

Annual General Meeting of Rheinmetall AG, Düsseldorf

Statements concerning the rights of shareholders as used in § 121 Para. 3 Sentence 3 No. 3 of the Share Companies Act (AktG)

The notice of the Annual General Meeting already contains statements within the meaning of § 122 (2), § 126 (1) and § 127 as well as § 131 (1) AktG. The following statements provide a further explanation of these regulations.

1. Explanation of Item 1 of the agenda in accordance with § 124 a, sentence 1, no. 2 AktG

The subject of Item 1 of the agenda is the presentation of the adopted single-entity 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 (5) and § 315 (4) of the German Commercial Code (HGB) and the Report of the Supervisory Board, all for fiscal 2017.

There will be no resolution written on this item of the agenda, since the Supervisory Board approved the single-entity financial statements prepared by the Executive Board and the consolidated financial statements on Wednesday, March 14, 2018 and the single-entity financial statements are thus adopted.

In accordance with the first sentence of § 175 (1) AktG, the Annual General Meeting only accepts the adopted single-entity financial statements and the approved consolidated financial statements along with the summarized management report for the company and the Group. The Annual General Meeting is responsible for adopting the single-entity financial statements only if the Executive Board and the Supervisory Board resolve not to carry out this adoption themselves, but to cede it to the Annual General Meeting (first sentence of § 172 AktG).

In accordance with the first sentence of § 171 (2) AktG, the Supervisory Board must provide the Annual General Meeting a written report on the result of its audit of the single-entity financial statements and the consolidated financial statements, of the management report for the company, which is combined with the Group management report, as well as of the proposal on the appropriation of net earnings. The law does not provide for a resolution of the Annual General Meeting on the report of the Supervisory Board.

2. Explanations of the rights of shareholders in accordance with § 121 (3) sentence 3 no. 3 AktG (agenda amendment request)

In connection with the Annual General Meeting, the rights of the shareholders include the following:

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

Shareholders whose aggregate shares represent the equivalent of EUR 500,000.00 of the share capital, which corresponds to 195,313 no-par shares, may request that items be added to the agenda and published. Each new item must include a justification or a draft proposal. This request must have reached the company at the following address by the end of April 7, 2018 (24:00 = END OF DAY CEST):

Rheinmetall AG
Corporate Legal Department
Rheinmetall Platz 1
40476 Düsseldorf/Germany

Rheinmetall AG
Corporate Legal Department
Postfach 104261
40033 Düsseldorf/Germany

Fax: +49 211 473-4444, E-Mail: sabine.lamers@rheinmetall.com

Amendments to the agenda to be announced will – unless they were already announced with the notice – be published in the Federal Gazette immediately after admission of the request and also published on the Internet at www.rheinmetall.com/hauptversammlung.

The regulations of the German Stock Corporation Act relevant for this are as follows:

§ 122 Abs. 1 und 2 AktG – notice of meeting at the request of a minority

- (1) The Annual General Meeting must be convened if shareholders whose combined holdings reach one twentieth of the share capital request the notice in written form, stating the purpose and the reasons. The request is to be directed to the Executive Board. The Articles of Incorporation can tie the right to request the notice of the Annual General Meeting to another form and to the possession of a smaller part of the share capital. Applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they hold the shares until the decision of the Executive Board on the request. § 121 (7) applies accordingly.
- (2) In the same way, shareholders whose aggregate holdings represent one twentieth of the share capital or correspond to EUR 500,000 may request that items be added to the agenda and published. Each new item must include a justification or a draft proposal. The request within the meaning of the first sentence must reach the company at least 24 days, and in the case of publicly-traded companies at least 30 days, before the Meeting. The day of admission is not included.

Second sentence of § 142 (2) AktG – appointment of the special auditor

The applicants must prove that they have been holders of the shares for at least three months prior to the date of the Annual General Meeting and that they will hold the shares until the decision regarding the application.

2) 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 may only be submitted to the following address. Countermotions and election proposals submitted to any other address will not be considered.

Rheinmetall AG	Rheinmetall AG
Corporate Legal Department	Corporate Legal Department
Rheinmetall Platz 1	Postfach 104261
40476 Düsseldorf/Germany	40033 Düsseldorf/Germany

Fax: +49 211 473-4444, E-Mail: sabine.lamers@rheinmetall.com

Countermotions and election nominations received at the above address with evidence of the shareholding no later than the end of April 23, 2018 (24:00 = end of day CEST) will be immediately published on the Internet at www.rheinmetall.com/hauptversammlung if they must be made available to 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 23, 2018.

The following provisions of the German Stock Corporation Act provide the legal basis for this:

§ 126 AktG – shareholder motions

- (1) Motions made by shareholders including the name of the shareholder, the justification and any statement from the management are to be made available to those authorized parties named in § 125 (1 to 3) under the requirements set out there if the shareholder has sent the company a countermotion with reasons vis-à-vis a proposal of the Executive Board and the Supervisory Board regarding a certain item of the agenda at least 14 days before the Meeting to the address communicated in the convocation for this purpose. The day of arrival is not included. At publicly-traded companies, the motions must be made available via the company website. § 125 (3) applies accordingly.

- (2) A countermotion and its justification do not need to be made available,
1. if making them available would make the Executive Board liable to prosecution,
 2. if the countermotion would lead to the Annual General Meeting making an illegal resolution or a resolution contrary to the Articles of Incorporation,
 3. if the justification obviously contains false or misleading statements in key points or insults,
 4. if a countermotion of the shareholder based on the same content has already been made available to an Annual General Meeting of the company in accordance with § 125,
 5. if, in the last five years, the same countermotion of the shareholder with largely the same justification has already been made available to at least two Annual General Meetings of the company in accordance with § 125 and in the Annual General Meeting fewer than one twentieth of the represented share capital voted for it,
 6. if the shareholder reveals that he will not attend the Annual General Meeting and will not be represented, or
 7. if, in the last two years, the shareholder has not presented a countermotion announced by him or has not had it presented at two Annual General Meetings.

