

**Articles of Incorporation**

of

**Rheinmetall Aktiengesellschaft**



## **I. General provisions**

### **§ 1**

#### **Name and registered office**

- (1) The name of the company is  
  
Rheinmetall Aktiengesellschaft.
- (2) The registered office is in Düsseldorf.

### **§ 2**

#### **Purpose of the company**

- (1) The purpose of the company is the formation of companies, the acquisition and sale of equity interests and similar rights in companies engaged in machine construction, processing of metal, wood and other materials, industrial electronics and related industries, the management of such companies and their grouping under common management when appropriate, as well as the acquisition, sale, development, use and management of land and buildings even if unrelated to the aforementioned companies.
- (2) The company is authorized to form subsidiaries and to engage in all legal transactions and business which promote the corporate purpose.

### **§ 3**

#### **Notices**

The notices of the company shall be published in the electronic version of the Bundesanzeiger (German Federal Gazette).



## II. Share capital and shares

### § 4

#### Share capital

- (1) The share capital of the company totals € 111,510,656.00 (one hundred eleven million five hundred ten thousand six hundred fifty-six euro).
- (2) It is divided into 43,558,850 no-par shares.
- (3) The Executive Board is authorized up to May 9, 2021, 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) 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 § 4 (4) of the Articles of Incorporation 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 § 4 (4) of the Articles of Incorporation was issued in direct, analogous or correlative application of § 186 (3) Sentence 4 AktG.

- 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.

- (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 9, 2021 based on the authorization resolution of the Annual General Meeting on May 10, 2016 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 9, 2021 based on the authorization resolution of the Annual General Meeting on May 10, 2016 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.

## **§ 5**

### **Form of the share certificates**

- (1) The shares are no-par shares and are made out to bearer.
- (2) The company is authorized to issue bearer share certificates that represent multiple shares. The right of the shareholder to securitization of his share is excluded.



### **III. Constitution and management**

#### **§ 6**

##### **Executive Board**

- (1) The Executive Board shall consist of at least two persons.
- (2) The Supervisory Board may also appoint acting Executive Board members; it may appoint an Executive Board member as speaker or chairman of the Executive Board.
- (3) The resolutions of the Executive Board are adopted by a majority of votes cast. If an Executive Board chairman is appointed, he shall cast the deciding vote in the event of a tie.
- (4) The Executive Board shall adopt rules of procedure.

#### **§ 7**

##### **Representational authority**

The company shall be legally represented by two members of the Executive Board acting jointly or by one member of the Executive Board acting jointly with an authorized signatory.

#### **§ 8**

##### **Supervisory Board**

- (1) The election and composition of the Supervisory Board are governed by the statutory provisions. Reelection is permissible.
- (2) The shareholders may elect alternate members of the Supervisory Board at the same time they elect members. They shall replace a prematurely departing member of the Supervisory Board for the remainder of the term in office in the order determined at the election.
- (3) Any member of the Supervisory Board and any alternate member may resign his office, even without cause, upon one month's written notice to the Executive Board.
- (4) The meeting of shareholders may, by a simple majority, recall a Supervisory Board member or alternate member appointed by the shareholders.

#### **§ 9**

##### **Chairman, vice chairmen**

- (1) At a meeting taking place without special invitation immediately after the election of its members, the Supervisory Board shall elect a chairman and a vice chairman from among its ranks pursuant to statutory provisions to serve during the term of office of the Supervisory Board members. In addition, the Supervisory Board may elect one additional vice chairman by a simple majority.



- (2) In the event the Supervisory Board chairman is unable to serve, his powers shall first be held by the vice chairman and, in the event of his inability to serve, then by the additional vice chairman; the right to take a second vote pursuant to § 11 (5) is not available to the vice chairmen.
- (3) The provisions under which he was elected apply to the recall of the chairman or a vice chairman.
- (4) If the chairman or a vice chairman leaves office before the end of the term, the Supervisory Board shall immediately hold a new election for the remaining term of office of the departing member.
- (5) The oldest member of the Supervisory Board shall conduct the elections under subparagraph (1), first sentence, and subparagraph (4).
- (6) The chairman represents the Supervisory Board and makes its statements and announces its decisions.

## **§ 10**

### **Committees of the Supervisory Board**

- (1) Immediately after the election of the Supervisory Board chairman and the vice chairman pursuant to § 9 (1), first sentence, the Supervisory Board shall form the committee pursuant to section 27 (3) of the Participative Management Act (*Mitbestimmungsgesetz – MitbestG*). The chairman of the Supervisory Board is simultaneously chairman of this committee. The committee shall have a quorum only when all members participate in decision making.
- (2) The Supervisory Board may form additional committees from within its ranks consisting of at least three members and allocate decision-making functions to them, giving due regard to section 107 (3) second sentence of the AktG. This shall also apply to a personnel committee for regulating the personal affairs of the Executive Board members.

