

MAY 6, 2014
MARITIM HOTEL BERLIN

INVITATION

**TO THE ANNUAL GENERAL MEETING
OF RHEINMETALL AG | 2014**



AGENDA AT A GLANCE

1. Presentation of the adopted financial statements, the approved consolidated financial statements, the management report of the Company, which is combined with the Group management report, including the explanatory report of the Executive Board on the disclosures in accordance with § 289 (4) and § 315 (4) of the German Commercial Code (HGB) and the Report of the Supervisory Board, all for fiscal 2013.
2. Resolution on the appropriation of the unappropriated surplus for fiscal 2013
3. Resolution to grant discharge to the Executive Board for fiscal 2013
4. Resolution to grant discharge to the Supervisory Board for fiscal 2013
5. Resolution on the selection of the auditor for fiscal 2014
6. Resolution on authorization to acquire and use treasury shares
7. Resolution to cancel the authorized capital under § 4 (3) of the Articles of Association and to create new authorized capital with the capability of excluding subscription rights with a corresponding amendment to the Articles of Association
8. Resolution to cancel the contingent capital under § 4 (4) of the Articles of Association, authorization to issue bonds with warrants and/or convertible bonds and to exclude subscription rights for these bonds with warrants and/or convertible bonds as well as creating new contingent capital with a corresponding amendment to the Articles of Association
9. Resolution to agree to enter into a domination and profit transfer agreement
10. Resolution concerning consent to enter into nine amendments to modify existing enterprise agreements

INVITATION TO THE ANNUAL GENERAL MEETING

Dear Shareholders,

We hereby invite you to the Annual General Meeting of Rheinmetall AG, Düsseldorf, to be held on Tuesday, May 6, 2014, at 10:00 am at MARITIM Hotel Berlin, Stauffenbergstrasse 26, 10785 Berlin.

The invitation to the Annual General Meeting and the agenda were published in the Federal Gazette on March 26, 2014.

AGENDA

1. Presentation of the adopted financial statements, the approved consolidated financial statements, the management report of the Company, which is combined with the Group management report, including the explanatory report of the Executive Board on the disclosures in accordance with § 289 (4) and § 315 (4) of the German Commercial Code (HGB) and the Report of the Supervisory Board, all for fiscal 2013.

These documents are available on the Internet at www.rheinmetall.com/hauptversammlung.

The Supervisory Board approved the single-entity financial statement prepared by the Executive Board and the consolidated financial statements on March 18, 2014, in accordance with §§ 172 and 173 of the Aktiengesetz (AktG – German Stock Corporation Act). The single-entity financial statements are thus adopted. A resolution of the Annual General Meeting to adopt the single-entity financial statements is thereby dispensed with.

2. Resolution on the appropriation of the unappropriated surplus for fiscal 2013

The Executive Board and Supervisory Board propose to use the unappropriated surplus of Rheinmetall AG for fiscal 2013 amounting to €16,000,000.00 as follows:

- Distribution of a dividend
of €0.40 per non-par share entitled to a dividend = € 15,229,906.80
- Appropriation to other retained earnings = € 770,093.20

Treasury shares are not entitled to dividends. If the number of treasury shares changes by the time of the Annual General Meeting, an accordingly revised proposal for the appropriation of the unappropriated surplus will be submitted to the Annual General Meeting but with an unchanged distribution of €0.40 per non-par share entitled to a dividend.

3. Resolution to grant discharge to the Executive Board for fiscal 2013

The Executive Board and Supervisory Board recommend granting discharge to the members of the Executive Board who were in office in fiscal 2013 for this period. The intention is to have the annual General Meeting resolve on the discharge of the members of the Executive Board individually in a separate vote.

4. Resolution to grant discharge to the Supervisory Board for fiscal 2013

The Executive Board and Supervisory Board recommend granting discharge to the members of the Supervisory Board who were in office in fiscal 2013 for this period. The intention is to have the Annual General Meeting resolve on the discharge of the members of the Supervisory Board individually in a separate vote.

5. Resolution on the selection of the auditor for fiscal 2014

The Supervisory Board proposes, based on the recommendation of its Audit Committee, to elect PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Düsseldorf branch, as the auditor for fiscal 2014.

6. Resolution on authorization to acquire and use treasury shares

The authorization granted by the Annual General Meeting on May 11, 2010 to acquire and use treasury shares expires on May 10, 2015. This authorization to acquire and use treasury shares is to be replaced by a new authorization.

The Executive Board and the Supervisory Board therefore recommend adopting the following resolution:

- a) The authorization to acquire treasury shares under the resolution of the Annual General Meeting of May 11, 2010 is revoked as of the effectiveness of the new authorization.
- b) The Executive Board of the Company is authorized to acquire no-par bearer shares of up to 10% of the current share capital of €101,373,440.00 by May 5, 2019. The acquisition may be done through the stock exchange or by a public offer to purchase directed at all shareholders or by a public invitation to submit an offer. If the acquisition is made through the stock exchange, the acquisition price per share may not be over 10% above or below the average of the closing prices for no-par shares on the Frankfurt Stock Exchange in Xetra trading on the three previous days of trading.

For a public offer of purchase or a public invitation to submit an offer, the offered and paid acquisition price may not be over 10% above or below the average of the closing prices for no-par shares on the Frankfurt Stock Exchange in Xetra trading on the fifth to the third day (both included) prior to publication of the offer to purchase.

There may be a provision for preferential acceptance of small numbers of shares of up to 100 shares offered per shareholder.

The Executive Board is authorized to redeem the shares acquired based on the authorization or on previous authorizations without any further Annual General Meeting resolutions. The authorization can be used to acquire treasury shares or to redeem these shares, also in part.

The Executive Board is also authorized, with the consent of the Supervisory Board, to sell shares with shareholder subscription rights that were acquired based on this authorization or previous authorizations by offering the shares to them.

The Executive Board is also authorized, with the consent of the Supervisory Board, to sell the treasury shares acquired based on this authorization or previous authorizations through the stock exchange or using other methods, excluding shareholder subscription rights, (for example, to investors) if the treasury shares acquired using this authorization or previous authorizations are sold at a price that is not significantly below the trading price for shares of the Company of the same type at the time of sale. However, this authorization applies with the proviso that the shares issued excluding subscription rights under § 186 (3) Sentence 4 AktG may not exceed 10% of the share capital either at the time the authorization became effective or at the time this authorization was exercised. This 10% limit includes shares that were issued using authorized capital with exclusion of subscription rights § 186 (3) Sentence 4 AktG and shares associated with warrants and/or conversion rights/obligations derived from bonds with warrants and/or conversion rights that were issued based on the authorization to be resolved in Item 8 of the agenda in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG.

The Executive Board is further authorized, with the consent of the Supervisory Board, to use the treasury shares acquired based on this authorization or previous authorizations excluding shareholder subscription rights to acquire a company, parts of a company or holdings in companies. However, this authorization shall apply only subject to the proviso that the aggregate shares issued for cash or contributions in-kind with exclusion of subscription rights

do not exceed 20% of the share capital at the time it takes effect or, if such value is less, at the time this authorization is exercised. This 20% limit includes shares that under the previous paragraph are sold with exclusion of subscription rights and those issued from authorized capital under § 186 (3) Sentence 4 AktG or for contributions in-kind with exclusion of subscription rights; it also includes shares that under the authorization to be resolved under Agenda Item 8 are issued under bonds with warrants and/or convertible debt obligations with exclusion of subscription rights in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG .

The Executive Board is further authorized, with the consent of the Supervisory Board, to use the treasury shares acquired based on this authorization or previous authorizations with exclusion of shareholder subscription rights in order to meet creditor claims under bonds with warrants and/or convertible debt obligations.

