



## Remuneration report

The remuneration report explains the remuneration systems for the Executive Board and Supervisory Board of Rheinmetall AG and reports on the level and structure of the remuneration for the executive bodies. To this end, the individual remuneration granted and owed to current and former members of the Executive Board and the Supervisory Board is disclosed. The remuneration granted and owed that is shown is the remuneration for which the underlying activity was fully completed as of the end of fiscal year 2023. With the explanation of the remuneration system for the individual remuneration components, particular attention is paid to the transparency of the resulting remuneration and its promotion of Rheinmetall AG's long-term development. The report is based on section 162 of the German Stock Corporation Act (AktG) and the recommendations and suggestions of the German Corporate Governance Code (GCGC) in the version dated April 28, 2022.

The remuneration report for fiscal year 2022 was presented to the Annual General Meeting on May 9, 2023, in accordance with section 120a(4) of the German Stock Corporation Act (AktG) and approved by a clear majority of 96.27%. The very good voting result clearly shows that the fundamental structure, comprehensibility and transparency of last year's remuneration report met with a high level of acceptance among shareholders. It confirms that the Executive and Supervisory Boards of Rheinmetall AG can continue the report for fiscal year 2023 in this proven form.

Rheinmetall AG has also received criticism from individual shareholders regarding the amount of pension expenses and the shape of the target achievement curve for the performance target relative total shareholder return. The expenses recognized for pensions particularly relate to commitments made prior to January 1, 2014, which must still be fulfilled in accordance with the employment contract. The target achievement curve for relative total shareholder return is an integral part of the remuneration system for Executive Board members, which was approved by a majority of 92.61% at the Annual General Meeting on May 11, 2021. A symmetrical target achievement curve corresponds with German market practice and guarantees a balanced opportunity/risk profile. The Supervisory Board is convinced that the target achievement curve provides the right incentive to outperform the competition without taking disproportionate risks. In addition, the remuneration report presents the relative shares of the remuneration components (assuming 100% target achievement for variable remuneration) at the shareholders' request.

The remuneration report below and the current remuneration system for the Executive Board and the Supervisory Board are available on Rheinmetall AG's website: [rheinmetall.com/remunerationexecutiveboard](https://rheinmetall.com/remunerationexecutiveboard). Beyond the requirements of section 162(3) AktG, an audit of the remuneration report was also conducted in a material respect by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. The corresponding report on this audit can be accessed at the address above.

### Review of fiscal year 2023

On the stock markets, 2023 went better than expected. After a strong first half of the year, neither the stagnation of the European economy nor the wars in Ukraine and the Middle East prompted a turn for the worse. Despite a sharp rise in interest rates, share prices recovered compared to the previous year. Before Christmas, the US Federal Reserve fulfilled financial market players' hopes by clearly signaling three expected interest rate cuts in 2024. The DAX responded positively and exceeded 17,000 points for the first time in its history in mid-December. Previously, the Dow Jones in the US had already reached a record high, clearing 37,000 points for the first time. In terms of annual performance, the DAX therefore grew by 20.3% and closed at 16,751.64 points. The growth of small and mid-caps was notably less strong: The mid-cap index MDAX grew by 8% over the year to 27,137.30 points, while the SDAX and TecDAX gained 17% to 13,960.36 points and 14% to 3,337.41 points, respectively.

The Rheinmetall share started the stock market year on January 2, 2023, at a price of €196.95 and proved friendly from then on. On February 21, 2023, it breached the €250 mark for the first time with a closing price for the day of €257.20. At €287, the year-end closing price for fiscal year 2023 was close to the all-time high of €289.80. In terms of the full year, the Rheinmetall share closed a considerable 54.26% above the previous year and significantly better than the DAX. The share price performance was consistently driven by the ongoing geopolitical



crises and the associated rise in demand for goods from the defence industry. Because the demand focused especially on products for land forces, Rheinmetall AG obtained a particularly large share in this trend.

The financial performance of Rheinmetall AG in the year under review proved to be robust and profitable. The altered security situation allowed us to demonstrate our responsibility as a reliable supplier of state-of-the-art defence technology to Germany and its allies. This is evidenced by major procurement projects in Germany and significant large orders from friendly nations. As a result, the operating result increased by 19.4% to a new record of €918 million. And our operating margin of 12.8% exceeds last year's 12.0%.

## Remuneration of the Executive Board

### Remuneration of the Executive Board

Following the entry into effect of the German Act to Implement the Second Shareholder Rights Directive (ARUG II), the Supervisory Board resolved extensive amendments to the remuneration system for members of the Executive Board of Rheinmetall AG in calendar year 2021 and submitted the remuneration system to the Annual General Meeting on May 11, 2021, for approval under agenda item 7. The Annual General Meeting approved the remuneration system for members of the Executive Board by a significant majority of 92.61%. The new remuneration system has been in effect for all incumbent members of the Executive Board since January 1, 2022, and forms the basis for the remuneration granted and owed in fiscal year 2023.

The Executive Board remuneration at Rheinmetall AG firstly provides for remuneration not linked to performance (fixed remuneration), which consists of three components: the basic remuneration, fringe benefits, and a company pension. Secondly, it includes performance-related remuneration (variable remuneration) comprising two components: the one-year short-term incentive (STI) and the long-term incentive (LTI). The remuneration system also includes further provisions such as penalty and clawback, share ownership guidelines, remuneration-related legal transactions and the handling of internal and external remuneration for mandates. An overview of the current structure of Executive Board remuneration is provided in the following chart.



## Overview of the remuneration system

Fixed remuneration	Basic remuneration	• Annual salary paid in twelve monthly installments	
	Fringe benefits	• Benefits in kind in the form of contributions to statutory social pension insurance (or any exempting life insurance in lieu) plus use of company car	
	Pension plan	• Modular capital plan • Annual basic contribution of 16% of basic remuneration and STI on 100% target achievement • Plus any performance-based additional contribution (capped at 30% of the basic contribution) • Basic contribution and any performance-based additional contribution converted into capital component using a capitalization factor • Payment in the form of a life-long pension (retirement age is 65)	
Variable remuneration	STI	Plan type	• Target bonus
		Performance period	• 1 year
		Performance targets	• 40% earnings before taxes (EBT) (0%-250% target achievement) • 40% operating free cash flow (OFCF) (0%-250% target achievement) • 20% non-financial/individual/collective targets (0%-250% target achievement)
		Payment	• In cash after end of each fiscal year (0%-250% target achievement)
	LTI	Plan type	• Performance share plan
		Performance period	• 4 years
		Performance targets	• 40% relative TSR (0%-200% target achievement) • 40% ROCE (0%-200% target achievement) • 20% environmental, social and governance (ESG) (0%-200% target achievement) • Absolute share price performance including dividends via granting of virtual shares
		Payment	• In cash after end of four-year performance period (0%-250% target achievement)
Penalty and clawback provisions		• Reduction of variable remuneration not yet paid out and clawback of variable remuneration already paid out in the event of compliance violations and incorrect consolidated financial statements (STI and LTI)	
Share Ownership Guidelines (SOG)		• 200% of the annual gross basic remuneration for the CEO • 100% of the annual gross basic remuneration for the ordinary Executive Board members	
Remuneration-related transactions		• Executive Board contracts are concluded for the duration of the appointment to the Executive Board and thus for a period of no more than five years • Severance payment cap: In the event of premature termination of an Executive Board member's contract, payments, including fringe benefits, must not exceed the equivalent of two annual remuneration payments and must not remunerate more than the remaining term of the contract	
Remuneration for mandates		• Remuneration for mandates at affiliated companies counts towards basic remuneration; the Supervisory Board decides whether remuneration for mandates at non-affiliated companies will count	