## **§ 11**

### **Meetings of the Supervisory Board**

- (1) Meetings of the Supervisory Board shall be called as frequently as the law or business matters require. The call shall be issued by the chairman with the agenda upon reasonable notice. In the call, the individual agenda items shall be recited with sufficient specificity to enable absent Supervisory Board members to avail themselves of their right to vote in writing.
- (2) A meeting may be called in writing, by fax or e-mail, orally or by telephone. The Supervisory Board chairman shall determine the place of the meeting.
- (3) A Supervisory Board meeting shall have a quorum only if at least half of the required numbers of members of the board participate in the decision making.



- (4) The chairman shall determine the order and manner of voting. At his directive, voting may also take place in writing, by fax or e-mail or by telephone if no member of the Supervisory Board objects. Absent members of the Supervisory Board may participate in the decision making by presenting written votes through attending Supervisory Board members.
- (5) Unless otherwise prescribed by law, resolutions of the Supervisory Board shall be adopted by a simple majority of votes cast. If a vote of the Supervisory Board results in a tie and a second vote on the same topic again results in a tie, the Supervisory Board chairman shall have two votes. This shall also apply in the event the Supervisory Board chairman is unable to participate in the meeting and he presents his written vote through another member of the Supervisory Board.
- (6) Members of the Executive Board attend the meetings of the Supervisory Board unless otherwise ordered in individual cases by the chairman or the majority of the Supervisory Board.
- (7) Unless otherwise ordered by the majority of the Supervisory Board in individual cases, the chairman may call in informed individuals to provide advice on individual items of the agenda.
- (8) Minutes of the resolutions shall be prepared, which shall be signed by the chairman and the keeper of the minutes.

## **§ 12**

### **Legal status and responsibility of the Supervisory Board**

- (1) The Supervisory Board works together with the rest of the company's executive bodies for the good of the company.
- (2) The members of the Supervisory Board have equal rights and obligations. They are not bound by orders and directives. They must preserve the confidentiality of confidential information and company secrets, particularly business and trade secrets, which have become known to them through their activity on the Supervisory Board. Members of the Supervisory Board who breach their obligations are jointly and severally obligated to reimburse the company for loss arising therefrom.
- (3) The Supervisory Board may require that certain transactions are dependent on its consent.
- (4) The Supervisory Board may at any time require reports and information from the Executive Board concerning the affairs of the company and its legal and business relations.
- (5) The Supervisory Board may adopt amendments to the articles of incorporation which only involve wording. This especially applies to § 4 after execution of a capital increase pursuant to § 4 (3).



- (6) The Supervisory Board may adopt amendments to the articles of incorporation that only involve wording. This especially applies to § 4 after execution of a capital increase pursuant to § 4 (4).

### **§ 13**

#### **Supervisory Board compensation**

- (1) a) Each member of the Supervisory Board receives fixed remuneration payable after the end of the fiscal year of € 60,000.00.
- b) The Chairman of the Supervisory Board and his deputies receive double the remuneration in (1) a).
- (2) Each Supervisory Board member shall receive an attendance fee of € 1,000.00 in addition to the reimbursement of his expenses for each Supervisory Board meeting attended and an attendance fee of € 500.00 for personal attendance at committee meetings which do not take place on the day of a Supervisory Board meeting.
- (3) The following remuneration is also received for work on Supervisory Board committees
- a) The Chairman of a committee receives fixed remuneration payable after the end of the fiscal year of € 30,000.00.
- b) Each other member of a committee receives fixed remuneration payable after the end of the fiscal year of € 15,000.00.
- (4) The Supervisory Board members shall be included in a directors and officers liability insurance policy maintained by the company in a reasonable amount in the interests of the company for executive bodies and certain managers with a reasonable deductible insofar as such exists. The premiums therefor shall be paid by the company.
- (5) Supervisory Board and committee members who have been on the Supervisory Board or a committee for only part of the fiscal year shall receive prorated compensation.
- (6) The value-added tax accrued on the compensation of the Supervisory Board members shall be reimbursed upon request.
- (7) These regulations apply for the first time for the compensation payable for fiscal 2012.





#### **§ 14**

##### **Place of the meeting of shareholders**

Shareholder meetings shall take place at the registered office of the company or at the registered office of a German securities exchange, which shall determine by the Supervisory Board.

#### **§ 15**

##### **Call of the meeting of shareholders**

- (1) The meeting of shareholders shall be called by the Executive Board or by the Supervisory Board in the cases prescribed by law or when it appears necessary in the interest of the company.
- (2) Unless a shorter period is permitted by law, the meeting of shareholders shall be called at least 30 days prior to the end of the day on which the shareholders are required to register in accordance with § 16.
- (3) The annual meeting of shareholders shall take place within the first eight months of a fiscal year.