Finally, the Executive Board is authorized, with the consent of the Supervisory Board, to transfer the treasury shares acquired based on this authorization or previous authorizations excluding shareholder subscription rights to members of management and employees of the Company and the Group companies that are subsidiaries of it. If treasury shares are to be transferred to members of the Executive Board, the Supervisory Board will be responsible for doing so.

7. **Resolution to cancel the authorized capital under § 4 (3) of the Articles of Association and to create new authorized capital with the capability of excluding subscription rights with a corresponding amendment to the Articles of Association**

The authorization granted by the Annual General Meeting on May 11, 2010 to increase the share capital to €50,000,000.00 has not been used. In order to put the Company in a position to cover its financing needs quickly and flexibly in the future as well, the existing authorized capital in § 4 (3) of the Articles of Association should be revoked and replaced by new authorized capital. The capability to exclude subscription rights when capital is increased in exchange

for cash/contributions in-kind should, as before, be limited to the following proposed resolution.

The Executive Board and the Supervisory Board therefore propose the following resolution:

- a) The authorization granted by the Annual General Meeting on May 11, 2010 to increase the share capital under § 4 (3) of the Articles of Association is revoked with simultaneous revocation of § 4 (3) of the Articles of Association.

The revocation of the old authorization and the creation of authorized capital in the previous text of § 4 (3) of the Articles of Association and the creation of authorized capital in c) form a unified resolution; without entry of the new authorized capital in the Commercial Register, the revocation of the authorization resolved in the Annual General Meeting of May 11, 2010 and of the former authorized capital of €50,000,000.00 will not be valid. The Executive Board is consequently instructed to file the cancellation of the former authorized capital and the resolution concerning creation of the new authorized capital with the Commercial Register with the proviso that the entry of the cancellation of the existing authorized capital amount will not occur until it is ensured that the resolution concerning § 4 (3) of the Articles of Association is entered directly thereafter.

- b) The Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions, but by no more than an aggregate of €50,000,000.00 (authorized capital) by May 5, 2019, by issuing new no-par shares for cash and/or in-kind contributions. The new shares may also be issued to employees of Rheinmetall AG or any Group subsidiary it controls.

The Executive Board is authorized to exclude the shareholders' statutory subscription rights with the consent of the Supervisory Board in the following cases:

- If the overall capital increase for cash contributions does not exceed 10% of the share capital, either at the time it takes effect or at the time this au-

thorization is exercised, and the issue price is not substantially below the stock market price of the shares at the time the Executive Board sets the issue price. This 10% limit includes shares that the Company has acquired pursuant to § 71 (1)(8) AktG and sold, during the term of this authorization, to third parties with the exclusion of subscription rights in accordance with § 186 (3) Sentence 4 AktG; this limit also includes those shares related to option and/or conversion rights/obligations derived from bonds with warrants and/or convertible bonds issued since the authorization indicated in Agenda Item 8 was issued in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG.

However, this authorization shall apply only subject to the proviso that the aggregate shares issued for cash or in-kind contributions with the exclusion of subscription rights do not exceed 20% of the share capital at the time it takes effect or, if such value is less, at the time this authorization is exercised. This 20% limit includes shares that the Company has acquired pursuant to § 71 (1)(8) AktG and sold, during the term of this authorization, to third parties with the exclusion of subscription rights in accordance with § 186 (3) Sentence 4 AktG or has used with the exclusion of subscription rights for the purpose of acquiring a company or parts of a company or interests in companies; it also includes those shares related to option and/or conversion rights/obligations derived from bonds with warrants and/or convertible bonds issued since the authorization indicated in Agenda Item 8 was issued in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG.

- In the case of a capital increase of up to €1,000,000.00 for the purpose of issuing shares to employees of the Company and its subsidiary Group companies;
- In the case of capital increases for in-kind contributions, to grant shares for the purpose of acquiring companies, parts of a company or interests in companies.

Insofar the Executive Board does not make use of the aforementioned authorizations to exclude subscription rights, the subscription rights of the shareholders may only be excluded for fractional amounts.

- c) The authorized capital that has so far been covered in § 4 (3) of the Articles of Association is deleted and § 4 (3) of the Articles of Association is revised as follows:

“(3) The Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions, but by no more than an aggregate of €50,000,000.00 (authorized capital) up to May 5, 2019 for cash and/or in-kind contributions. The new shares may also be issued to employees of Rheinmetall AG or any Group subsidiary it controls.

The Executive Board may exclude the shareholders' statutory subscription rights with the consent of the Supervisory Board in the following cases:

- a) If the overall capital increase for cash contributions does not exceed 10% of the share capital, either at the time it takes effect or at the time this authorization is exercised, and the issue price is not materially below the stock market price of the shares at the time the Executive Board sets the issue price. This 10% limit includes shares that the company has acquired pursuant to § 71 (1)(8) AktG and sold, during the term of this authorization, to third parties with the exclusion of subscription rights in accordance with § 186 (3) Sentence 4 AktG; it also includes those shares related to option and/or conversion rights/obligations derived from bonds with warrants and/or convertible bonds issued since the authorization indicated in Agenda Item 8 was issued in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG.

However, this authorization shall apply only subject to the proviso that the aggregate shares issued for cash or in-kind contributions with the exception of subscription rights do not exceed 20% of the

share capital at the time it takes effect or, if such value is less, at the time this authorization is exercised. This 20% limit includes shares that the Company has acquired pursuant to § 71 (1)(8) AktG and sold, during the term of this authorization, to third parties with the exclusion of subscription rights in accordance with § 186 (3) Sentence 4 AktG or has used with the exclusion of subscription rights for the purpose of acquiring a company or parts of or interests in companies; it also includes those shares related to option and/or conversion rights/obligations derived from bonds with warrants and/or convertible bonds issued since the authorization indicated in Agenda Item 8 was issued in direct, analogous or correlative application of § 186 (3) Sentence 4AktG.

- b) In the case of a capital increase of up to €1,000,000.00 for the purpose of issuing shares to employees of the Company and its subsidiary Group companies;
- c) In the case of capital increases in exchange for in-kind contributions, to grant shares for the purpose of acquiring companies, parts of or interests in companies.

As long as the Executive Board does not make use of the aforementioned authorizations to exclude subscription rights, shareholder subscription rights may only be excluded for fractional amounts.

The Executive Board, with the approval of the Supervisory Board, shall decide on the further details of share issue, particularly the further details of share rights and the terms and conditions of share issue.

The Supervisory Board is authorized to amend the wording of the Articles of Association in line with the respective portfolio and the respective use of the authorized capital."

8. Resolution to cancel the contingent capital under § 4 (4) of the Articles of Association, authorization to issue bonds with warrants and/or convertible bonds and to exclude subscription rights for these bonds with warrants and/or convertible bonds as well as creating new contingent capital with a corresponding amendment to the Articles of Association

The authorization granted by the Annual General Meeting on May 11, 2010 to issue bonds with warrants and/or convertible bonds with rights or obligations to exchange treasury shares and to exclude subscription rights will expire on May 10, 2015. This authorization to issue bonds with warrants and/or convertible bonds is to be replaced by a new authorization.

The Executive Board and the Supervisory Board therefore recommend adopting the following resolution:

- a) Authorization to issue bonds with warrants and/or convertible bonds

- (1) Authorization period, face value, number of shares, term, interest

The Executive Board, with the consent of the Supervisory Board, is authorized to issue interest-bearing bearer bonds with warrants and/or convertible bonds up to a total face value of €800,000,000.00 with a term of no more than 20 years on one or more occasions, up to May 5, 2019, and to grant option/conversion rights to the holders of the various bonds, all of which carry the same rights, for new no-par shares of the Company up to a total of 7,812,500 shares, in accordance with the more detailed provisions of the conditions for bonds with warrants/convertible bonds. The bonds with warrants and/or convertible bonds may also bear variable interest, whereby the interest rate can be wholly or partly dependent on the amount of the Company's dividend, as with an income bond.