### 1. Principles of Executive Board remuneration

The remuneration for members of the Executive Board of Rheinmetall AG is geared towards sustainable and long-term corporate development. It thus makes a contribution to promoting the business strategy and to the long-term development of Rheinmetall AG. It offers incentives for the value-creating and long-term development of Rheinmetall AG. The members of the Executive Board are properly remunerated according to their sphere of activity and responsibility, taking into reasonable account both the personal performance of each and every Executive Board member as well as the economic situation and success of the company. The intention is to ensure that the remuneration is competitive on a national and international scale and thus creates incentives for dedicated and successful work.

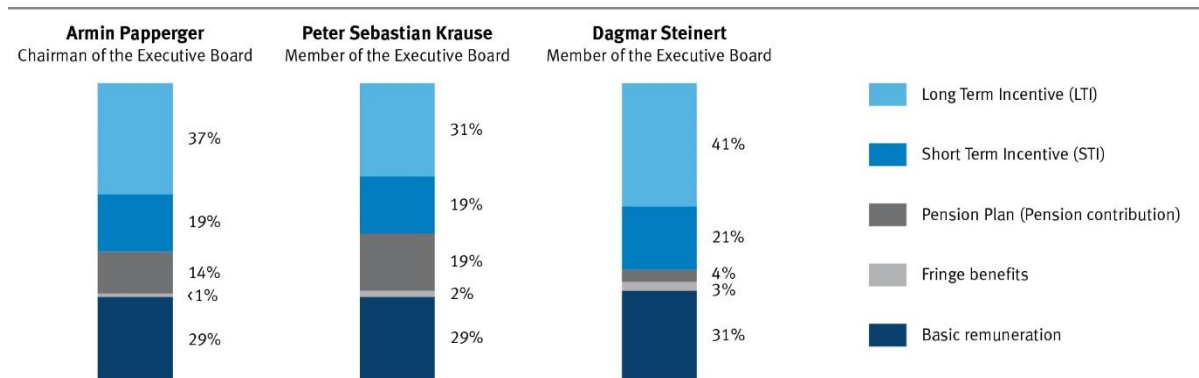
#### 1.1 Target total and maximum remuneration of members of the Executive Board

The Supervisory Board defines a target total remuneration for each Executive Board member, which is the sum of the fixed remuneration components (basic remuneration, fringe benefits, and company pension) and variable remuneration components (STI and LTI in the event of 100% target achievement). The maximum total remuneration for each individual member of the Executive Board corresponds to the amount calculated from the sum of all remuneration components for the fiscal year in question, taking into account the defined maximum caps (STI and LTI at maximum target achievement in each case) on variable remuneration.



In addition, maximum remuneration in accordance with section 87a(1) sentence 2 no. 1 AktG has been defined for the sum of all remuneration components. This amounts to €8,000,000 for the Chairman of the Executive Board and €4,000,000 for each ordinary Executive Board member. The maximum remuneration relates to the sum of all payments resulting from the remuneration regulations for a fiscal year. If the sum of the payments from a fiscal year exceeds this defined maximum remuneration, then the remuneration component due to be paid out last (usually the LTI) is reduced. For an explanation of how the defined maximum remuneration of the Executive Board members was complied with, please refer to item 3.4.

The figure below shows the relative shares of the remuneration components in the target total remuneration (remuneration structure) for fiscal year 2023:



## 1.2 Appropriateness of Executive Board remuneration

The Supervisory Board – with the support of the Personnel Committee – regularly reviews the appropriateness of the Executive Board remuneration, with the Supervisory Board receiving advice from an independent external remuneration expert.

The detailed examination of the Executive Board remuneration primarily includes a horizontal remuneration comparison, in which the level of the target and maximum remuneration received by the members of the Executive Board is compared with the usual remuneration for comparable companies. This comparison took into account sales, number of employees, internationality and complexity of the Rheinmetall Group.

In addition, a vertical comparison of remuneration is carried out regularly, analyzing the ratio of remuneration levels between the CEO, the ordinary Executive Board members, the three levels of management below the Executive Board, and the pay-scale employees of the Rheinmetall Group in Germany, not only during the fiscal year but also over time.

## 2. Remuneration components in detail

The following section describes the remuneration components in detail and shows how the performance criteria and targets for variable remuneration were applied in fiscal year 2023.

### 2.1 Basic remuneration

Each Executive Board member receives a basic remuneration not linked to performance, which is paid every month in twelve equal parts.



## 2.2 Fringe benefits

In addition to their basic remuneration, the Executive Board members receive fringe benefits. Fringe benefits include not only the reimbursement of reasonable expenses, but also subsidies for health and long-term care insurance and the provision of a company car that can also be used privately in accordance with current guidelines. Accident insurance is also taken out for each Executive Board member, which may also include a payment to heirs of the Executive Board member in the event of his/her death. The tax burden resulting from these fringe benefits is borne by the respective Executive Board member.

## 2.3 Company pension plan

Executive Board members receive a company pension in the form of a modular capital plan. They receive an annual basic contribution of 16% of the respective basic remuneration and 100% of the target amount of the STI. The basic contribution may also be supplemented by a performance-related additional contribution. The additional contribution is capped with an upper limit equal to 30% of the basic contribution.

The basic contribution and, if applicable, a performance-related additional contribution are converted annually to a capital component with a capitalization factor linked to the benefits age. The sum of the capital components acquired in the past few calendar years yields the total pension capital. The total pension capital is converted to a lifelong pension when benefits become due. The retirement age is 65.

For Executive Board members who had acquired pension claims before January 1, 2014, or were previously a member of the Executive Board of Rheinmetall Automotive AG, a transitional regulation applies. The average defined benefit for these Executive Board members is 27.5% of the respective basic remuneration and the respective 100% target amount of the STI before retirement. The retirement age is 63.

The expenses and present values of the pension obligations for Executive Board members active in fiscal year 2023 are shown below.

### Executive Board pensions in accordance with IAS 19

Expenses in fiscal year						
	Total		Of which interest payable		Settlement amount of pension obligation as of December 31 <sup>1</sup>	
€ '000	2023	2022	2023	2022	2023	2022
Armin Papperger	1,002	1,216	355	156	11,765	9,488
Peter Sebastian Krause	496	626	154	59	4,698	4,106
Dagmar Steinert	85	7	-	-	102	7
<b>Total</b>	<b>1,583</b>	<b>1,849</b>	<b>509</b>	<b>215</b>	<b>16,565</b>	<b>13,600</b>

<sup>1</sup> Refers to the amount of the cumulative pension obligations measured on the respective balance sheet date. Depending on the Executive Board member, the provisions have been recognized since they joined the Executive Board and thus over a long period.

