



Dear Shareholders,

Before delving into some key discussions and decisions made by Rheinmetall's Supervisory Board last fiscal year, I would first like to make a few comments about the dramatic events of recent weeks.

We are all shocked by Russia's war against Ukraine, including the images of human suffering and maximum destruction. Most of us were more or less directly confronted with the fact that war has returned to Europe over 75 years after World War II ended and is spreading to Germany's almost immediate neighborhood. We all hope that this conflict will end soon and peace will return to Ukraine.

The German government has responded to Russian aggression by announcing a new era, a turning point in its security and defence policy. It intends once again to fully equip the German armed forces in line with their defined capability profile and alliance obligations. It will make investments that have long been on hold and close the arms gaps as quickly as possible. Enormous financial resources are being mobilized for this purpose. Other countries are making very similar moves.

This broad rethinking of security policy has consequences for the security and defence industry. Rheinmetall, as the largest German company in this industry, has a prominent role to play in this rapidly changing world. We appreciate the company's profound responsibility for restoring full defence capability and must live up to it. The Supervisory Board will continue to closely monitor Rheinmetall's performance in the months ahead.

We have used the recent months to continue and intensify the dialog with our shareholders. I care deeply about the dialog. Shareholders' feedback has directly influenced our decisions. Interactions with shareholders are part of good corporate governance and thus a cornerstone of long-term business success. I would therefore like to report on several issues that I find particularly important as we prepare for our Annual General Meeting, which will be held virtually on May 10, 2022 without any shareholders physically present.

The Supervisory Board's work

The Supervisory Board assessed the company's political and economic environment in detail in the 2021 fiscal year. In addition to the development of the Rheinmetall Group as a whole, our attention was particularly focused on developments in the divisions that reported directly to the Executive Board in the new Group structure. We also covered political, economic and regulatory conditions, forecasts and challenges in the international competitive environment as well as trends, opportunities and risks in regional growth markets. In addition, the Supervisory Board discussed strategic, operational and technological priorities and goals, along with their economic significance and expected impact on Rheinmetall's financial situation.

In particular, we carefully analyzed the Group's business alignment and the refinement of the new Group structure. Our discussions also focused on opportunities and methods to ensure the company's competitiveness and future viability, especially given the continuing impact of the global COVID-19 pandemic. We also addressed potential acquisition projects as well as actual and potential risks to the company, as appropriate.

Women still occupy a lower percentage of management positions in our technology group than in other sectors or branches of industry. Despite a starting position that is both difficult and typical for our industry, we have been executing various strategic and operational measures to pursue our diversity goals, which were established several years ago and include recruiting more women to work at Rheinmetall, supporting female talent more vigorously and increasing the overall percentage of women at all levels of management. We also aim to further increase the percentage of women on the Supervisory Board and at the first management level.

Supervisory Board elections

As we execute our strategic realignment, it is extremely important for us to staff the Supervisory Board with experienced members who have the skills that this realignment demands. I would like to take this opportunity to sincerely thank Professor Susanne Hannemann, Dr. Klaus Draeger, Professor Andreas Georgi and Dr. Franz Josef Jung for their contributions to our work on the Supervisory Board. Their terms will expire at the end of the Annual General Meeting on May 10, 2022. We will therefore have to elect four shareholder representatives to the Supervisory Board at the upcoming Annual General Meeting.

The Supervisory Board has adopted targets for its composition and is aiming for staggered rolling terms of three to four years to encourage the continuous exchange and transfer of experience within the board as a whole. The Supervisory Board has also defined a competence profile for the entire board that should be considered when making new appointments.

Professor Susanne Hannemann, Dr. Klaus Draeger and Professor Andreas Georgi are running for re-election, while Ms. Eva Louise Helen Öfverström will be running for the first time as a financial expert. All four candidates are independent and bring different, strategically relevant experience and knowledge to the Supervisory Board. Please see the CVs in the invitation to the 2022 Annual General Meeting for individual descriptions.

If Professor Hannemann is elected, the Supervisory Board intends to make her Professor Georgi's successor as Chairwoman of the Audit Committee. It also intends to make Eva Louise Helen Öfverström a member of the Audit Committee. According to the succession plan, Ms. Öfverström will become Chairwoman of the Audit Committee in the medium term after she has been brought up to speed. Finally, the Supervisory Board plans to elect Professor Georgi to the Nomination Committee in lieu of serving on the Audit Committee. It has made these plans in response to criticism from investors that Professor Georgi should not be a member of the Audit Committee as a long-standing Supervisory Board member. Nevertheless, we believe that the Supervisory Board will benefit greatly from Professor Georgi's experience and expertise in business administration, leadership and management, and we therefore nominate him for re-election.