- (2) Currency, issue by companies in which the Group holds a majority interest

In addition to euros, the bonds with warrants and/or convertible bonds may be issued in the legal currency of an OECD country, with a limitation to the euro equivalent. They may also be issued by companies in which

Rheinmetall AG directly or indirectly holds a majority interest (companies in which Rheinmetall holds the majority of the votes and the capital, either directly or indirectly); if that is done, the Executive Board is authorized to assume the guarantee for the bonds with warrants and/or convertible bonds on behalf of Rheinmetall AG and to grant/guarantee the holders of such bonds with warrants and/or convertible bonds option/conversion rights to shares of Rheinmetall AG.

(3) Option and conversion right

If bonds with warrants are issued, each bond will have one or more option coupons attached that will entitle the holder to acquire shares in the Company as specified further in the option conditions. The option conditions may provide that the option price can be paid in whole or in part by transferring bonds. The acquisition ratio is derived from dividing the face value of a bond by the option price for a share of Rheinmetall AG. The fractional shares resulting from these computations will be settled in cash. The holdings in the share capital converted into a face value of the shares to be acquired per bond may not exceed the face value of the individual bonds.

If convertible bonds are issued, the holders of bonds will have the right to trade in their bonds for shares in the Company as specified further in the convertible bonds. The exchange ratio is derived from dividing the face value of a bond by the conversion price for a share of Rheinmetall AG. The fractional shares resulting from these computations will be settled in cash. The holdings in the share capital converted into a face value of the shares to be acquired during conversion may not exceed the face value of the convertible bonds.

(4) Option and conversion obligation

The conditions for the bonds with warrants and/or convertible bonds may also include an obligation to exercise the option/convert by the end of the term or by another time (which is also "final maturity") or provide for a right by Rheinmetall AG to provide creditors holding bonds with warrants

and/or convertible bonds with shares of Rheinmetall AG instead of paying all or part of the money due. Even in these cases, the holdings in the share capital converted into a face value of the shares to be acquired during conversion may not exceed the face value of the bonds with warrants and/or convertible bonds.

(5) Providing new or existing shares; payment of money

If conversion is done or an option is exercised or in performing its obligations for options/conversion, the Company may, at its election, either provide new shares from the conditional capital or from existing shares of the Company. The conditions for bonds with warrants and/or convertible bonds may also provide for a right for the Company to provide the value in money rather than shares in the Company if options are exercised or there is a conversion or in performance of the obligations for options or conversion. The value will correspond, as further specified in the convertible bond conditions, to the average of the final auction prices of Rheinmetall AG shares in Xetra trade of Deutsche Börse AG or in a successor system for Xetra for the one to ten days of trading before or after the announcement of exercise of the option/conversion or, in the case of option or conversion obligations, before or after final maturity.

(6) Option/conversion price, value-conserving adjustment of the option/conversion price.

The option or conversion price per share applicable at any given time in the ratio of the face value of a bond to the number of the shares to be obtained for it will be set in euros and must

a) be at least 80% of the average closing price for shares of Rheinmetall AG in Xetra trade on the Frankfurt Stock Exchange or in a corresponding successor system on the last ten trading days prior to the date of the adoption of the resolution by the Executive Board concerning issue of bonds with warrants and/or convertible bonds,

or

bb) If a subscription right is granted, at least 80% of the average closing prices for shares of Rheinmetall AG in Xetra trade on the Frankfurt Stock Exchange or in a corresponding successor system in the period from the beginning of the period for exercising the subscription rights including the date before the final adoption of the conditions in § 186 (2) AktG.

As an exception, the conversion/option price in cases of a conversion or option obligation (Item 4) may correspond to the average closing price for shares of Rheinmetall AG in Xetra trading on the Frankfurt Stock Exchange or in a corresponding successor system during the ten trading days before or after the final maturity, even if this average price is below the minimum conversion or option price (80%).

This is without prejudice to § 9 (1) AktG.

If financial instruments that grant a conversion or option right or specify a conversion or option obligation have not yet expired and there are dilutions of the financial value of the existing conversion or option rights and no subscription rights can be granted as compensation, the conversion or option rights must be adjusted to maintain the value - without prejudice to § 9 (1) AktG - unless the adjustment has already been mandated by law. In any event, the proportionate amount of the share capital that corresponds to the shares to be granted per bond may not exceed the face value of the individual bond. That will apply, for example, in the following cases:

- Increase in capital by conversion of capital reserves or retained earnings;
- Stock splits or reverse stock splits;
- Increase in capital with the grant of a subscription right without the holders/creditors of existing bonds with warrants and/or convertible bonds with option and/or conversion rights/obligations being granted subscription rights to this increase to the extent that they would have

such rights after exercise of the option and/or conversion rights or after the option and/or conversion obligation was met;

- Issue of further bonds with warrants and/or convertible bonds as well as granting or guaranteeing other option or conversion rights or obligations without the holders/creditors of existing option and conversion rights or obligations being granted subscription rights to this issue to the extent that they would have such rights after exercise of the option and/or conversion rights or after the option and/or conversion obligation was met;
- Reduction in capital (to the extent that it is not merely in the form of a reduction of the price of the share capital associated with the individual shares).

Instead of adjusting the option/conversion price, there may be a provision for the Company to provide an appropriate amount in money when an option/conversion right is exercised or an option/conversion obligation is met in all these cases as further specified in the conditions for the bonds with warrants/convertible bonds.

(7) Granting of subscription rights, exclusion of subscription rights

Bonds with warrants and/or convertible bonds should be taken over by one or more credit institutions or a consortium of credit institutions with the obligation that they offer them to shareholders for acquisition. If the bonds with warrants and/or convertible bonds are issued by a company in which Rheinmetall AG has a direct or indirect controlling interest, Rheinmetall AG must ensure that the subscription rights for shareholders of Rheinmetall AG as indicated in the previous sentence are maintained.

However, the Executive Board, with the consent of the Supervisory Board, is authorized to exclude subscription rights of shareholders to the bonds with warrants and/or convertible bonds with option/conversion rights to company share in the following cases:

- a) if the bonds with warrants and/or convertible bonds are set up such that their issue price is not significantly below the theoretical market value determined by using recognized actuarial methods. This authorization to exclude the use of subscription rights, however, will only apply to bonds with option/conversion rights/obligations for shares representing a total of no more than 10% of the share capital of Rheinmetall AG. To compute the 10% limit, the applicable figure is the amount of share capital at the time the Annual General Meeting passes the resolution about this authorization or - if that value is lower - at the time this authorization is exercised. This 10% limit includes shares that were issued in application of authorized capital excluding subscription rights under § 186 (3) Sentence 4 AktG and shares associated with warrants and/or conversion rights/obligations derived from bonds with warrants and/or conversion rights that were issued since this authorization was granted in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG.

In addition, treasury shares must be included that the company acquired based on an authorization under § 71 (1)(8) AktG and sold to third parties while this authorization was in effect while excluding the use of subscription rights under § 186 (3) Sentence 4 AktG.

In addition, the aggregate shares issued for cash or in-kind contributions with exclusion of subscription rights may not exceed 20% of the share capital at the time it takes effect or, if such value is less, at the time this authorization is exercised. This 20% boundary includes shares that were issued under bonds with warrants and/or convertible bonds with exclusion of subscription rights as well as those that were issued from authorized capital under § 186 (3) Sentence 4 AktG or for contributions in kind with exclusion of subscription rights; it also includes shares that were acquired based on an authorization under § 71 (1)(8) AktG and were sold with exclusion of subscription rights under § 186 (3) Sentence 4 AktG or with exclusion of subscription right for acquisition of a company, parts of a company or holdings in companies.