## 2.4 Short-term incentive (STI)

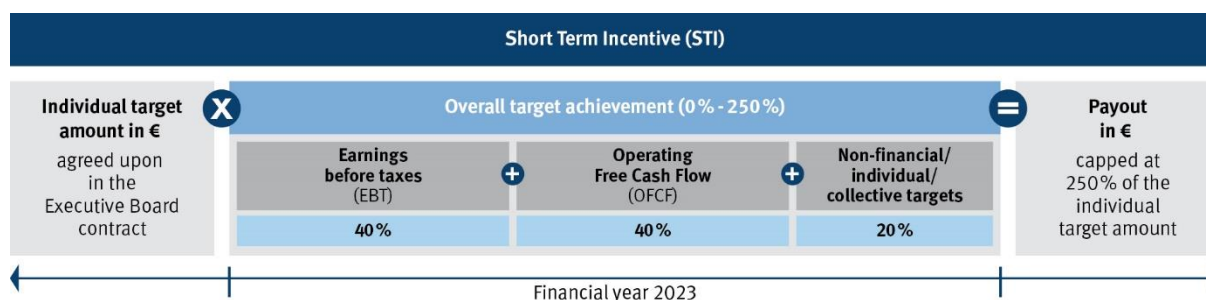
The remuneration system provides for a one-year STI, the level of which depends on an individual target amount in euro agreed in the Executive Board employment contracts and on the achievement of financial and non-financial targets. The STI for fiscal year 2023, which is to be disclosed in fiscal year 2023 as remuneration granted and owed, corresponds to the remuneration system presented to and approved by the Annual General Meeting on May 11, 2021.

The two key performance indicators earnings before taxes (EBT) and operating free cash flow (OFCF) are taken into account as financial targets, each with a weighting of 40%. EBT is particularly well-suited for assessing the economic success of the Rheinmetall Group's operational entities. In addition, OFCF is used as a key figure to ensure liquidity and entrepreneurial flexibility.

There is also a component that takes into account non-financial, individual, and further collective targets with a weighting of 20% in the STI. The underlying targets are determined by the Supervisory Board for the respective fiscal year. The weighted total of the target achievements across the financial and non-financial/individual/collective component targets results in the overall target achievement.



## Structure of the STI



For each financial target, a target figure is determined each year on the basis of operating planning, with a linear calculation made between the target achievement levels shown below.

Target achievement is capped at 2.5 times the target value, with this figure being achieved with a +20% target overachievement (maximal target fulfillment). If the target achievement is -20% or lower (minimal target achievement), the STI for the fiscal year in question is €0. The table below shows the specific target achievement levels depending on the deviation from the target value, with target achievements between the key figures shown being determined using linear interpolation.

Degree of achievement of agreed annual targets			STI payment
≥	20%	under agreed targets	0%
	10%	under agreed targets	50%
	100%	of agreed targets	100%
	10%	over agreed targets	150%
	15%	over agreed targets	200%
≥	20%	over agreed targets	250%

The table below shows the respective targets for earnings before taxes and operating free cash flow, the figures actually achieved in fiscal year 2023 and the resulting target achievement levels that are relevant for calculating the payment amount from the STI. Target achievement is determined in each case by comparing the actual value with the target value and applying the key figures shown above.

### Achievement financial targets STI

	Target value	Actual value	Achievement
	€ million	€ million	%
Earnings before taxes	841	841	100.1
Operating free cashflow	200	399	250.0

When the planning for 2023–25 was adopted, Rheinmetall had already signed the agreement to acquire Expal Systems S.A.U. At that time, however, it was not yet foreseeable whether and when this transaction would actually be completed. The planning for 2023–25 was therefore intentionally prepared without potential effects of this acquisition. For this reason, the targets for 2023 likewise do not take this acquisition into account. For the purpose of target achievement, the actual figures are therefore adjusted to present earnings before taxes and operating free cash flow as if the acquisition of Expal Systems S.A.U. had not taken place in 2023. Accordingly, earnings contributions from the acquired companies, including effects from the purchase price allocation, are deducted from earnings before taxes. The same applies to the financing expenses and other acquisition costs recognized in expenses. Operating free cash flow is adjusted accordingly.



	EBT	OFCF
Reported figure	815	356
Operating result/OFCF of the company	-37	44
PPA effects	41	0
Convertible bond financing costs	35	8
Other effects	-12	-9
Total adjustment for EXPAL	26	43
Figure for target achievement	841	399

By resolution of the Supervisory Board on December 7, 2022, a target value of €283 million was set for operating free cash flow in fiscal year 2023. This target was set partly on the basis of an investment action plan for fiscal year 2023. This was increased due to additional investments in the interests of the company, which were not included in the original investment planning. The Supervisory Board approved this increase on August 17, 2023. In order to prevent a situation whereby the investments in the interests of the company are disadvantageous for the Executive Board and thus counteract the STI, the Supervisory Board decided on August 17, 2023 – in accordance with recommendation G.11 of the Germany Corporate Governance Code, according to which the Supervisory Board is to have the option to take extraordinary developments into account within reason – to adjust the operating free cash flow target for the STI to €200 million for the current fiscal year 2023. This set an ambitious but essentially achievable target for the members of the Executive Board and restored the incentive effect of the STI. The Supervisory Board considers this subsequent change to the target value to be necessary and appropriate in order to grant the Executive Board members remuneration that is commensurate with their performance and be able to create the right incentives for the long-term benefit of Rheinmetall AG.

For fiscal year 2023, the Supervisory Board set the following non-financial and collective targets for the Executive Board members and identified target achievements levels that are relevant for calculating the payment amount from the STI:

#### Achievement non-financial targets STI

Target	Explanation of achievement	Achievement %	Weighting %
Photovoltaic plant and pilot plant for the production of green hydrogen in South Africa for CO <sub>2</sub> reduction	he goal was achieved with great success. Both systems for CO <sub>2</sub> reduction were put into operation in the 4th quarter of 2023. The ROI of the photovoltaic system is < 5 years.	200.0	50.0
Measures based on the German Supply Chain Compliance Act and establishment of a Rheinmetall-specific compliance structure for activities at Expal	The objective was achieved in full with great success. The five measures defined in terms of content and timing were all implemented (installation of a human rights officer, adaptation of supplier auditing and supplier monitoring processes, introduction of a legally compliant complaints mechanism and supplier blocking process, compliance risk analysis of the Expal business along with detailed planning for a suitable support concept as well as the start of specific compliance support and successive anchoring of the Rheinmetall CMS at Expal).	250.0	50.0
<b>Overall target achievement non-financial targets</b>		<b>225.0</b>	<b>100.0</b>

The individual payment amounts for the Executive Board members shown below are derived from the target achievements presented.



