Corporate governance statement of thyssenkrupp AG

The corporate governance statement is published separately on the internet in accordance with § 289a (1) sentence 2 HGB. It contains the declaration of conformity in accordance with § 161 AktG, relevant information on corporate governance practices, a description of how the Executive Board and Supervisory Board operate as well as the composition and method of operation of their committees and the commitments to promote the participation of women in leadership positions in accordance with § 76 (4) and § 111 (5) AktG.

Declaration of conformity in accordance with § 161 AktG

Under § 161 AktG the executive board and supervisory board of a listed German stock corporation are required to issue a declaration at least once a year stating whether the German Corporate Governance Code has been and is being observed and which of the Code’s recommendations have not been or are not being applied and why. The Executive Board and Supervisory Board of thyssenkrupp AG issued the following declaration in the reporting year, which was published on the Company’s website at www.thyssenkrupp.com on October 1, 2016:

Erklärung des Vorstands und des Aufsichtsrats der thyssenkrupp AG zu den Empfehlungen der „Regierungskommission Deutscher Corporate Governance Kodex“ gem. § 161 AktG


Duisburg/Esen, 1. Oktober 2016

Für den Aufsichtsrat

[Signature]

Für den Vorstand

[Signature]
Relevant information on corporate governance practices

Implementation of the rules of the German Corporate Governance Code
thyssenkrupp AG regularly reviews compliance with the recommendations and suggestions of the German Corporate Governance Code. It also voluntarily follows the Code’s suggestions.

Compliance program
Compliance, in the sense of all Groupwide measures to ensure adherence to statutory requirements and binding internal regulations, is a key management and oversight duty at thyssenkrupp.

For thyssenkrupp compliance is a must. That is what it says in our mission statement, and something we take seriously according to our maxim “Compliance is a question of mindset”.

The Executive Board of thyssenkrupp AG has unequivocally expressed its rejection of antitrust violations and corruption in the thyssenkrupp Compliance Commitment. thyssenkrupp has made a clear commitment to compliance with laws and binding internal regulations: Any violations, in particular antitrust or corruption violations, will be met with zero tolerance.

The importance attached to compliance at thyssenkrupp is underlined by the fact that an Executive Board member was appointed especially for the corporate functions Legal & Compliance. In this capacity he reports regularly to the Supervisory Board and Audit Committee. The Chief Compliance Officer is responsible for the management of the compliance program and reports directly to the Executive Board member for Legal & Compliance. The heads of the compliance departments of Corporate and the business areas report directly to the Chief Compliance Officer.

More information on compliance at thyssenkrupp can be found in the “Compliance” section of the combined management report.

Group mission statement as a framework for a sustainable corporate culture
Our Group mission statement describes how we see ourselves as a Group – “WE are thyssenkrupp”. It strengthens employees’ identity with the Company, provides orientation and serves as the basis for everything we do. It therefore also plays a key role in our Groupwide culture change, which is bringing us closer to the standards defined in the mission statement. The Group mission statement was developed by employees from all over the world. Together they defined thyssenkrupp’s aims on our path to becoming a diversified industrial group.

Further key corporate principles
While the Group mission statement describes our goals and standards, the concrete principles and ground rules for our work and our behavior towards business partners and the public are summarized in the thyssenkrupp Code of Conduct. This provides employees, managers and board members alike with guidelines on subjects such as compliance, equality and non-discrimination, cooperation with the employee representatives, occupational health and safety, environmental and climate protection, as well as data protection and information security. Suppliers are required to follow the thyssenkrupp Supplier Code of Conduct. In addition thyssenkrupp has signed the United Nations Global Compact, the BME Code of Conduct, and the Diversity Charter.
All these principles are implemented with the aid of the existing programs and management systems and the Indirect Financial Targets. Details are presented in the sustainability section of our website as well as under “Targets” in the section “Fundamental information about the Group”.

How the Executive Board and Supervisory Board operate and composition and method of operation of their committees
The composition of the Executive Board is described on the Company’s website. The Executive Board has no committees. The work of the Executive Board is governed by the Rules of Procedure for the Executive Board, available on our website. The distribution of directorates among the individual members of Executive Board is shown in the organization chart, which is part of the Rules of Procedure. The Executive Board’s duties to supply information and report to the Supervisory Board and its committees are set out in detail in a separate reporting procedure, which likewise forms part of the Rules of Procedure for the Executive Board.

The composition of the Supervisory Board of thyssenkrupp AG is governed by German law and the detailed provisions of §9 of the Articles of Association; the Articles of Association are also available on our website. In addition the Supervisory Board has adopted targets for its composition which are presented in the corporate governance report. The current composition of the Supervisory Board is presented on our website, which also details the current composition of the six Supervisory Board committees. As an independent member of the Supervisory Board with expertise in accounting and auditing in the meaning of § 100 (5) AktG, Prof. Dr. Bernhard Pellens is Chairman of the Audit Committee.

The work of the Supervisory Board is governed by Rules of Procedure, which are available on our website. The composition of the individual committees and their method of operation are described in the Rules of Procedure for the Supervisory Board and the separate rules of procedure for the committees.

More details on the work of the Executive Board, Supervisory Board and its committees are provided in the section “Supervisory Board” in the 2015/2016 Annual Report.

Commitments to promote the participation of women in leadership positions in accordance with §76 (4) and §111 (5) AktG and information on minimum representation on the Supervisory Board
thyssenkrupp has been pursuing a Groupwide strategy to promote diversity since 2013. Among other things we aim to achieve a 15% proportion of women in all leadership positions by 2020. We report on this strategy and progress in implementing it in the Annual Report of thyssenkrupp AG.

In Germany, listed and codetermined companies are subject to a mandatory minimum quota of 30% for the supervisory board and an obligation to set targets for the executive board and two management levels below, in each case specifying a deadline for meeting these targets. For all relevant German Group companies, the targets for the proportion of women on supervisory boards, management boards and the two management levels below as well as the implementation deadlines were set on time by September 30, 2015. All implementation deadlines initially run until June 30, 2017.

For the Supervisory Board of thyssenkrupp AG, the minimum quota of 30% has applied to the filling of vacant seats since January 1, 2016. The overall proportion of women on the Supervisory Board remains at 25%, after the employee side objected to joint fulfilment of the minimum quota for the
overall Supervisory Board in connection with the court appointment of an employee representative to the Supervisory Board. As the employee representative side already had a 30% proportion of women members, the legal requirements for the appointment were met.

The Supervisory Board of thyssenkrupp AG set a target of 0% women on the Executive Board of thyssenkrupp AG, to be implemented by June 30, 2017. The composition of the Executive Board has remained unchanged since then.

In fiscal 2014/2015 the Executive Board of thyssenkrupp AG adopted targets of 8% for the first management level and 23% for the second management level, also to be implemented by June 30, 2017. At the same time the Executive Board of thyssenkrupp AG continues to pursue the aforementioned Groupwide strategy targeting a global 15% proportion of women in all leadership positions by 2020.