- b) For fractional amounts that are produced due to the acquisition ratio.
- c) If it is necessary to be able to grant subscription rights to the holders of bonds with warrants and/or convertible bonds with option or conversion rights or option or conversion obligations to shares of Rheinmetall AG to the extent that they would have these rights after exercise of the conversion or option right or after meeting the option or conversion obligation.

(8) Authorization to establish further details

- a) The Executive Board, with the consent of the Supervisory Board, is authorized in the context indicated above to establish further details for the issue and design of bonds with warrants and/or convertible bonds and the option/conversion rights, particularly interest rate, issue price, term and denomination and option/conversion period or do so in coordination with the executive bodies that issue bonds with warrants and/or convertible bonds for companies in which Rheinmetall AG has a majority interest.
- b) Creation of contingent capital

The Company share capital will be increased by up to €20,000,000.00 through the issuance of up to 7,812,500 bearer shares or, if the Articles of Association of the Company also permit the issuance of registered shares at the time of the bond issue, then through the issuance of new registered no-par shares (contingent capital). The contingent capital increase is to grant shares when bonds with warrants and/or conversion rights are exercised and when option and/or conversion obligations are fulfilled for the holders of bonds with warrants and/or convertible bonds issued on the basis of the authorization granted by the Annual General Meeting on May 6, 2014.

The new shares will be issued at the option/conversion price set in the authorization (issue price of the shares). The increase in contingent capital will be done only to the extent that the holders of option cou-

holders of bonds with warrants and/or convertible bonds issued/guaranteed by May 5, 2019 by Rheinmetall AG or by companies in which Rheinmetall AG directly or indirectly owns a controlling interest based on the authorization resolution passed by the ordinary Annual General Meeting on May 6, 2014 avail themselves of their option/conversion rights or those obligated by bonds with warrants and/or convertible bonds issued/guaranteed by May 5, 2019 by Rheinmetall AG or by companies in which Rheinmetall AG directly or indirectly owns a controlling interest based on the authorization resolution passed by the ordinary Annual General Meeting on May 6, 2014 perform their option/conversion obligation as the contingent capital is needed based on the conditions of the bonds with warrants and/or conversion bonds. The new shares issued based on the option/conversion right or performance of the option/conversion obligation will participate in the profit starting at the beginning of the fiscal year in which they come into existence.

The Executive Board is authorized to establish further details of the implementation of the contingent capital increase, with the approval of the Supervisory Board. The Supervisory Board is authorized to amend § 4 of the Company Articles of Association to match the utilization of the contingent capital and after the expiry of all option/conversion periods.

c) Amendment to the Articles of Association

The former § 4 (4) of the Articles of Association is revoked and a new Paragraph 4 is added as follows:

"(4) The share capital of the Company shall be contingently increased by up to €20,000,000.00 (contingent capital). The contingent capital increase shall be executed through the issuance of up to 7,812,500 bearer shares or, if the Articles of Association of the Company also permit the issuance of registered shares at

the time of the bond issue, then through the issuance of new registered no-par shares only to the extent that

- (a) the holders of coupons from bonds with warrants and/or convertible bonds issued or guaranteed by Rheinmetall AG or by companies in which Rheinmetall AG holds a direct or indirect majority interest during the period up to May 5, 2019 based on the authorization resolution of the Annual General Meeting on May 6, 2014 make use of the option or conversion rights or
- (b) the obligors of the bonds with warrants and/or convertible bonds issued or guaranteed by Rheinmetall AG or by companies in which Rheinmetall AG holds a direct or indirect majority interest during the period up to May 5, 2019 based on the authorization resolution of the Annual General Meeting on May 6, 2014 fulfill their option or conversion obligation and
- (c) the contingent capital is needed under the option and/or convertible bond conditions.

The new shares shall participate in profit from the beginning of the fiscal year in which they originate through exercise of option or conversion rights or through fulfillment of option or conversion obligations. The Supervisory Board shall be authorized to amend § 4 of the Articles of Association to match the utilization of the contingent capital and after the expiry of all option/conversion periods."

- d) Effectiveness of the revocation of the former contingent capital, the new authorization and the amendment to the Articles of Association

The revocation of the old authorization and the corresponding contingent capital in the previous text of § 4 (4) of the Articles of Association and the corresponding contingent capi-

tal in c) form a unified resolution; without an entry of the new contingent capital in the Commercial Register, the revocation of the authorization resolved in the Annual General Meeting of May 11, 2010 to issue bonds with warrants and/or convertible bonds and of the contingent capital of €20,000,000.00 will not be valid. The Executive Board is consequently instructed to file the cancellation of the former contingent capital and the text of the resolution concerning creation of the new contingent capital amount with the Commercial Register with the proviso that the entry of the revocation of the existing contingent capital amount will not occur until it is ensured that the text of the resolution concerning § 4 (4) of the Articles of Association is entered directly thereafter.

The reports from the Executive Board concerning Agenda Items 6, 7, and 8 are available on the Internet at www.rheinmetall.com/hauptversammlung. They will also be made available to the shareholders at the Annual General Meeting.

9. Resolution to agree to enter into a domination and profit transfer agreement

The Executive Board and the Supervisory Board propose to agree to enter into a domination and profit transfer agreement between Rheinmetall AG, Düsseldorf and Rheinmetall Eastern Markets GmbH, Düsseldorf dated March 18, 2014.

The substantive content of the domination and profit transfer agreement is set forth in the related joint report prepared by the Executive Board of Rheinmetall AG and the Business Management of Rheinmetall Eastern Markets GmbH.

From the time the Annual General Meeting is convened, all of the documents to be published will be available on the Internet at www.rheinmetall.com/hauptversammlung:

- the domination and profit transfer agreement between Rheinmetall AG and Rheinmetall Eastern Markets GmbH
- the financial statements and management reports of Rheinmetall AG for the last three fiscal years
- the financial statement for Rheinmetall Eastern Markets GmbH for 2013. The company is relieved of the requirement to issue a management report under § 264 (3) HGB. There are no financial statements for previous years because the Company was not founded until December 17, 2012 and was not entered in the Commercial Register at the Amtsgericht Düsseldorf [Local Court in Düsseldorf] until January 4, 2013.
- the joint report of the Executive Board and the Business Management of the companies involved.

Because all the holdings of Rheinmetall Eastern Markets GmbH are in the hands of Rheinmetall AG, a contract audit of the domination and profit transfer agreement as indicated in the second half of § 293b (1) AktG is obsolete.

These documents will also be made available to the shareholders at the Annual General Meeting.

10. **Resolution concerning consent to enter into nine agreements to modify existing enterprise agreements**

The following enterprise agreements exist between Rheinmetall AG, as the dominant company, and its subsidiaries in the legal form of a GmbH.

- A profit transfer agreement dated October 10, 2003 between Rheinmetall AG (as the overall successor to Rheinmetall DeTec AG) and Rheinmetall Defence Electronics GmbH
- A profit transfer agreement dated November 8, 2001 between Rheinmetall AG (as the overall successor to Rheinmetall DeTec AG) and Rheinmetall Waffe Munition GmbH (formerly WNC – NITROCHEMIE Gesellschaft mit beschränkter Haftung)
- A profit transfer agreement dated September 12, 2002 between Rheinmetall AG (as the overall successor to Rheinmetall DeTec AG) and Rheinmetall Technical Publications GmbH (formerly Rheinmetall Wohnungen GmbH),
- A profit transfer agreement dated August 24, 2001 between Rheinmetall AG (as the overall successor to Rheinmetall Service Gesellschaft mbH) and Rheinmetall Insurance Services GmbH (formerly Rheinmetall Versicherungsdienst GmbH),
- A profit transfer agreement dated March 26, 2004 between Rheinmetall AG and Rheinmetall Industrietechnik GmbH,
- A profit transfer agreement dated March 26, 2004 between Rheinmetall AG and Rheinmetall Berlin Verwaltungsgesellschaft mbH
- A profit transfer agreement dated March 15, 2006 between Rheinmetall AG and Rheinmetall Landsysteme GmbH.
- A domination and profit transfer agreement dated March 5, 2009 between Rheinmetall AG and Rheinmetall Dienstleistungszentrum Altmark GmbH.
- A domination and profit transfer agreement dated March 15, 2006 between Rheinmetall AG and Rheinmetall Soldier Electronics GmbH (formerly Oerlikon Contraves GmbH).