## Payment amount STI

	Target amount	Target achievement non-financial targets (20%)	Target achievement EBT (40%)	Target achievement OFCF (40%)	Overall target achievement	Payment amount
	€ '000	%	%	%	%	€ '000
Armin Papperger	864	225%	100%	250%	185%	1,599
Peter Sebastian Krause	360	225%	100%	250%	185%	666
Dagmar Steinert	420	225%	100%	250%	185%	777

Following approval of the financial statements by the Supervisory Board, the resulting payment amount for the STI is transferred to the relevant Executive Board member with the next salary statement.

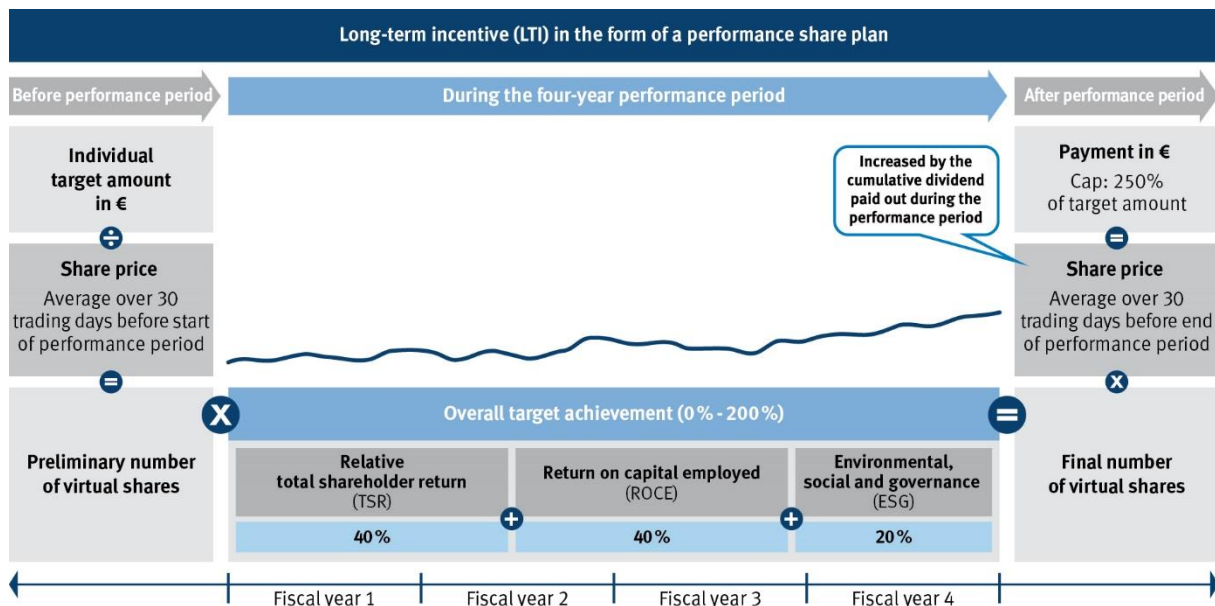
## 2.5 Long-term incentive (LTI)

The Executive Board remuneration system makes a significant contribution to promoting the business strategy and sets incentives for the Executive Board that serve the sustainable and long-term development of Rheinmetall AG. To this end, Executive Board members are allocated an annual LTI in the form of a performance share plan, i.e. on the basis of virtual shares, each with a four-year term or performance period. The Executive Board members also received an allocation from the performance share plan for fiscal year 2023. As the four-year performance period does not end until fiscal year 2026, the 2023 tranche is not to be disclosed as remuneration granted and owed until fiscal year 2026. For reasons of transparency, however, the operating principle and allocation amounts for each Executive Board member are reported below.

At the beginning of each fiscal year, the Executive Board members are allocated a new tranche of virtual shares under the performance share plan. An individual target amount corresponding to 100% target achievement has been agreed in the Executive Board employment contracts. The individual target amount is divided by the average closing price of Rheinmetall shares over the last 30 stock market trading days prior to the start of the performance period to obtain a preliminary number of virtual shares. At the end of the four-year performance period, the final number of virtual shares is determined based on the weighted target achievement of the three additively linked performance targets – relative total shareholder return (TSR) with a 40% weighting, return on capital employed (ROCE) with a 40% weighting and environmental, social and governance (ESG) with a 20% weighting. At the end of the performance period, the final number of virtual shares is multiplied by the sum of the average closing price of Rheinmetall shares over the last 30 stock market trading days before the end of the four-year performance period and the cumulative dividend paid out during the performance period (dividend equivalent) to determine the final payment amount. This is paid out in cash to the Executive Board members at the end of the four-year performance period and is limited to a maximum of 250% of the individual target amount (cap). The payment amount can therefore be between 0% and 250% of the original target amount.

