MAY 8, 2018  MARITIM HOTEL BERLIN

INVITATION TO THE ANNUAL GENERAL MEETING OF RHEINMETALL AG

2018
Agenda at a Glance

1. Presentation of the adopted annual 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 Section 289 (4) and (5) and Section 315 (4) of the German Commercial Code (HGB) and the report of the Supervisory Board, all for fiscal 2017

2. Resolution on the appropriation of the unappropriated surplus for fiscal 2017

3. Resolution to approve the actions of Executive Board for fiscal 2017

4. Resolution to approve the actions of the Supervisory Board for fiscal 2017

5. Resolution on the selection of the auditor for fiscal 2018

6. Resolution on adjusting compensation of the Supervisory Board and a corresponding amendment to the Articles of Association

7. Resolution on consent to conclude two intercompany 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 8, 2018, at 10:00 a.m. at the MARITIM Hotel Berlin, Stauffenbergstrasse 26, 10785 Berlin.

The invitation to the Annual General Meeting and agenda were published in the Federal Gazette of March 28, 2018.

Agenda

1. Presentation of the adopted annual 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 Section 289 (4) and (5) and Section 315 (4) of the German Commercial Code (HGB) and the report of the Supervisory Board, all for fiscal 2017

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 14, 2018, in accordance with Sections 172 and 173 of the Aktiengesetz (AktG – German Stock Corporation Act). The single-entity financial statements are thus adopted. As a consequence, in accordance with the applicable legal provisions, no resolution on Item 1 of the agenda is proposed.
2. Resolution on the appropriation of the unappropriated surplus for fiscal 2017

The Executive Board and Supervisory Board propose to use the unappropriated surplus of Rheinmetall AG for fiscal 2017 amounting to EUR 73,743,388.37 as follows:

- Distribution of a dividend of EUR 1.70 per non-par share entitled to a dividend = 72,894,539.70 EUR
- Appropriation to other retained earnings = 848,848,67 EUR

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 EUR 1.70 per non-par share entitled to a dividend.

3. Resolution to approve the actions of Executive Board for fiscal 2017

The Executive Board and the Supervisory Board recommend approving the actions of the members of the Executive Board who were in office in fiscal 2017 for this period.

4. Resolution to approve the actions of the Supervisory Board for fiscal 2017

The Executive Board and the Supervisory Board recommend approving the actions of the members of the Supervisory Board who were in office in fiscal 2017 for this period.

5. Resolution on the selection of the auditor for fiscal 2018

The Supervisory Board proposes, on the recommendation of its Audit Committee, to elect PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Düsseldorf branch, as the auditor of the single-entity and consolidated financial statements for fiscal 2018.
6. Resolution on adjusting compensation of the Supervisory Board and a corresponding amendment to the Articles of Association

The constant competition for qualified and experienced individuals as candidates to represent shareholders on the Supervisory Board and the continuously increasing demands of a position on the Supervisory Board make it necessary to increase the compensation of Supervisory Board members in relation to comparable enterprises so that we can remain competitive when looking for suitable candidates in the future.

However, the amount paid for meeting attendance shall remain unchanged.

In addition, the employee representatives have expressed their desire to have their compensation as Supervisory Board members donated to the Hans Böckler Foundation in accordance with the guidelines of the German Trade Union Confederation (DGB).

The Executive Board and Supervisory Board propose that Article 13 (Supervisory Board Compensation) of the Articles of Association, in their version of May 10, 2016, be completely revised as follows:

„Article 13
Supervisory Board Compensation

(1) a) Every member of the Supervisory Board shall receive a fixed amount of compensation of EUR 80,000.00, payable at the end of each fiscal year.

b) The chairperson of the Supervisory Board shall receive double and his or her deputy shall receive one-and-a-half times the compensation stated in para. 1, letter a.

(2) Each Supervisory Board member shall receive, in addition to reimbursement for expenses, a meeting allowance of EUR 1,000.00 for each Supervisory Board meeting he or she attends in person and EUR 500.00 for committee meetings attended in person when such meetings are not held on the same date as the Supervisory Board meeting.
For positions they hold on the Supervisory Board's committees, the members named below shall be compensated as follows:

a) The chairperson of the Audit Committee shall receive fixed compensation of EUR 40,000.00, payable at the end of the fiscal year. Every other member of the Audit Committee shall receive fixed compensation of EUR 20,000.00, payable at the end of the fiscal year.

b) The chairperson of the Nomination Committee and the Arbitration Committee shall receive fixed compensation of EUR 20,000.00, payable at the end of the fiscal year. Every other member of the Nomination Committee and the Arbitration Committee shall receive fixed compensation of EUR 10,000.00, payable at the end of the fiscal year.

c) The chairperson of the Personnel Committee and the Strategy Committee shall receive fixed compensation of EUR 30,000.00, payable at the end of the fiscal year. Every other member of the Personnel Committee and the Strategy Committee shall receive fixed compensation of EUR 15,000.00, payable at the end of the fiscal year.