Rheinmetall AG and the subsidiaries as parties to aforementioned enterprise agreements have entered into amendments in regard to the rules concerning assumption of losses. These changes are intended to make it clear that the references to the rules in law concerning assumption of losses will, under § 302 AktG, always refer to the version of § 302 AktG that is in effect at that time. The reason for the clarification is the Act Modifying and Simplifying Business Taxation and Taxable Travel Cost Law dated February 26, 2013. This act indicates that profit transfer agreement with a GmbH as a consolidated company will in future need to provide for this type of dynamic reference to § 302 AktG in the version in effect at that time. The amendment does not provide for any other modifications.

The various agreements to modify have the following substantive content:

- Rheinmetall AG is obligated to assume losses for its various subsidiaries in accordance with all provisions of § 302 AktG in the version valid at the time.
- The remaining content of the enterprise agreements remain unchanged.

The amendments will not become effective until the Annual General Meeting of Rheinmetall AG consents and the entries in the Commercial Register for the participating subsidiaries are made.

The Executive Board of Rheinmetall AG and the business managers of the participating subsidiaries have issued a joint report as required by § 293a and § 295 (1) Sentence 2 explaining and justifying the amendments. The joint reports together with the additional documents to be published will be available on the Internet starting on the date of convocation of the Annual General Meeting at www.rheinmetall.com/hauptversammlung. Because all the holdings of the various subsidiaries are in the hands of Rheinmetall AG, a contract audit of all the modified enterprise agreements as indicated in the second half of § 293b (1) AktG is obsolete. All of the documents to be published will also be made available at the Annual General Meeting.

The Executive Board and the Supervisory Board propose consenting to:

- a) the amendment to the profit transfer agreement with Rheinmetall Defence Electronics GmbH,
- b) the amendment to the profit transfer agreement with Rheinmetall Waffe Munition GmbH,
- c) the amendment to the profit transfer agreement with Rheinmetall Technical Publications GmbH,
- d) the amendment to the profit transfer agreement with Rheinmetall Insurance Services GmbH,
- e) the amendment to the profit transfer agreement with Rheinmetall Industrie-technik GmbH,
- f) the amendment to the profit transfer agreement with Rheinmetall Berlin Verwaltungsgesellschaft mbH,
- g) the amendment to the profit transfer agreement with Rheinmetall Landsysteme GmbH
- h) the amendment to the domination and profit transfer agreement with Rheinmetall Dienstleistungszentrum Altmark GmbH,
- i) the amendment to the domination and profit transfer agreement with Rheinmetall Soldier Electronics GmbH.

REPORTS OF THE EXECUTIVE BOARD

1. Report of the Executive Board concerning Agenda Item 6

In accordance with § 71 (1)(8) AktG in conjunction with § 186 (4) Sentence 2 AktG, the Executive Board has prepared a written report on the reasons for the authorization recommended in Agenda Item 6 to exclude subscription rights and for the proposed issue price. The report will be available on the Internet starting at the date of notice of the Annual General Meeting at www.rheinmetall.com/hauptversammlung. The report will also be made available to the shareholders at the Annual General Meeting. The report is published as follows:

With the proposed authorization, the Company will be in a position to acquire treasury shares in an amount up to 10% of the share capital, currently €101,373,440.00, through the stock exchange or through a public offer to buy aimed at all shareholders or a public invitation to tender for such an offer. When this is done, the acquisition price per share may not more than 10% above or below the average of the closing prices for shares on the Frankfurt Stock Exchange in Xetra trading on the three previous days of trading. For a public offer of purchase or a public invitation to tender, the offered and paid acquisition price may not be over 10% above or below the average of the closing prices for shares on the Frankfurt Stock Exchange in Xetra trading on the fifth to the third day (both included) prior to publication of the offer to acquire.

In addition, the proposed resolution provides that the Company may redeem the shares acquired or resell them without an additional Annual General Meeting resolution.

The planned measure to resell treasury shares is intended to more easily reacquire funds. Under § 71 (1)(8) AktG, the resolution provides for authorizing the Executive Board through the Annual General Meeting to also sell the shares using a method other than selling them on the stock exchange or offering them to shareholders. It stipulates to provide the Executive Board, with the consent of the

Supervisory Board, with the capability of excluding subscription rights under the fifth sentence of § 71 (1)(8) AktG in conjunction with § 186 (3) Sentence 4 AktG. This capability provided under law of selling in this matter is in the interest of the Company. For example, shares could be sold to institutional investors as part of book building, gaining additional German and foreign shareholders. The authorization to exclude subscription rights will also give the Company the capability of reacting quickly, flexibly and cost effectively to the opportunities offered in stock exchange trading and, if necessary, to keep the otherwise usual discount from the stock price as small as possible. The shareholders' asset interests, as well as their voting interests, will be suitably protected when treasury shares are sold with exclusion of shareholder subscription rights under § 186 (3) Sentence 4 based on § 71 (1)(8) AktG. The authorization is limited to sale of shares that, together with shares issued from authorized capital with exclusion of shareholder subscription rights under of § 186 (3) sentence 4 amount to 10% of the share capital of the Company on hand at the time of issue/sale of the shares. The 10% limit will also include shares to which option and/or conversion rights/obligations derived from bonds with warrants and/or convertible bonds that under the authorization to be resolved in Agenda Item 8 are issued in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG. The administration will keep any deduction from the stock exchange price as small as possible. It is expected to be limited to no more than 3%, but in no event more than 5%.

Furthermore, the Executive Board through the proposed authorization will be given the capability of offering, with the consent of the Supervisory Board, treasury shares as consideration when acquiring companies, parts of companies or holdings in companies while excluding shareholder subscription rights. This is intended to give the Company the capability of reacting quickly and successfully to advantageous offers on German and international markets or to other opportunities to acquire companies, parts of companies or holdings in companies. Often, negotiations result in a need to provide shares rather than money as consideration. When specific opportunities are offered in this way, the Executive Board and the Supervisory Board will carefully check whether the interests of the Company in acquiring companies, parts of companies or holdings in companies justify providing shares with the exclusion of subscription rights as consideration. The authorization takes this into account.

The aggregate shares issued for cash or in-kind contributions with exclusion of subscription rights may not exceed 20% of the share capital at the time it takes effect or, if such value is less, at the time this authorization is exercised. That is intended to take the shareholders' needs in regard to protection against dilution of their holdings into account. If treasury shares are used, that covers cases of private sales to individual shareholders and the use of treasury shares with exclusion of shareholder subscription rights to acquire a company, parts of a company or holdings in companies. These measures, together with shares issued from authorized capital under § 186 (3) Sentence 4 AktG or in exchange for contributions in kind with exclusion of subscription rights and with shares to be issued under the authorization to be resolved in Agenda Item 8 to issue bonds with warrants and/or convertible bonds, if these bonds with warrants and/or convertible bonds are issued with exclusion of shareholder subscription rights in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG, may not exceed 20% of the share capital at the time the resolution is effective or – if this amount is less – at the time the authorization to use treasury shares is exercised.