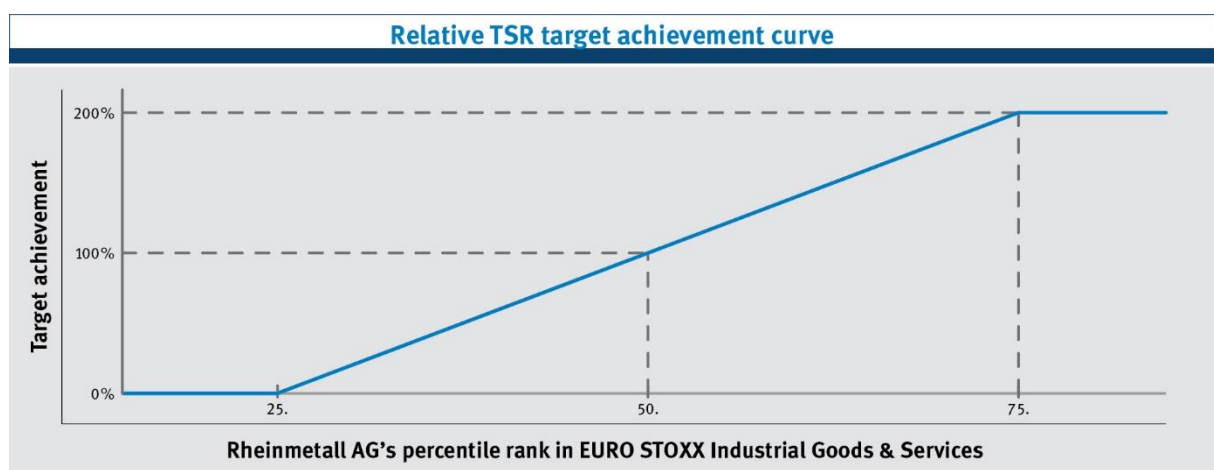


## Structure of the LTI



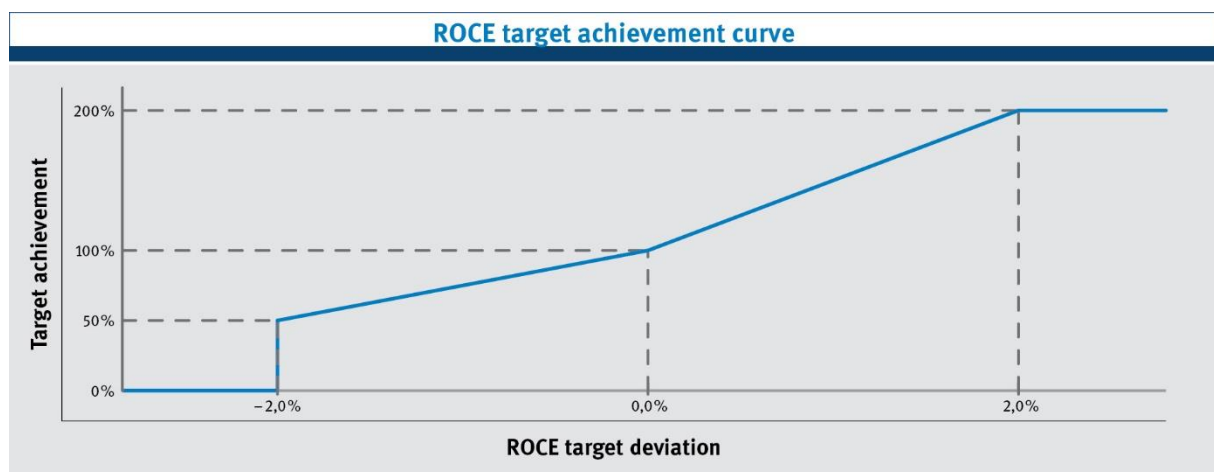
The first performance target of the LTI is Rheinmetall AG's relative TSR over the four-year performance period. Rheinmetall AG's TSR is compared with the EURO STOXX Industrial Goods & Services companies. The TSR is the share price performance plus notional reinvested gross dividends during the four-year performance period. The start and end values for determining the TSR of Rheinmetall AG and the peer companies are based on the average value of the last 30 stock market trading days before the beginning and before the end of the respective four-year performance period. To determine the relative TSR, the TSR values (over four years) of all companies including Rheinmetall AG are placed in order and assigned to percentiles. If the TSR of the Rheinmetall share is in the 50th percentile (median), target achievement is 100%. If the TSR is in or below the 25th percentile, target achievement is 0%. If the TSR is in the 75th percentile, target achievement is 200%. Positioning above the 75th percentile does not result in any further increase in target achievement. Between the 25th and 75th percentiles, target achievement is calculated using linear interpolation.

### Target achievement curve relative to TSR



The second performance target of the LTI is the Rheinmetall Group's return on capital employed (ROCE), which corresponds to the ratio of EBIT to average capital employed. The ROCE actually achieved is determined annually on the basis of the Rheinmetall consolidated financial statements. Subsequently, the average ROCE during the four-year performance period is calculated, i.e. for the 2023 installment, the ROCE actually achieved in fiscal years 2023, 2024, 2025 and 2026 is decisive. To determine target achievement, average ROCE is compared with an ambitious target value set by the Supervisory Board based on the strategic plan. If the average ROCE actually achieved corresponds exactly to the target value, target achievement is 100%. If the average ROCE is exactly 2 percentage points below the target value, target achievement is 50%. If the average ROCE is 2 percentage points below the target value, target achievement is 0%. If the average ROCE is 2 percentage points or more above the target value, target achievement is 200%. If the target achievement of 200% is reached, further increases in the ROCE actually achieved do not lead to any further increase in target achievement. Between the above points, target achievement is calculated using linear interpolation.

### ROCE target achievement curve



The third performance target is formed by the Environmental, Social and Governance (ESG) targets. The ESG targets set incentives for sustainable corporate development, promote the implementation of Rheinmetall AG's sustainability strategy and take into account the business' impact on the environment. For the annual determination of the relevant and measurable ESG targets, the Supervisory Board is guided by a catalog of criteria defined in advance. For each tranche, other criteria or targets can be selected from the catalog of criteria, the achievement of which is measured during the four-year performance period and, analogously to the financial targets, can range from 0% to 200% per ESG target. The ESG targets for the 2023 LTI tranche are listed below:

### LTI Tranche 2023: ESG targets

LTI Tranche 2023: ESG targets	
<ul style="list-style-type: none"> <li>• Reduction of CO<sub>2</sub> emissions in Scope 1 and 2 in the Rheinmetall Group</li> <li>• Safety at the workplace/health: annual reduction of lost time incident rate (LTIR)</li> </ul>	

The individual target amount, the average closing price of Rheinmetall shares over the last 30 stock market trading days prior to the start of the performance period, and the resulting preliminary number of virtual shares per Executive Board member are shown in the table below.



### Performance Share Plan Tranche 2022

	Target value	Starting price Rheinmetall share	Number of shares allotted
	€ '000	€	
Armin Papperger	1,650	82.04	20,112
Helmut P. Merch	825	82.04	10,056
Peter Sebastian Krause	578	82.04	7,039
Dagmar Steinert <sup>1</sup>	69	82.04	838

<sup>1</sup> since December 1, 2022; target amount corresponds to 1/12 of the corresponding annual value of €825 '000

### Performance Share Plan Tranche 2023

	Target value	Starting price Rheinmetall share	Number of shares allotted
	€ '000	€	
Armin Papperger	1,650	192.71	8,562
Peter Sebastian Krause	578	192.71	2,996
Dagmar Steinert	825	192.71	4,281

Further details on targets set, target achievements, and payment amounts of the performance share plan tranches are provided in the remuneration report covering the final fiscal year of the respective performance period.

## 2.6 Malus and clawback

To further ensure the sustainable successful development of the company and the appropriateness of Executive Board remuneration, the STI and LTI are subject to penalty and clawback regulations. If, after payment of the performance-related variable remuneration (STI and LTI), it transpires that the consolidated financial statements were incorrect, the Supervisory Board may demand partial or full repayment of variable remuneration already paid out (performance clawback). The amount of the claim for repayment shall be determined on the basis of the corrected and audited consolidated financial statements. The fault of the Executive Board member is irrelevant in this case.

If a member of the Executive Board intentionally violates the Code of Conduct, the compliance guidelines or a significant contractual obligation, or commits significant breaches of their duty of care as defined in section 93 AktG, the Supervisory Board may also, at its reasonable discretion, reduce to zero any variable remuneration not yet paid out (compliance penalty) and demand the return of any variable remuneration already paid out (compliance clawback). The obligation of the Executive Board member to pay damages to Rheinmetall AG in accordance with section 93(2) AktG, the right of Rheinmetall AG to revoke the appointment in accordance with section 84 AktG, and the right of Rheinmetall AG to terminate the Executive Board member's employment contract for cause (section 626 BGB) remain unaffected by the clause.

There were no circumstances either in fiscal year 2023 or in fiscal year 2022 that would have justified withholding or reclaiming the variable remuneration under the penalty and clawback provisions.

## 2.7 Share ownership guidelines (SOG)

To further align the interests of the Executive Board and shareholders, the Executive Board members are required to make a significant personal investment in Rheinmetall shares. The Executive Board members are accordingly required to invest an amount equivalent to 200% of the annual gross basic remuneration in the case of the Chair of the Executive Board, and 100% of the annual gross basic remuneration in the case of the ordinary Executive Board members, in Rheinmetall shares and to hold these shares until the end of their Executive Board activity. As of December 31, 2023, Armin Papperger, Peter Sebastian Krause, and Dagmar Steinert had already invested the required amount in Rheinmetall shares and fulfilled the holding obligation.

