Rheinmetall Group
Additional information for the Executive Board remuneration
March 2020
Active board remuneration

Current remuneration policy

**Fixed annual remuneration**
- 60% over 12 months, including fringe benefits

**STI 1)**
- 40% over 12 months, including fringe benefits
  - EBT: 50%
  - ROCE: 50%

**Threshold Payout (linear)**
- ≤70% = 0%
- 100% = 100%
- ≥110% = 200% (cap)

**LTI**
- 3 years ØEBT (100% at €200m, cap at €300m)
- Individual factor
- Payout (50% shares deferred + 50% cash + 20% of share value in cash)

**Special bonus in exceptional cases at the discretion of the supervisory board**

Total active compensation 1)
- 39%
- 27%
- 34%

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1) Calculated on target achievement 100%
Active board remuneration
New remuneration policy for contracts starting in 2020

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
<th>Factor</th>
<th>Target Achievement</th>
<th>Payout</th>
<th>Cap (w/o Modifier)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed annual remuneration</strong></td>
<td>Over 12 months, including fringe benefits</td>
<td>60%</td>
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<td>Fix 33%</td>
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<tr>
<td><strong>STI 1)</strong></td>
<td>Financial targets (EBT, ROCE) &amp; non-financial targets (e.g. strategy implementation and sustainability)</td>
<td>40%</td>
<td>≤80%</td>
<td>0%</td>
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<td></td>
<td></td>
<td></td>
<td>100%</td>
<td>100%</td>
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<td></td>
<td></td>
<td>≥120%</td>
<td>250%</td>
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<td>Modifier (±20%)</td>
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<tr>
<td><strong>LTI</strong></td>
<td>STI 1)</td>
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<td></td>
<td>I</td>
<td>3 years ØEBT (100% at €500m, cap at €750m) (individual factor)</td>
<td>50%</td>
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<tr>
<td></td>
<td>II</td>
<td>TSR vs peer performance (adj. TSR MDAX)</td>
<td>50%</td>
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<td></td>
<td>Ø last 12 months (div. adjusted) TSR vs adjusted MDAX; ranking of companies by percentile; payout calculated by base LTI value multiplied by % linked to percentile performance</td>
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<tr>
<td></td>
<td>Percentil</td>
<td>0</td>
<td>50</td>
<td>75</td>
<td></td>
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<tr>
<td></td>
<td>Payout (linear)</td>
<td>0%</td>
<td>100%</td>
<td>150%</td>
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<tr>
<td></td>
<td></td>
<td>(50% shares (4 years deferred) + 50% cash + 20% of shares additionally in cash)</td>
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</tbody>
</table>

1) Calculated on target achievement 100%

Annual report 2019, p. 144-155
New remuneration policy

Key changes in new contracts

- Elimination of discretionary bonus for exceptional cases
- Introduction of clawback clauses

**STI:**
- Higher degree of tension by raising the threshold from greater than 70% to greater than 80% target achievement
- Higher degree of tension by increasing the degree of target achievement while maintaining the payment amount
- Introduction of a “modifier” as an option for the supervisory board to take extraordinary developments into account within reasonable limits

**LTI:**
- Share of long-term incentive component increased from 34% to 45%
- Introduction of total shareholder return comparison versus defined peer group (MDAX) as part of the long-term remuneration component
- Increased EBT target value from €200 million to €500 million
- Lifted EBT cap from €300 million to €750 million