In addition, the Company may also use the shares acquired under this authorization to comply with conversion or option rights granted by the Company or one of the Group companies when issuing bonds. Excluding shareholder subscription rights is a condition for doing that.

Finally, the Executive Board is to have the capability to use treasury shares with exclusion of shareholder subscription rights as part of a long term incentive model with members of the management staff and employees of the Company and of its Group subsidiaries. The Supervisory Board will establish the details of compensating members of the Executive Board with stock.

Among the provisions of the long term incentive model is that there will be a settlement based on the current stock price using a recent average price analysis and that the shares cannot be resold within a four-year lockout period. That will provide an additional incentive to work toward increasing the value of the Company. Those entitled to shares also will bear the risks associated with changes in the stock price. The long term incentive model for members of the Executive Board also meets the Suitability of Executive Board Remuneration Act (VorstAG) and 4.2.3 of the German Corporate Governance Code, which provide for

variable remuneration components for members of the Executive Board with components having a long-term incentive effect and are in the nature of a risk. The exclusion of subscription rights is justified for these reasons.

In addition, the Executive Board is to have the capability of offering treasury shares with exclusion of shareholder subscription rights to members of management and to employees of the company – other than members of the Executive Board – and to members of management and employees of Group subsidiaries as part of employee share programs and to transfer the shares to them.

Düsseldorf, March 2014

Rheinmetall AG
The Executive Board

2. Report of the Executive Board concerning Agenda Item 7

In accordance with § 203 (2) Sentence 2 AktG in conjunction with § 186 (4) Sentence 2 AktG, the Executive Board has prepared a written report on the reasons for the authorization recommended in Agenda Item 7 to exclude subscription rights and for the proposed issue price. The report will be available on the Internet starting with the notice of the Annual General Meeting at www.rheinmetall.com/hauptversammlung. The report will also be made available to the shareholders at the Annual General Meeting. Notification of the report is made as follows:

The Executive Board and the Supervisory Board recommend to the Annual General Meeting in Agenda Item 7 that a new authorized capital totaling €50,000,000.00 be set up. The current authorized capital was resolved by the Annual General Meeting on May 11, 2010 for a period of five years and has not been used yet. Therefore, a sufficient framework for an authorization for increasing capital in exchange for cash and/or contributions in kind is to be set up for the period up to May 5, 2019.

In the process, the shareholders will be excluded from exercising subscription rights to up to 10% of the share capital of the Company at an issue price that is not significantly lower than the price on the stock exchange. This authorization will provide for use of the capability in § 186 (3) Sentence 4 AktG to exclude subscription rights for the purpose of placing shares with an issue price close to that on the stock exchange. In addition, the Executive Board will be given the opportunity to increase capital in response to contributions in kind for the purpose of acquiring companies, parts of companies or holdings or, to a limited extent, employee stock shares with exclusion of subscription rights.

Specifically:

When the authorized capital has been exhausted, generally shareholders of Rheinmetall AG must be granted subscription rights. However, the Executive Board is to be authorized to exclude shareholder subscription rights for fractional amounts and thus allow the exhaustion of the authorization provided through round amounts and maintaining the same holding ratios. The new shares

excluded from the subscription rights as odd lot excess will be used by the Company to the extent possible.

Furthermore, the Executive Board through the proposed authorization will be given the capability of offering, with the consent of the Supervisory Board, a capital increase in exchange for contributions in kind when acquiring companies, parts of companies or holdings in companies while excluding shareholder subscription rights. This is intended to give the Company the capability of reacting quickly and successfully to advantageous offers on German and international markets or to other opportunities to acquire companies, parts of companies or holdings in companies. Often, negotiations result in a need to provide shares rather than money as consideration. When specific opportunities are offered in this way, the Executive Board and the Supervisory Board will carefully check whether the interests of the Company in acquiring companies, parts of companies or holdings in companies justify increasing capital from the authorized capital while excluding shareholder subscription rights. The authorization takes this into account.

In addition, the Executive Board, with the consent of the Supervisory Board, is to be authorized to issue treasury shares to members of management and to Company employees – with the exception of the Executive Board – and to members of management and employees of the Group subsidiaries when increasing capital by up to €1,000,000.00, excluding shareholder subscription rights when doing so.

In addition, the Executive Board, with the consent of the Supervisory Board, may exclude subscription rights when increasing capital using cash if the shares are issued at a price that is not substantially below the price on the stock market. That is intended to allow the Company to avail itself quickly and flexibly of market opportunities and to cover the associated need for capital on short notice. When this is done, exclusion of subscription rights serves to place the shares at a price close to that on the stock market so that the usual deductions when issuing shares under subscription rights are avoided entirely or are lower. If such exclusion of subscription rights is ordered, the increase in cash capital at the time of exercise may not exceed 10% of the existing share capital. This 10% limit also includes shares that the company has acquired pursuant to § 71 (1) (8) AktG

and sold, during the term of this authorization, to third parties with the exclusion of subscription rights; the limit also includes those shares associated with option and/or conversion rights derived from bonds with warrants and/or convertible bonds issued since the authorization under Agenda Item 8 in application of § 186 (3) Sentence 4 AktG. That will take into account the needs of shareholders for protection against dilution. Shareholders may also acquire shares in the marketplace under comparable conditions to keep their holdings proportionate. The price at which the new shares are placed on the market should not be less than 3% under the stock market price and, in any event, no more than 5% under.

In order to take into account shareholders' needs in regard to protection against dilution of their holdings, the following types of issue/use of shares with exclusion of shareholder subscription rights are limited to 20% of the share capital at the time the authorized capital becomes effective or – if this amount is less – at the time the authorization is exercised. This includes shares that were issued in using authorized capital under § 186 (3) Sentence 4 AktG with exclusion of subscription rights in exchange for contributions in kind and shares that the Company acquired under § 71 (1)(8) and sold to third parties with exclusion of subscription right under § 186 (3) Sentence 4 AktG or used to acquire a company, parts of a company or holdings in companies; in the same way, this includes shares that pertain to option and/or conversion rights/obligations derived from bonds with warrants and/or convertible bonds that were issued since the authorization was issued in Agenda Item 8 in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG.

Düsseldorf, March 2014

Rheinmetall AG
The Executive Board

3. Report of the Executive Board concerning Agenda Item 8

In accordance with § 221 (4) Sentence 2 AktG in conjunction with § 186 (4) Sentence 2 AktG, the Executive Board has prepared a written report on the reasons for the authorization recommended in Agenda Item 8 to exclude subscription rights and for the proposed issue price. The report will be available on the Internet starting with the date of notice of the Annual General Meeting at www.rheinmetall.com/hauptversammlung. The report will also be made available to the shareholders in the Annual General Meeting. Notification of the report is made as follows:

The proposed authorization to issue bonds with warrants and/or convertible bonds with a total face value of up to €800,000,000.00 and to create the associated contingent capital of up to €20,000,000.00 should ensure and expand the capabilities, described in more detail below, of Rheinmetall AG to finance its activities and provide an option for the Executive Board, with the consent of the Supervisory Board, for flexible and real-time financing in the interests of the Company, particularly if favorable capital market conditions arise.

Two implementation methods need to be distinguished in this regard: First, the Executive Board, with the consent of the Supervisory Board, will be authorized to issue interest-bearing bonds with warrants and/or convertible bonds on one or more occasions up to May 5, 2019 and attach option/conversion rights to the associated bonds that will entitle the purchasers to acquire a total of 7,812,500 shares of Rheinmetall AG as specified further in the bond conditions. This authorization is without prejudice to the shareholder subscription rights in the law. In order to simplify doing this, however, the capability is to be used to sell the bonds with warrants and/or convertible bonds to a credit institution or a consortium of credit institutions with the obligation to offer shareholders the bonds corresponding to their subscription rights (indirect subscription rights) as used in § 186 (5) AktG).