The justification does not need to be made available if its total length is more than 5,000 characters.

- (3) If multiple shareholders present countermotions on the same subject of the resolution, the Executive Board can summarize the countermotions and their justifications.

§ 127 AktG – shareholder election proposals

For the proposal of a shareholder regarding the election of Supervisory Board members or of auditors, § 126 applies by analogy. The election proposal does not need to be justified. The Executive Board also does not need to make the election proposal available if the proposal does not include the statements indicated in the fourth sentence of § 124 (3) and the fifth sentence of § 125 (1).

The Management Board must supplement the proposal of a shareholder for the elections of members of the Supervisory Board of listed companies to which the Co-Determination Act (*Mitbestimmungsgesetz*), the *Montan-Mitbestimmungsgesetz* or the *Mitbestimmungsergänzungsgesetz* apply with the following information:

1. Reference to the requirements of § 96 (2)
2. Statement as to whether the fulfillment of the quota by the Supervisory Board regarded as a whole has been objected to in accordance with § 96 (2) sentence 3;
3. Statement as to the minimum number of seats on the Supervisory Board to be filled with women and men, respectively, in order to fulfill the minimum quota requirement pursuant to § 96 (2) sentence 1.

Under this provision, other situations in which the Executive Board does not need to make the election proposal available include if the proposal does not include the candidate's name, practiced profession, and place of residence. The same applies if no statements concerning the proposed candidates' membership in other statutory Supervisory Boards [gesetzlich zu bildenden Aufsichtsräten] within the meaning of the fifth sentence of § 125 (1) AktG are attached to the proposal.

3) Shareholders' right to information under § 131 (1) AktG

Under § 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 relations with affiliated companies as well as the position of the Group and any companies included in the consolidated financial statements, if the information is required to make an appropriate assessment of the agenda and there is no right to withhold information. These shareholder rights are based on the following rules in the law and the Articles of Incorporation:

§ 131 AktG – shareholder’s right to information

- (1) Every shareholder must be informed of company matters by the Executive Board at the Annual General Meeting on request, if such information is required to make an appropriate assessment of the item on the agenda. The obligation to provide information also extends to the company’s legal and business relations with an affiliated company. If a company makes use of the relief in the third sentence of § 266 (1), § 276 or § 288 of the Commercial Code [HGB], each shareholder can request that at the Annual General Meeting on the single entity financial statements, the single entity financial statements be presented to him in the form that they would have without such relief. The obligation of the Executive Board of a parent company to provide information (§ 290 (1, 2) HGB) at the Annual General Meeting to which the consolidated financial statements and the Group management report are presented also extends to the position of the Group and of the companies included in the consolidated financial statements.
- (2) The information is to correspond to the principles of conscientious and faithful reporting. In accordance with § 129, the Articles of Incorporation or the Rules of Procedure can authorize the chairman of the Meeting to temporarily and appropriately limit the shareholders’ right to speak and ask questions and to determine particulars in this respect.
- (3) The Executive Board may refuse to provide the information,
 1. if, according to prudent commercial assessment, the issue of the information is such that would cause the company or an affiliated company a non-insignificant disadvantage;
 2. if it is based on tax carrying values or the level of individual taxes;
 3. regarding the difference between the value at which items have been placed in the annual financial statements and a higher value of these items, unless the Annual General Meeting adopts the single-entity financial statements;
 4. regarding the accounting policies, if the statement of these policies in the appendix is sufficient to convey a true and fair view of the assets, financial situation and earnings of the company within the meaning of § 264 (2) HGB. This does not apply if the Annual General Meeting adopts the single-entity financial statements;
 5. if issuing the information would make the Executive Board liable to prosecution;
 6. if statements regarding applied accounting policies as well as set-offs made in the single-entity financial statements, management report, consolidated financial statements or Group management report do not need to be made to a bank or financial service institution;
 7. if the information is available on the company website at least seven days before the beginning of the Annual General Meeting and is available throughout the entire Annual General Meeting.

The issue of the information may not be refused for other reasons.

- (4) If, due to his capacity as a shareholder, a shareholder has been given information outside the Annual General Meeting, it is also to be given to all other shareholders in the Annual General Meeting should they request it, even if such information is not required to make an appropriate assessment of the item on the agenda. In accordance with paragraph 3 sentence 1, no. 1 to 4, the Executive Board may not refuse the grant the information. Sentences 1 and 2 do not apply if a subsidiary (§ 290 (1, 2) HGB), a joint venture (§ 310 (1) HGB) or an associated company (§ 311 (1) HGB) issues the information to a parent company (§ 290 (1, 2) HGB) for the purpose of including the company in the consolidated financial statements of the parent company and the information is required for this purpose.
- (5) If a shareholder is refused information, he can request that his question and the reason why the information has been refused be recorded in the negotiation minutes.

§ 18 (2) of the Articles of Incorporation – chairmanship of the Annual General Meeting

- (2) The chairman shall conduct the meeting, recognize speakers and specify the type and form of voting. He may specify a sequence of items discussed that deviates from the one announced in the agenda.

The full wording of the respective provisions of the AktG is available on the internet via www.gesetze-im-internet.de/aktg/.

Düsseldorf, March 2018

Rheinmetall AG