## 2.8 Payments in the event of premature termination of the Executive Board contract

In the event that either Rheinmetall AG or the Executive Board member does not wish to be reappointed or the Supervisory Board recalls the Executive Board member, it may be agreed that the Supervisory Board releases the Executive Board member from their service obligation while otherwise continuing to apply the contract. Ordinary



termination of the employment contract of the Executive Board is excluded. It is possible, however, for both the Executive Board member concerned and Rheinmetall AG to terminate the contract for cause. Automatic termination is also stipulated in the event that the Executive Board member becomes permanently unable to work during the term of their contract. The Executive Board contracts stipulate that the contract shall end automatically at the latest at the end of the month in which the Executive Board member reaches the standard retirement age under the statutory pension scheme or at the time when they draw a statutory retirement pension before reaching the standard retirement age.

In the event of termination of an Executive Board employment contract, any outstanding variable remuneration components attributable to the period up to termination of the contract are paid out in accordance with the originally agreed targets and comparison parameters and in accordance with the due dates or holding periods specified in the contract.

The remuneration system also provides for a severance payment cap. Under this, payments to an Executive Board member that are agreed upon with the member concerned in the event of premature termination without cause of the Executive Board contract, including fringe benefits, must not exceed the value of two annual remuneration payments and must not remunerate more than the remaining term of the Executive Board member's contract.

The Executive Board contracts do not provide for any special arrangements for a severance payment in the event of a change of control.

## 2.9 Remuneration for mandates

The Executive Board remuneration covers all activities for Rheinmetall AG and for services performed with Rheinmetall AG in accordance with sections 15 et seq. of the German Stock Corporation Act. If remuneration is agreed for mandates at affiliated companies, this is offset against the basic remuneration. For mandates at companies that are not affiliated companies or for functions in associations or similar groups to which Rheinmetall AG or one of its affiliated companies belongs, the Supervisory Board decides on setting-off.

In fiscal year 2023, the Executive Board members held the following mandates at affiliated and non-affiliated companies:

### Members of the Executive Board and mandates of the Executive Board members

	Position/area	Appointments	Membership in Supervisory Boards
<b>Armin Papperger</b> <b>Engineering graduate</b>	Chairman	January 1, 2012, to December 31, 2026	Rheinmetall Automotive AG <sup>1</sup> Chairman
Born 1963 Nationality   German			Rheinmetall Landsysteme GmbH <sup>1</sup> Chairman
			The Dynamic Engineering Solution Pty Ltd Deputy Chairman of the Supervisory Board
			Rheinmetall MAN Military Vehicles GmbH <sup>1</sup> Chairman
			Rheinmetall Denel Munition (Pty) Ltd <sup>1</sup> Chairman
<b>Peter Sebastian Krause</b> <b>Lawyer</b>	Director of Industrial Relations	January 1, 2017, to December 31, 2024	Rheinmetall Electronics GmbH <sup>1</sup>
Born 1960 Nationality   German	Human Resources		Rheinmetall Waffe Munition GmbH <sup>1</sup> Vorsitzender
<b>Dagmar Steinert</b> <b>Business graduate</b>	CFO	December, 1, 2022 to November 30, 2025	4iG Nyrt. <sup>2</sup>
Born 1964 Nationality   German	Finance and Controlling		ZF Friedrichshafen AG <sup>3</sup>

<sup>1</sup> Internal mandates

<sup>2</sup> since April 28, 2023

<sup>3</sup> until March 31, 2023



## 2.10 Third-party payments

In fiscal year 2023, no Executive Board member received payments from a third party with regard to their work as an Executive Board member.

## 3. Itemized total remuneration for 2023

### 3.1 Target remuneration for fiscal year 2023

In order to ensure transparent reporting of Executive Board remuneration, the table below first shows the contractually agreed target amounts of the individual remuneration components for each active Executive Board member, plus the expenses for fringe benefits and the company pension. The target amount for the STI or LTI reflects the contractually regulated STI or LTI target amount in the case of 100% target achievement.

#### Contractual target remuneration

	Armin Papperger		Peter Sebastian Krause		Dagmar Steinert	
	CEO since January 1, 2013 <sup>1</sup>		Member of the executive board since January 1, 2017		Member of the executive board from December 1, 2022 <sup>2</sup>	
	2023	2022	2023	2022	2023	2022
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Basic remuneration	1,296	1,296	540	540	630	630
Fringe benefits	20	25	29	36	58	46
Total fixed remuneration	1,316	1,321	569	576	688	676
Short-term variable remuneration (STI)						
STI 2022	-	864	-	360	-	420
STI 2023	864	-	360	-	420	-
Long-term variable remuneration (LTI)						
LTI tranche 2022	-	1,650	-	578	-	825
LTI tranche 2023	1,650	-	578	-	825	-
<b>Total</b>	<b>3,830</b>	<b>3,835</b>	<b>1,507</b>	<b>1,514</b>	<b>1,933</b>	<b>1,921</b>
Pension contribution	1,377	1,377	406	646	168	168
<b>Total (including pension contribution)</b>	<b>5,207</b>	<b>5,212</b>	<b>1,913</b>	<b>2,160</b>	<b>2,101</b>	<b>2,089</b>

<sup>1</sup> Member of the Executive Board since January 1, 2012

<sup>2</sup> Target remuneration 2022 stated on a full-year basis

### 3.2 Remuneration granted and owed in fiscal year 2023 – Executive Board members active in fiscal year 2023

The table below discloses the remuneration granted and owed in accordance with section 162 AktG both in the fiscal year under review and in the previous year. In addition, the expenses in accordance with IAS 19 for the company pension plan in the respective fiscal year are shown (pension expenses).

In accordance with the vesting-based interpretation, the payment amounts of the STI allocation for fiscal year 2023 are shown in the 2023 remuneration report, as the underlying activity for the remuneration has already been fully completed at the end of fiscal year 2023. The relevant results for determining the target achievement levels can already be determined as of the end of fiscal year 2023, although the actual payment will not take place until the following year, i.e. in fiscal year 2024. No remuneration granted and owed is yet reported for the tranches of the LTI first allocated and redesigned in fiscal year 2022, as target achievement and the potential payout amount can only be made after the end of the respective four-year performance period and will then also be reported according to the vesting-based interpretation.