#### **§ 16**

##### **Participation at the meeting of shareholders**

- (1) Only those shareholders are entitled to participate at the meeting of shareholders and to exercise voting rights who register with the company by submitting proof of their ownership of shares at the address announced for this in the call. The registration must reach the company at least six days prior to the meeting of shareholders.
- (2) The proof of share ownership must refer to the statutory reference date and shall be rendered in text form (section 126 b of the German Civil Code (*Bürgerliches Gesetzbuch* – BGB)) in German or English.
- (3) If the shares are not yet credited to the owners of new shares, the call to the meeting of shareholders shall announce the requirements under which shareholders shall be permitted to participate.
- (4) The Executive Board may provide in the call of the meeting of shareholders that shareholders may also submit their votes in writing or by means of electronic communication (absentee voting) without participating in the meeting of shareholders. The Executive Board is also authorized to adopt rules of procedure.
- (5) The chairman of the meeting may also permit the entire or partial audio-visual broadcast of the meeting of shareholders through electronic media if this is announced in the call of the meeting of shareholders.



## **§ 17**

### **Representation at the meeting of shareholders**

- (1) Each shareholder may be represented by proxy. The proxy must be in text form (section 126 b of the BGB). Further details concerning the issuance and revocation of proxies and the provision of proof to the company shall be announced by the Executive Board in the call of the meeting of shareholders, which may also make provision for simplified instructions.
- (2) The company shall appoint a proxy holder to exercise the voting rights of the shareholders in accordance with their instructions. Proxies must be issued to the proxy holders of the company in text form (section 126 b of the BGB). Further details concerning the issuance and revocation of proxies and the provision of proof to the company shall be announced by the Executive Board in the call of the meeting of shareholders, which may also make provision for simplified instructions.

## **§ 18**

### **Chairman of the meeting of shareholders, Conducting the Meeting**

- (1) The Supervisory Board chairman shall preside over the meeting of shareholders. If both he and his vice chairmen are unable to attend, the oldest shareholder or shareholder representative shall preside over the shareholders' election of a chairman for the meeting.
- (2) The chairman shall conduct the meeting, recognize speakers and specify the type and form of voting. He may specify an order of business that deviates from the announced agenda.
- (3) The chairman may adequately restrict the time available to shareholders to exercise their right to ask questions and right to speak to the agenda; in particular, at the beginning or during the meeting of shareholders, he may adequately determine the timeframe for the entire course of the meeting of shareholders, for the discussion of the individual agenda items, as well as for the individual question and speech contribution.

## **§ 19**

### **Voting rights, resolutions and elections**

- (1) Each share shall grant one vote at the meeting of shareholders. If shares have not been fully paid in, the voting rights shall accrue when the statutory minimum contribution has been paid.
- (2) Unless barred by mandatory statutory provisions, resolutions of the meeting of shareholders are adopted by a simple majority of the votes cast and, if the law provides for a majority of capital in addition to a majority of votes, by a simple majority of the stated capital represented upon adoption of the resolution.
- (3) A tied vote in an election shall be decided by lot drawn by the hand of the chairman.



#### **IV. Fiscal year, reserves and appropriation of net income**

##### **§ 20 Fiscal year**

The fiscal year is a calendar year.

##### **§ 21 Legal reserves and other retained earnings**

- (1) Five percent of the net income for the year, reduced by any loss carry forward from the previous year, shall be allocated to the legal reserves until this, together with the capital reserves, reaches ten percent of the stated capital.
- (2) If the Supervisory Board and the Executive Board approve the annual financial statements, they may allocate to other retained earnings more than half of the net income for the year remaining after deduction of the amounts to be allocated to other legal reserves and any loss carry forward until half of the stated capital has been reached if the remaining amount is sufficient for paying a dividend of six percent on the stated capital.
- (3) If the meeting of shareholders approves the annual financial statements, 50% of the net income for the year reduced by the amounts to be allocated to legal reserves and by any loss carry forward must be allocated to other reserves.

##### **§ 22 Appropriation of net income**

- (1) In the resolution on the appropriation of net income, the meeting of shareholders may distribute this to the shareholders in full or in part, allocate amounts to retained earnings, even over and above § 21 (3), if appropriate, or carry forward amounts as profit.
- (2) The shareholder dividends shall be distributed in relation to the payments made for the lowest issue price and in relation to the time elapsed since the time specified for the payment. To the extent permitted by law, other dividend eligibility may be stipulated in issuing new shares.
- (3) The Executive Board may, with the consent of the Supervisory Board, pay the shareholders an advance on the expected net income.

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