Accidents per million hours worked	2.6	3.0
Supplier sustainability audits	143	173



thyssenkrupp with strong commitment and strategy to tackle future climate challenges

tk actions correspond to TCFD¹ framework



tk ranked as a leader in climate protection for 3 years in a row

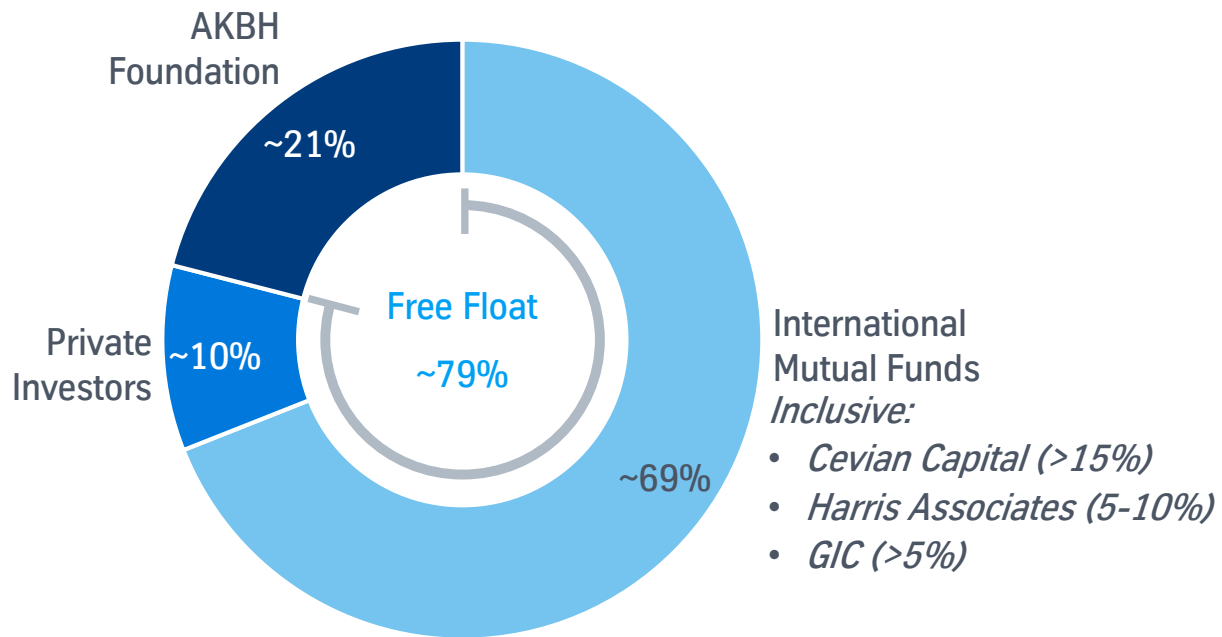


1. TCFD: Taskforce on Climate-related Financial Disclosures

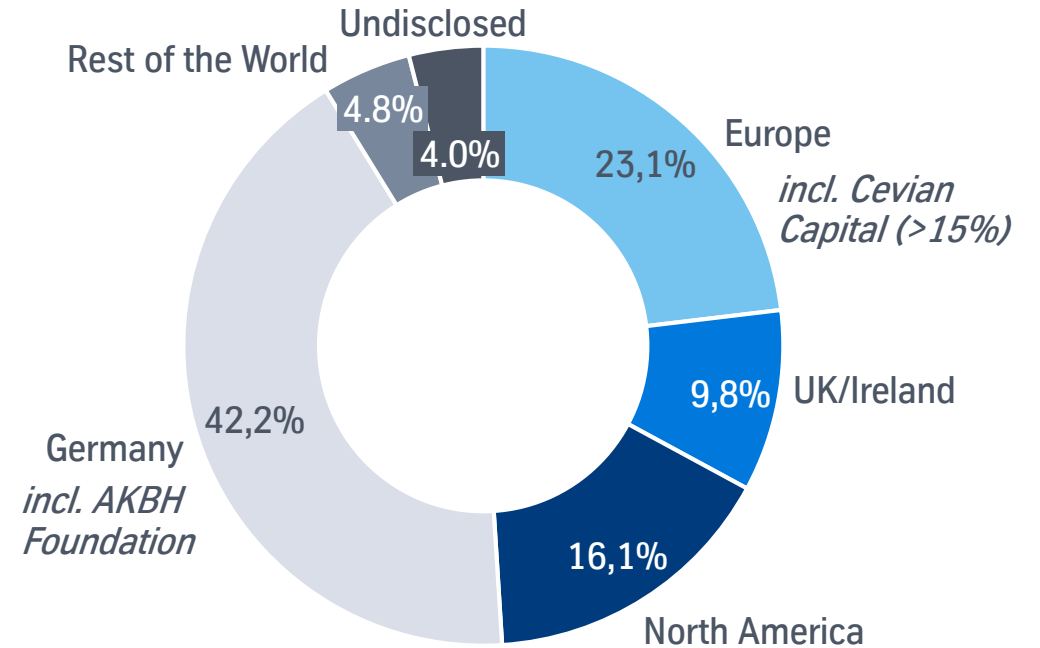


thyssenkrupp shareholder structure

Investors



Regional split



Source: WpHG Announcements; thyssenkrupp Shareholder ID 03/2019



Share and ADR Data

- Shares outstanding 622,531,741
 - Type of share No-par-value bearer shares
 - Voting One share, one vote
-

Share Data

- Ticker Symbol TKA
 - German Security Identification Number (WKN) 750 000
 - ISIN Number DE0007500001
 - Exchange Frankfurt, Dusseldorf
-

ADR Data

- Ratio (ordinary share:ADR) 1:1
- ADR Structure Sponsored-Level-I
- Ticker Symbol TKAMY
- Cusip 88629Q 207
- ISIN Number US88629Q2075
- Exchange Over-the-Counter (OTC)
- Depository bank: Deutsche Bank Trust Company Americas E-mail: adr@db.com
- Phone: +1 212 250 9100 (New York); +44 207 547 6500 (London) Website: www.adr.db.com



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Financial Calendar

December

- Capital Market Day on Elevator Technology, London

January 2020

- Annual General Meeting, Bochum

February 2020

- Interim report 1st quarter 2019/2020 (October to December)



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