Second, the Executive Board will be authorized to exclude the rights of shareholders under the law to acquire bonds, but only within specified limits, and specifically for two defined purposes to a very limited extent or, to a larger extent, only under certain restrictive conditions. For an exclusion to a very limited extent,

the subscription rights are to be excluded to the extent needed to settle any fractional amounts that might arise in determining the acquisition ratios or to provide the holders of bonds with warrants and/or convertible bonds already issued with subscription rights. Fractional amounts arise from the amount of the issue volume in question and the depiction of a feasible acquisition ratio. Excluding subscription rights in such cases makes it easier to take the corporate actions, particularly shareholder subscription rights. Excluding subscription rights in favor of holders of bonds with warrants and/or convertible bonds that have already been issued is done with a view to protection against dilution that, under the investment guidelines, applies if bonds with warrants and/or convertible bonds are issued by the Company. Excluding the subscription rights when using up this authorization is an alternative to adjusting the option/conversion price, which would otherwise have to be done. That allows an overall higher flow of incoming funds.

If subscription rights are excluded beyond that, the capability indicated in § 186 (3) Sentence 4 AktG to exclude subscription rights "if the increase in capital in exchange for cash investment is no more than ten percent of the share capital and the issue price is not significantly lower than the price on the stock exchange" will be used. The contingent capital for which the subscription rights are to be excluded is limited to 3,959,900 new shares. That corresponds to € 10,137,344.00 and thus to 10% of the current share capital. The Executive Board will also pay attention to the limit indicated in the resolution of 20% of the share capital for all exclusions of subscription rights. This 20% limit includes shares that were issued with exclusion of subscription rights in exchange for cash or contributions in kind and bonds with warrants and/or convertible bonds must be issued with exclusion of subscription rights as well as those issued from authorized capital under § 186 (3) Sentence 4 AktG or in exchange for contributions in kind with exclusion of subscription rights; it also includes shares that were acquired based on an authorization under § 71 (1)(8) AktG and were sold while this authorization was in effect with exclusion of subscription rights in accordance with t § 186 (3) Sentence 4 AktG or are being used with exclusion of subscription rights to acquire a company, parts of a company or holdings in companies. In addition, the Executive Board will not go significantly below the theoretical market value of the bonds with warrants and/or convertible bonds determined using recognized actuarial methods and will thus ensure that the

requirements of § 186 (3) Sentence 4 AktG are observed when using the contingent capital.

The Executive Board will thus be in a position to, with the consent of the Supervisory Board, quickly use the capital markets and attain optimal conditions for setting the interest rate for instance and, in particular, the issue price for the bonds with warrants and/or convertible bonds by establishing what the standard-market conditions are, thus increasing the capital base for the Company. Placing securities while excluding shareholder subscription rights opens up the capability of realizing significantly higher flows of funds than would be the case of an issue with the subscription rights. The deciding factor here is that the Company by excluding subscription rights acquires the flexibility needed to avail itself of favorable stock exchange situations on short notice. It is true that § 186 (2) AktG allows publication of an acquisition price (and thus, in the case of bonds with warrants and/or convertible bonds, the conditions of the bonds) until the third to last day of the deadline for exercise of subscription rights. Given the volatility on the equity markets, however, there is also a market risk, particularly a risk that the price may change, for several days that would lead to security discounts in setting the bond conditions and thus to conditions not close to market ones. In addition, if there are subscription rights, the uncertainty as to whether they will be exercised (acquisition behavior) endangers successful placement, and in any event placement is associated with additional efforts. After all, the Company cannot react on short notice to favorable or unfavorable market conditions if it grants subscription rights because of the length of the period during which they can be exercised. Instead, it is exposed to falling stock prices during the exercise period, which could lead to unfavorable capital acquisition for the Company.

The requirement to protect the shareholders is taken into account by setting the issue price at a level not significantly below the market value. This prevents any noticeable financial dilution of the value of the shares. It can be determined whether there is a dilution effect by computing the hypothetical stock market price for the bonds with warrants and/or convertible bonds using recognized, particularly actuarial, methods and comparing this price with the issue price. If, after the Executive Board's required review, this issue price is only insignificantly under the hypothetical stock price at the time the bonds with warrants and/or

convertible bonds are issued, under the meaning and purpose of the rules in § 186 (3) sentence 4, exclusion of subscription rights is permitted. That provides protection for shareholders against unreasonable dilution of their holdings. Because of the method in the authorization for setting the issue price, which is not significantly below the computed market value, the value of subscription rights would drop to nearly zero. As a result, the shareholders would not incur any noticeable financial disadvantage from exclusion of the subscription rights. If the Executive Board considers it reasonable in a given situation to get professional advice, it can take advantage of support from third parties. For example, one of the consortium banks involved in the issue can provide assurance in a suitable form that no noticeable dilution of the value of shares can be expected. Independently of this check by the Executive Board, there is a market-based determination of the conditions, and thus an avoidance of noticeable dilution of value, including the use of book building. In this procedure, the bonds with options and/or convertible bonds are not offered at a fixed issue price; in particular, the issue price and the interest rate along with other additional conditions for the bonds with warrants and/or convertible bonds are first set based on the purchase orders issued by investors. This way, the total value of the bond issue is set at rates close to those prevailing in the market. This all ensures that there is no noticeable dilution of the value of the Company's shares as a result of excluding subscription rights. Because the value of subscription rights would drop to nearly zero as a result, the shareholders do not incur any financial disadvantage by exclusion of subscription rights; they also have the capability of keeping the portion of the share capital they hold in the Company under nearly the same conditions by acquiring the necessary shares through the stock market.

The proposed conditional increase in share capital by up to €20,000,000.00 is intended solely to ensure that the shares of Rheinmetall AG needed when option/conversion rights are exercised can be issued to the extent needed rather than, for instance, using treasury shares.

Düsseldorf, March 2014

Rheinmetall AG
The Executive Board

The total number of shares and voting rights at the time of notice.

The share capital of the Company is divided into 39,599,000 non-par shares with the same number of voting rights. The total number of voting rights is thus also 39,599,000. As of the date of notice of the Annual General Meeting, the Company holds 1,524,233 treasury shares, which do not afford the Company any rights; in particular, they do not provide any voting rights. The total number of shares carrying attendance and voting rights on the date of notice of the Annual General Meeting is therefore 38,074,767.

Participation at the meeting of shareholders

In accordance with § 16 of the Articles of Association of our Company, those shareholders who have registered with the Company at the address given below and have transmitted specific evidence of their shareholding issued by their custodian institution to the following address shall be entitled to attend the Annual General Meeting and to exercise their voting rights:

Rheinmetall AG
c/o Commerzbank AG
GS-MO 4.1.1 General Meetings
60261 Frankfurt am Mai/(Germany)
Fax: +49 (0) 69/136 26351
E-Mail: hv-eintrittskarten@commerzbank.com

Evidence of the shareholding must pertain to the start of the 21st day prior to the Annual General Meeting, i.e. 12:00 am (midnight) on April 15, 2014 (record date), and must reach the Company together with the registration no later than the end of April 29, 2014 (12:00 am (midnight) CEST) at the address given. The evidence of this shareholding must be in writing (§ 126 b of the Bürgerliches Gesetzbuch (BGB) – German Civil Code) in either German or English.

For attendance at the meeting and exercise of voting rights, only those persons who provide evidence of their shareholding shall be considered shareholders. The authorization to attend and the scope of the voting rights shall be based on

the shareholding as at the evidence deadline (as well as on the need to register). This is not associated with a ban on the sale of shares. Even if all or some of the shares are sold after the record date, only the shareholding as at the record date shall determine the eligibility to attend and the scope of the voting rights. Any person who only becomes a shareholder after the record date and previously held no shares is not entitled to attend the Annual General Meeting or to cast a vote.