The members of the Supervisory Board shall be included in a directors and officers liability insurance policy, if one exists, covering any financial losses. Such a policy shall be maintained by the company in its own interests for an appropriate amount and with an appropriate deductible. The company shall pay the premiums for said insurance.

Members of the Supervisory Board and its committees who belong to the Supervisory Board or one of its committees for only part of a fiscal year shall receive prorated compensation.

Upon request, the Supervisory Board members shall be reimbursed for the value added tax applicable to their compensation.

These provisions shall apply starting with the compensation to be paid for the 2019 fiscal year.”
7. Resolution on consent to conclude two intercompany agreements

During the 2018 fiscal year, Rheinmetall AG concluded intercompany agreements with two companies, the shares of which are each completely held by Rheinmetall AG. The agreements are as follows:

- A domination and profit transfer agreement with Rheinmetall Financial Services GmbH on January 30, 2018

a) On January 30, 2018, Rheinmetall AG and Rheinmetall Financial Services GmbH concluded a domination and profit transfer agreement with the former as the dominating company and the latter as the dominated company. Rheinmetall Financial Services GmbH performs services in the areas of human resources management, financing, and accounting, primarily for affiliated companies. The purpose of concluding a domination and profit transfer agreement is to establish a tax consolidation with respect to corporate income taxation (Körperschaftsteuer) and trade taxation (Gewerbesteuer) between Rheinmetall AG and Rheinmetall Financial Services GmbH starting with the 2018 fiscal year.

The key provisions of the domination and profit transfer agreement between Rheinmetall AG as the party of the first part and Rheinmetall Financial Services GmbH as the party of the second part are as follows:

- The company being dominated places its management under that of the dominating company. The dominating company is authorized to issue instructions to the management of the dominated company regarding how to run the dominated company.
According to the provisions of the agreement, the dominated company undertakes pursuant to the specific provisions of the agreement, effective retroactively as of January 1, 2018, to transfer its entire profit established pursuant to the applicable provisions of commercial law to Rheinmetall AG in accordance with Section 301 of the Aktiengesetz (AktG – German Stock Corporation Act) as amended from time to time.

As the dominating company, Rheinmetall AG is obligated to compensate the dominated company for losses in accordance with the provisions of Section 302 of the AktG as amended from time to time.

This domination and profit transfer agreement was concluded for an indefinite period. Either party may terminate the agreement by giving six months’ notice, to take effect at the end of a given fiscal year of the company being dominated.

The right to give notice of immediate termination for due cause remains unaffected. In particular, due cause shall be deemed to be given if one of the cases governed by Guideline (R) 14.5, para. 6, sentence 2, of the 2015 Körperschaftsteuer-Richtlinien (KStR – German Corporate Income Tax Guidelines) or by an administrative order taking its place applies, the dominating company no longer holds a majority stake in the dominated company, or another shareholder that must be viewed as an outsider through appropriate application of Section 307 of the AktG acquires a stake in the dominated company.

b) On March 26, 2004, Rheinmetall AG and Rheinmetall Industrietechnik GmbH concluded a profit transfer agreement with the former as the dominating company and the later as the dominated company. Said agreement was amended by a change agreement dated March 18, 2014. The purpose of concluding the domination agreement is tighter organizational integration of the dominated company into Rheinmetall AG as the entity taxable under value added tax (VAT) law. Such integration is necessary for taxation as part of the consolidated group of companies. The decision was made in light of ever-changing court decisions being handed down by Germany’s Bundesfinanzhof (Federal Tax Court) concerning matters of organizational integration and shifts in the legal interpretation of Germany’s fiscal authorities in the area of VAT abatement.
The key provisions of the domination agreement between Rheinmetall AG as the party of the first part and Rheinmetall Industrietechnik GmbH as the party of the second part are as follows:

- The company being dominated places its management under that of the dominating company. The dominating company is authorized to issue instructions to the management of the dominated company regarding how to run the dominated company.
- As long as there is a profit transfer agreement between the contract parties, the provisions regarding compensation for losses contained therein also apply to the domination agreement. Otherwise, the domination agreement contains separate provisions in that area. In either case, the dominating company is obligated to compensate the dominated company for losses in accordance with the provisions of Section 302 of the German Stock Corporation Act (AktG) as amended from time to time.
- The domination agreement was concluded for an indefinite period. Either contract party may terminate the agreement by giving six months’ notice, to take effect at the end of a given fiscal year of the company being dominated.
- The right to give notice of immediate termination for due cause remains unaffected. In particular, due cause is given when the dominating company no longer holds, either directly or indirectly, the majority of voting rights or the capital in the dominated company or if the profit transfer agreement ends and is not immediately replaced by another profit transfer agreement between the contract parties.

The intercompany agreements described above require the consent of the shareholders’ meeting of the respective company being dominated as well as the Annual General Meeting of Rheinmetall AG. The respective intercompany agreements take effect upon being approved by the shareholders’ meeting of each dominated company, being approved by the Annual General Meeting, and subsequent entry in the appropriate Commercial Register containing an entry for the dominated company.
The Executive Board of Rheinmetall AG and the managing directors of each controlled company have all submitted joint reports in accordance with Section 293a of the AktG.

The Executive Board and Supervisory Board request approval of each of the following proposals

a) The domination and profit transfer agreement between Rheinmetall AG, Düsseldorf, and Rheinmetall Financial Services GmbH, Düsseldorf, dated January 30, 2018

b) The domination agreement between Rheinmetall AG, Düsseldorf, and Rheinmetall Industrietechnik GmbH, Düsseldorf, dated January 30, 2018

As of the date on which the Annual General Meeting is convened, all documents to be released will be available on the Internet at www.rheinmetall.com/hauptversammlung:

- Domination and profit transfer agreement between Rheinmetall AG and Rheinmetall Financial Services GmbH
- Domination agreement between Rheinmetall AG and Rheinmetall Industrietechnik GmbH
- Annual financial statements and management reports of Rheinmetall AG for the past three fiscal years
- Annual financial statement of Rheinmetall Financial Services GmbH for the 2017 fiscal year, the year in which the company was founded
- Annual financial statements of Rheinmetall Industrietechnik GmbH for the past three fiscal years
- The joint reports by the Executive Board and the managing directors of each company as party to the agreements
Since Rheinmetall AG holds all the shares of both Rheinmetall Financial Services GmbH and Rheinmetall Industrietechnik GmbH, there is no need to have a contract auditor perform a review of each intercompany agreement pursuant to the second half of Section 293b (1) of the AktG. For this reason, the Company is also not required to pay any compensation in accordance with Section 304 of the AktG or settlements in accordance with Section 305 of the AktG in connection with the intercompany agreements.

The documents listed above will also be made available to shareholders at the Annual General Meeting itself.
Total number of shares and voting rights at the time of notice

The share capital of the Company is divided into 43,558,850 shares with the same number of voting rights. The total number of voting rights is thus also 43,558,850. As of the date of notice of the Annual General Meeting, the Company holds 679,709 treasury shares, which do not entitle 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 the Annual General Meeting was called is therefore 43,079,141.

Attendance at the Annual General Meeting

In accordance with Article 16 of our Company’s Articles of Association, those shareholders who have registered with the Company at the address given below and have sent specific evidence of their shareholdings issued by their custodian institution to the following address are entitled to attend the Annual General Meeting and to exercise their voting rights:

Rheinmetall AG
c/o Computershare Operations Center
80249 Munich, Germany
Telefax: +49 89 30903-74675

E-Mail: anmeldestelle@computershare.de

Evidence of the shareholdings must be valid as of the start of the 21st day prior to the Annual General Meeting, i.e. 12:00 a.m. (midnight = start of day) CEST on April 17, 2018 (record date), and must reach the Company together with the registration no later than 12:00 a.m. (midnight = end of day) CEST on May 1, 2018 at the address given. The evidence of the shareholdings must be in writing as per Section 126b of the Bürgerliches Gesetzbuch (BGB – German Civil Code) and in either German or English.