More information on the Supervisory Board's competency profile and the progress made in achieving it and on the Supervisory Board's working methods and composition is provided in the corporate governance declaration and Supervisory Board report, which are also publicly available on Rheinmetall AG's website as parts of the annual report for the 2021 fiscal year.

Sustainability embedded in Supervisory Board committees

The achievement of our ESG (E = environment, S = social, G = governance) goals is a core issue for the Supervisory Board. We have reallocated responsibilities for sustainability. To reflect the outstanding importance of ESG, the Strategy Committee will have its remit explicitly extended to include ESG and will be renamed the Strategy and ESG Committee. To ensure that the Supervisory Board is adequately informed about ESG issues and can appropriately monitor the achievement of sustainability targets, it will hold regular joint meetings with the Executive Board and communicate closely with experts from the company's corporate functions. Dr. Giesen will serve as the sustainability officer of the Supervisory Board.

At Rheinmetall, responsibility for sustainability lies with the Executive Board as a whole. Corporate Social Responsibility reports directly to the CEO. The Executive Board sets the strategic framework for sustainability activities in consultation with the corresponding corporate function managed by the Head of Corporate Social Responsibility (CSR).

Sustainability was institutionalized throughout the company when the Corporate Sustainability Board was established in October 2021. This board is composed of members of the Executive Board, the divisional heads, the heads of the Corporate Social Responsibility, Controlling, Compliance, Strategy, Purchasing, Human Resources and Corporate Communications corporate functions, the Head of Investor Relations as well as the two Chief Technology Officers. The Corporate Sustainability Board met for the first time in November 2021. At the meeting, the members discussed in detail current regulatory developments and ESG trends as well as the requirements and challenges that they present for Rheinmetall.

The ESG Factbook Reporting was published in December 2021. It exceeds the legal requirements and includes the GRI Content Index. An additional index refers to the covered reporting requirements of the Sustainability Accounting Standards Board (SASB). We currently plan to also report on the 17 Sustainable Development Goals and on our climate performance based on the criteria set out by the Task Force on Climate-related Financial Disclosures Initiative in the 2022 fiscal year. Having signed the UN Global Compact in fiscal 2021 as a tangible expression of our commitment to sustainability, we will publish the Communication on Progress (CoP), our annual progress report, in April 2022.

The Supervisory Board is regularly updated on the results of the sustainability work done by the Supervisory Board's Audit and Strategy and ESG Committees and by the Executive Board. For details, see the sustainability section of our website.

Sustainability integrated in Executive Board remuneration

The new remuneration system approved by the Annual General Meeting on May 11, 2021 applies to all Executive Board members from January 1, 2022. I would like to point out that the ESG targets defined in the Group's strategy determine 20% of the Executive Board's variable remuneration. Furthermore, Rheinmetall believes that it has a responsibility to do its part to carry out the Paris Climate Agreement. The Executive Board's contribution to the target of achieving CO2 neutrality by 2035 is therefore also considered when calculating the variable portion of the remuneration system. Efforts are also underway to drive further energy efficiency increases at all Rheinmetall locations.

Since much of the LTI is directly linked to stock performance, we are supporting continuous increases in shareholder value and specifically aligning the interests of the Executive Board with those of our shareholders.

Shareholder dialog and virtual Annual General Meeting

As in the last two years, we will be unable to personally welcome you in the usual way.

Due to the uncertainty raised by the COVID-19 pandemic, the current ban on large-scale events, and the need to protect the health of our shareholders, employees, and other stakeholders, we have decided to hold the Annual General Meeting virtually once again and webcast it live in its entirety on our shareholder portal and website.

Shareholders will have the opportunity to submit their questions in advance via the shareholder portal by May 8, 2022 once they have properly registered. However, to improve dialog, we have decided this year to voluntarily give shareholders the opportunity to ask follow-up questions via the shareholder portal during the Annual General Meeting and to submit contributions relating to the agenda for publication on the shareholder portal. We are thus exceeding the minimum legal requirements in the interest of our shareholders.

Dear shareholders, I look forward to continuing actively communicating with you this fiscal year and beyond. Thank you for your support!

Düsseldorf, March 2022

Ulrich Grillo