Shareholders who would like to attend the Annual General Meeting or have their voting rights exercised by proxies are asked to request admission tickets for the Annual General Meeting from their custodian institution as early as possible. The required registration and provision of evidence of the relevant holdings shall in these cases be carried out by the custodian institution.

Absentee voting

Shareholders who do not wish to attend the Annual General Meeting in person can cast their votes by written absentee ballot. A form printed on the admission ticket is available for this. Votes cast by absentee ballot must be received by the Company by 12.00 am (midnight) on May 2, 2014 and may only be sent to the following address:

Rheinmetall AG	Rheinmetall AG
Rechtsabteilung	Rechtsabteilung
Rheinmetall Platz 1	Postfach 10 42 61
40476 Düsseldorf, Germany	40033 Düsseldorf, Germany

Fax: +49 211 473-4444, E-Mail: eva-maria.althoff@rheinmetall.com

Votes cast by absentee ballot that are sent to other addresses will not be considered.

Our Internet-based absentee voting, authorization and voting instruction system can also be used for casting votes by absentee ballot. Votes cast via this Internet-based system must be received by the Company at www.rheinmetall.com/hauptversammlung by 12:00 am (midnight) CEST on May 5, 2014.

Shareholders will receive further details on casting votes by absentee ballot together with their ticket. Information on this can also be found on the Internet at www.rheinmetall.com/hauptversammlung

Proxy voting

Shareholders who do not wish to attend the Annual General Meeting in person may have their voting rights exercised by proxies, e.g. by a bank or a shareholders' association. Unless they are addressed to a bank, shareholders' association or any other persons or institutions covered within the scope of § 135 AktG, powers of attorney are to be provided in text form in accordance with §126 b BGB, as are instructions given to proxies of the Company. These may be submitted by various means, including our Internet-based authorization and voting instruction system. Please note that if powers of attorney are granted to a bank, a shareholders' association or any other persons or institutions covered within the scope of § 135 AktG, they may request a specific form of power of attorney, as they are required to keep a verifiable record of this power of attorney in accordance with § 135 AktG.

We also offer our shareholders the option of being represented in the voting proceedings by a proxy appointed by the Company. These proxies must be provided with a power of attorney and instructions concerning exercise of the voting rights. Proxies are obligated to vote in accordance with the instructions received from shareholders. In order for these proxies to exercise the granted powers of attorney and instructions at the Annual General Meeting, they must be provided with these in good time prior to the Annual General Meeting. A ticket for the Annual General Meeting is also necessary to grant powers of attorney to a Company-appointed proxy.

Shareholders will receive further details on registration and power of attorney together with their ticket. Information on this can also be found on the Internet at www.rheinmetall.com/hauptversammlung.

Motions to be added to the agenda at the request of a minority in accordance with § 122 (2) AktG

Shareholders whose aggregate shares represent a proportion of the share capital amounting to €500,000.00, which is equivalent to 195,313 no-par shares, may request, that items can be added to the agenda and published. Each new item must include a justification or a draft proposal. This request must reach the Company at the address given in the following section by the end of April 5, 2014 (12:00 am (midnight) CEST). Furthermore, reference is made to the conditions of § 122 (2) in conjunction with § 122 (1), § 142 (2) Sentence 2 and § 70 AktG.

Motions and election proposals made by shareholders in accordance with §§ 126 (1) and 127 AktG

Justified countermotions against a proposal made by the Executive Board and Supervisory Board regarding a specific item on the agenda and proposals made by shareholders regarding the election of Supervisory Board members or of auditors are to be submitted exclusively to the following addresses. Countermotions and election proposals submitted to any other address will not be considered.

Rheinmetall AG	Rheinmetall AG
Rechtsabteilung	Rechtsabteilung
Rheinmetall Platz 1	Postfach 10 42 61
40476 Düsseldorf, Germany	40033 Düsseldorf, Germany

Fax: +49 211 473-4444, E-Mail: eva-maria.althoff@rheinmetall.com

Countermotions and election nominations received at the above address with evidence of shareholding no later than the end of April 21, 2014 (12:00 am (midnight) CEST) will be published immediately on the Internet at www.rheinmetall.com/hauptversammlung provided they must be made available to the other shareholders. Motions sent to other addresses will not be considered. Any statements from the management will also be published at the above Internet address after April 21, 2014.

Shareholders' right to information in accordance with § 131 (1) AktG

Every shareholder must be informed of Company matters by the Executive Board at the Annual General Meeting on request, including the legal and business relationships with affiliated companies as well as the status of the Group and any companies included in the consolidated financial statements, if such information is required to make an appropriate assessment of the item on the agenda and there is no right to withhold information.

Publications on the website

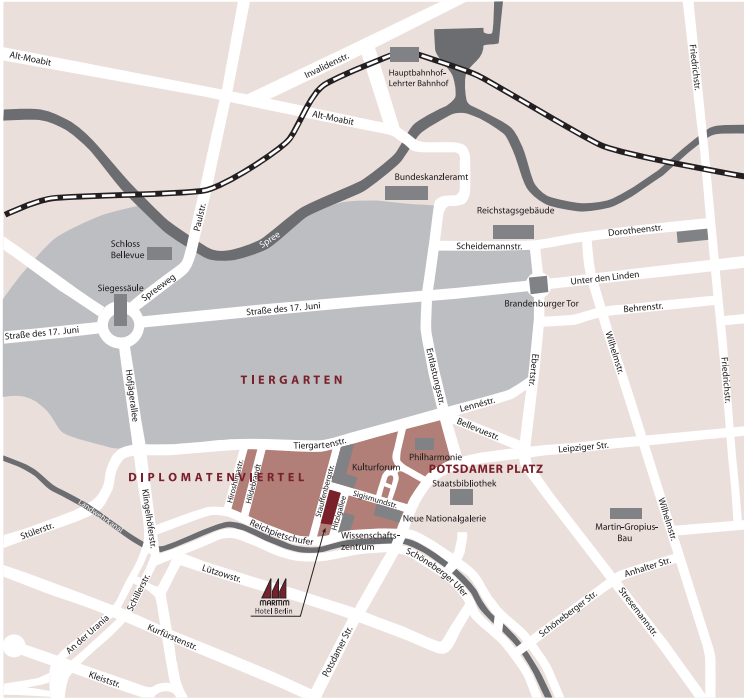
This notice of Annual General Meeting in German (original version) and in English, the documents and shareholder motions to be made available and further information concerning the rights of shareholders under § 122 (2), § 127 and § 131 AktG are available on the Company's web site at www.rheinmetall.com/hauptversammlung. That is also where the results of the votes will be announced after the Annual General Meeting.

Düsseldorf, March 2014

Rheinmetall AG
The Executive Board

Venue

MARITIM Hotel Berlin, Stauffenbergstrasse 26, 10785 Berlin, Germany



By car

A100 (AVUS) Funkturm interchange, exit Zentrum, Kaiserdamm, Strasse des 17. Juni, Hofjägerallee/Klingelhöferstrasse, Schöneberger Ufer, Stauffenbergstrasse.

By public transport

Metro station Potsdamer Platz (U2), then by bus M41 to Philharmonie stop, bus M29 to Deutscher Widerstand stop or alternatively 200 to Tiergartenstrasse. Take the S-Bahn (commuter rail system) to Potsdamer Platz (S 1, S2, S25), then refer to map above. By mainline rail, as far as Zoologischer Garten, then bus 200 to Tiergartenstrasse stop.

By air

International Airport Berlin Tegel (16km), Airport Schönefeld (22km).

Rheinmetall AG

Rheinmetall Platz 1 | 40476 Düsseldorf/Germany

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RHEINMETALL