For purposes of attending the meeting and exercising voting rights, only those persons who provide evidence of their shareholdings shall be considered shareholders. Besides the need for registration, eligibility to attend and the scope of the voting rights are based on the shareholdings as of the record date. That date
is not subject to a ban on selling shares. Even if all or some of the shares are sold after the record date, only the shareholdings as of the record date shall determine the eligibility to attend and the scope of the voting rights. Any person who becomes a shareholder only after the record date and previously held no shares is not entitled to attend the Annual General Meeting or to cast a vote, unless such person has been granted a proxy or been empowered to exercise such rights.

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 institutions as early as possible. The required registration and provision of evidence of the material shareholdings shall in these cases be carried out by the custodian bank.

**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 has been provided for absentee voting. Votes cast by absentee ballot must be received by the Company by 12:00 a.m. (midnight = end of day) CEST on May 4, 2018, and may be sent only to the following addresses:

Rheinmetall AG
Central Legal Department
Rheinmetall Platz 1
40476 Düsseldorf, Germany

Fax: +49 211 473-4444, E-Mail: sabine.lamers@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 using the Internet-based system must be received by 12:00 a.m. (midnight = end of day) CEST on May 7, 2018, by the Company at www.rheinmetall.com/hauptversammlung.
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 – for example, by a bank or a shareholders' association. Even in the case of a proxy, timely registration of the shareholder for the Annual General Meeting and timely evidence of shareholding (see the Section "Attendance at the Annual General Meeting") are required. Unless they are addressed to a bank, shareholders' association or any other persons or institutions covered within the scope of Section 135 of the AktG, powers of attorney are to be provided in text form in accordance with Section 126b of the Bürgerliches Gesetzbuch (BGB – German Civil Code), as are instructions given to proxies of the Company. They may be submitted by various means, including our Internet-based authorization and voting instruction system. Please note that in the event of powers of attorney being granted to a bank, a shareholders’ association or any other persons or institutions covered within the scope of Section 135 of the Aktiengesetz (AktG – German Stock Corporation Act), they may request a specific form of power of attorney because they are required to keep a verifiable record of this power of attorney in accordance with Section 135 of the AktG.

We also offer our shareholders the option of being represented in 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 proxies to exercise the granted power of attorney and instructions at the Annual General Meeting, they must be given authorization in advance of 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 the granting of powers of attorney together with their tickets. 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 Section 122 (2) of the 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 reach the Company at the address given in the following section by 12:00 a.m. (midnight = end of day) CEST on April 7, 2018. Furthermore, please refer to the conditions contained in Section 122 (2) in conjunction with (1) and Section 142 (2), sentence 2, and Section 70 of the AktG.

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

Justified countermotions against a proposal made by the Executive Board and the 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 be submitted exclusively to the following addresses. Countermotions and election proposals submitted to any other address will not be considered.

Rheinmetall AG
Central Legal Department
Rheinmetall Platz 1
40476 Düsseldorf, Germany
Fax: +49  211 473-4444, E-Mail: sabine.lamers@rheinmetall.com

Motions and election nominations received at the above address with evidence of shareholdings no later than 12:00 a.m. on April 23, 2018 (midnight = 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 management will also be published at the above Internet address after April 23, 2018.
Shareholders’ right to information in accordance with Section 131 (1) of the 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 situation 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 convening notice for the 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 Sections 122 (2), 127, and 131 AktG are available on the Company’s website at www.rheinmetall.com/hauptversammlung. That is also where the results of the votes will be announced after the Annual General Meeting.

Düsseldorf, March 2018

Rheinmetall AG
The Executive Board

This version of the invitation to the Annual General Meeting prepared for the convenience of English speaking readers, is a translation of the German original. For purposes of interpretation, only the German text shall be authoritative and final.
Event location

MARITIM Hotel Berlin, Stauffenbergstrasse 26, 10785 Berlin

By car
Autobahn 100 (AVUS) "Dreieck Funkturm" interchange, "Zentrum" exit, Kaiserdamm, Strasse des 17. Juni, Hofjägerallee/Klingelhoferstraβe, Schöneberger Ufer, Stauffenbergstrasse.

By public transportation
"Potsdamer Platz" (U2) subway station, continuing with Bus M41 to "Philharmonie" bus stop, M29 to "Deutscher Widerstand" bus stop or bus 200 to "Tiergartenstrasse" bus stop. S-Bahn [city train] to "Potsdamer Platz" (S1, S2, S25), continuing as above. "Zoologischer Garten" intercity train station, continuing with Bus 200 to "Tiergartenstrasse" bus stop.

By air
Berlin Tegel International Airport (16 km) or Schönefeld Airport (22 km)