### Paid and owed remuneration for members of the executive board active in financial year

	Armin Papperger			Peter Sebastian Krause			Dagmar Steinert		
	CEO since January 1, 2013 <sup>1</sup>			Member of the executive board since January 1, 2017			Member of the executive board from December 1, 2022		
	2023	2023	2022	2023	2023	2022	2023	2023	2022
	€ '000	%	€ '000	€ '000	%	€ '000	€ '000	%	€ '000
Basic remuneration	1,296	36	1,296	540	34	540	630	41	53
Fringe benefits	20	1	25	29	2	36	58	4	3
<b>Total</b>	<b>1,316</b>	<b>37</b>	<b>1,321</b>	<b>569</b>	<b>36</b>	<b>576</b>	<b>688</b>	<b>44</b>	<b>56</b>
Short-term variable remuneration (STI)									
STI 2021	-	-	1,206	-	-	503	-	-	49
STI 2022	1,599	45	-	666	42	-	777	50	-
<b>Total of paid and owed remuneration</b>	<b>2,915</b>	<b>82</b>	<b>2,527</b>	<b>1,235</b>	<b>78</b>	<b>1,079</b>	<b>1,465</b>	<b>95</b>	<b>104</b>
Service costs	647	18	1,060	343	22	567	85	5	7
<b>Total remuneration</b>	<b>3,561</b>	<b>100</b>	<b>3,587</b>	<b>1,578</b>	<b>100</b>	<b>1,645</b>	<b>1,550</b>	<b>100</b>	<b>111</b>

<sup>1</sup> Member of the Executive Board since January 1, 2012

### 3.3 Remuneration granted and owed in fiscal year 2023 – former Executive Board members

The remuneration granted and owed in fiscal year 2023 to former Executive Board members who were active within the past ten years is shown below.

#### Paid and owed remuneration of former members of the executive board

	Helmut P. Merch	Horst Binnig
	Leaving date Dezember 31, 2022	Resignation date Dezember 31, 2019
	2023	2023
	€ '000	€ '000
Pension payments	450	213
<b>Total</b>	<b>450</b>	<b>213</b>

Nine former Executive Board members who have not been active in the last ten years received pension payments totaling €1,623 thousand.

### 3.4 Compliance with the maximum remuneration in accordance with section 87a(1) sentence 2 no. 1 AktG

The maximum remuneration in accordance with section 87a(1) sentence 2 no. 1 AktG shall include all remuneration components allocated for fiscal year 2023. The maximum remuneration for fiscal year 2023 therefore also includes the 2023 performance share plan tranche, although the amount paid out will not be known until the end of the 2026 financial year. This means that the sum of all remuneration components allocated for fiscal year 2023 can only be determined after the end of fiscal year 2026. In principle, the appropriateness of the possible payment amounts is ensured by limiting the STI and LTI payments in each case to a maximum of 250% of the individual target amount. If the sum of the payments from a fiscal year exceeds this defined maximum remuneration, then the remuneration component due to be paid out last (usually the LTI) is reduced.



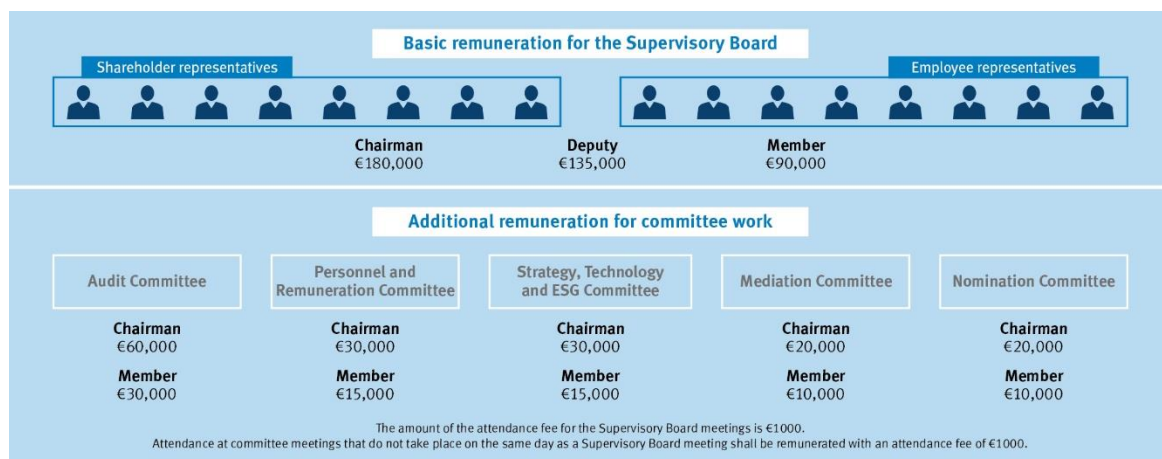
## Remuneration of the Supervisory Board

### Remuneration of the Supervisory Board

In accordance with section 113(3) sentence 1 AktG, the annual general meeting of a listed company must resolve on the remuneration and the remuneration system for the members of the Supervisory Board at least every four years. On May 11, 2021, Rheinmetall AG's Annual General Meeting approved the Supervisory Board remuneration regulation put to the vote under agenda item 8 with a clear majority of 99.75%. The aim of the remuneration is to strengthen the independence of the Supervisory Board as a supervisory body and to take into account the function-specific time burdens and responsibilities. This is achieved through the highlighted remuneration for the Chair and Vice Chair of the Supervisory Board and the additional remuneration for work on committees.

The remuneration regulations for the Supervisory Board applicable for fiscal year 2023 are set out in Article 13 of the Articles of Association of Rheinmetall AG and are shown in the diagram below:

### Remuneration of the members of the Supervisory Board and its committees



In addition to fixed remuneration and committee remuneration, Supervisory Board members receive a meeting attendance fee. The attendance fee for Supervisory Board meetings is €1,000. The attendance fee for committee meetings that are not held on the same day as a Supervisory Board meeting is €1,000. Supervisory Board and committee members who belonged to the Supervisory Board or a committee for only part of the fiscal year receive remuneration on a pro rata temporis basis. In addition, Rheinmetall AG reimburses Supervisory Board members for expenses incurred for Supervisory Board meetings upon request.

Each member of the Supervisory Board – with the exception of the employee representatives – is required to deploy 25% of the fixed remuneration paid for acquiring shares in Rheinmetall AG and to hold the shares for the length of the membership in the Supervisory Board. Compliance with the holding obligation is to be demonstrated to Rheinmetall AG. The aforementioned obligation to buy shares does not apply to remuneration that has not yet been paid at the time of departure from the Supervisory Board. The claim to the part of the remuneration referred to in Article 13(6) sentence 1 of the Articles of Association does not apply retroactively if the member of the Supervisory Board partly or fully sells or loans the acquired shares before his departure from the Supervisory Board.

The Supervisory Board members are covered by any directors' and officers' liability insurance that has been taken out by Rheinmetall AG in its own interests in an appropriate amount and with an appropriate deductible for members of management bodies and certain other managers. The premiums for this are paid by Rheinmetall AG.

The shareholder representatives on the Supervisory Board in office as of December 31, 2023, received the following remuneration for fiscal year 2023:


**Compensation granted and owed (earnings-oriented interpretation) to shareholders in office on the Supervisory Board as of December 31, 2023**

		Fixed remuneration		Committee remuneration		Attendance fee		Total remuneration
		EUR	%	EUR	%	EUR	%	
Ulrich Grillo	2023	180,000	54.4	130,000	39.3	21,000	6.3	331,000
Chairman of the Supervisory Board	2022	180,000	54.4	130,000	39.3	21,000	6.3	331,000
Prof. Dr. Dr. h.c. Sahin Albayrak	2023	90,000	79.6	15,000	13.3	8,000	7.1	113,000
	2022	90,000	77.6	15,000	12.9	11,000	9.5	116,000
Dr.-Ing. Dr.-Ing. E. h. Klaus Draeger	2023	90,000	78.9	15,000	13.2	9,000	7.9	114,000
	2022	90,000	78.3	15,000	13.0	10,000	8.7	115,000
Prof. Dr. Andreas Georgi	2023	90,000	65.7	35,000	25.5	12,000	8.8	137,000
	2022	90,000	57.0	52,836	33.5	15,000	9.5	157,836
Dr. Britta Giesen	2023	90,000	78.9	15,000	13.2	9,000	7.9	114,000
	2022	90,000	77.6	15,000	12.9	11,000	9.5	116,000
Prof. Dr. Susanne Hannemann	2023	90,000	54.9	60,000	36.6	14,000	8.5	164,000
	2022	90,000	59.1	49,397	32.4	13,000	8.5	152,397
Louise Öfverström <sup>1</sup>	2023	90,000	66.7	30,000	22.2	15,000	11.1	135,000
	2022	58,192	68.8	19,397	22.9	7,000	8.3	84,589
Klaus-Günter Vennemann	2023	90,000	82.6	10,000	9.2	9,000	8.3	109,000
	2022	90,000	81.8	10,000	9.1	10,000	9.1	110,000

<sup>1</sup> One attendance fee from 2022 settled in 2023 (+ €1,000)

Figures exclude value-added tax

The employee representatives on the Supervisory Board in office as of December 31, 2023, received the following remuneration for fiscal year 2023:

**Compensation granted and owed (earnings-oriented interpretation) for employee representatives on the Supervisory Board in office as of December 31, 2023**

		Fixed remuneration		Committee remuneration		Attendance fee		Total remuneration
		EUR	%	EUR	%	EUR	%	
Dr. Daniel Hay <sup>1</sup>	2023	135,000	60.8	70,000	31.5	17,000	7.7	222,000
Deputy chairman of the Supervisory Board	2022	135,000	61.4	70,000	31.8	15,000	6.8	220,000
Ralf Bolm <sup>1</sup>	2023	90,000	67.2	30,000	22.4	14,000	10.4	134,000
	2022	90,000	67.7	30,000	22.6	13,000	9.8	133,000
Murat Küplemez <sup>1</sup>	2023	90,000	92.8	-	-	7,000	7.2	97,000
	2022	58,192	90.7	-	-	6,000	9.3	64,192
Dr. Michael Mielke	2023	90,000	92.8	-	-	7,000	7.2	97,000
	2022	90,000	90.9	-	-	9,000	9.1	99,000
Reinhard Müller <sup>1</sup>	2023	90,000	68.7	30,000	22.9	11,000	8.4	131,000
	2022	90,000	68.0	28,260	21.4	14,000	10.6	132,260
Dagmar Muth <sup>1</sup>	2023	90,000	73.2	25,000	20.3	8,000	6.5	123,000
	2022	90,000	72.9	21,466	17.4	12,000	9.7	123,466
Barbara Resch <sup>1</sup>	2023	90,000	93.8	-	-	6,000	6.3	96,000
	2022	90,000	90.9	-	-	9,000	9.1	99,000
Sven Schmidt <sup>1</sup>	2023	90,000	59.6	45,000	29.8	16,000	10.6	151,000
	2022	90,000	59.6	45,000	29.8	16,000	10.6	151,000

<sup>1</sup> These employee representatives in the Supervisory Board and the trade union representatives in the Supervisory Board have declared that they will transfer most of their remuneration to the Hans Böckler Foundation in accordance with the trade union regulations.

Figures exclude value-added tax



## Comparison of year-on-year change in remuneration

The table below shows the year-on-year change in remuneration, Rheinmetall's earnings development, and the average remuneration of Rheinmetall employees on the basis of full-time equivalents.

### Comparative representation

	2023	Change 2023/2022 <sup>1</sup>	2022	Change 2022/2021 <sup>1</sup>	2021	Change 2021/2020 <sup>1</sup>	2020
	€ '000	%	€ '000	%	€ '000	%	TEUR
<b>On December 31, 2023 incumbent members of the executive board</b>							
Armin Papperger	2,915	15.3	2,527	(45.0)	4,595	(0.6)	4,622
Peter Sebastian Krause	1,235	14.5	1,079	(43.5)	1,910	(1.5)	1,940
Dagmar Steinert	1,465	1,308.6	104	-	-	-	-
<b>Former members of the executive board</b>							
Helmut P. Merch	450	(67.7)	1,394	(43.1)	2,451	(0.6)	2,467
Jörg Grotendorst	-	(100.0)	600	(81.1)	3,170	493.6	534
Klaus Eberhardt	494	14.0	433	-	433	-	433
Horst Binnig	213	-	213	1.0	211	0.5	210
<b>On December 31, 2023 incumbent supervisory board members</b>							
Dipl.-Kfm. Ulrich Grillo	331	-	331	10.9	299	2.1	293
Prof. Dr. Dr. h.c. Sahin Albayrak	113	(2.6)	116	76.7	66	-	-
Dr.-Ing. Dr. Ing. E.h. Klaus Draeger	114	(0.9)	115	8.5	106	2.4	104
Prof. Dr. Andreas Georgi	137	(13.2)	158	(0.7)	159	8.1	147
Dr. Britta Giesen	114	(1.7)	116	74.0	67	-	-
Prof. Dr. Susanne Hannemann	164	7.6	152	33.7	114	3.2	111
Louise Öfverström <sup>2</sup>	135	59.6	85	-	-	-	-
Klaus-Günter Vennemann	109	(0.9)	110	9.5	101	3.6	97
Dr. Daniel Hay	222	0.9	220	11.4	198	34.9	146
Ralf Bolm	134	0.8	133	16.7	114	112.6	54
Murat Küplemez	97	51.1	64	-	-	-	-
Dr. Michael Mielke	97	(2.0)	99	8.8	91	4.6	87
Reinhard Müller	131	(1.0)	132	10.7	120	12.7	106
Dagmar Muth	123	(0.4)	123	18.7	104	4.0	100
Barbara Resch	96	(3.0)	99	11.2	89	105.9	43
Sven Schmidt	151	-	151	21.6	124	12.9	110
<b>Employees</b>							
Ø remuneration of employees	91	4.5	87	1.3	86	3.9	83
<b>Earnings trend</b>							
Net income Rheinmetall AG in € million	403	109.1	193	7.0	180	100.3	90
Adjusted EBT of Rheinmetall Group € million	841	15.0	731	30.8	559	36.0	411

<sup>1</sup> The change in percent is based on exact, non-rounded figures in euro

<sup>2</sup> One attendance fee from 2022 settled in 2023 (+ €1,000)



The remuneration of Rheinmetall employees is shown on the basis of average personnel expenses for employees (full-time equivalents) of the Rheinmetall Group in Germany, not including the Pistons business unit. The salaries include performance-based remuneration, additional payments, fringe benefits, social security and special payments. In line with the remuneration granted and owed in accordance with section 162 AktG, pension expenses are not included.

Düsseldorf, March 12, 2023

The Executive Board

Rheinmetall AG

Rheinmetall AG

Rheinmetall AG