



Remuneration report

Remuneration of the Executive Board

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 2021. 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 the company'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 December 16, 2019.

The remuneration report below can also be accessed using the following link: www.rheinmetall.com/geschaeftsbericht. The current remuneration system for the Executive Board and the Supervisory Board is also available on Rheinmetall's website: www.rheinmetall.com/verguetungsvorstand. 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 using the following link: www.rheinmetall.com/geschaeftsbericht.

The remuneration report will be submitted for approval by the Annual General Meeting in accordance with the requirements of section 120a(4) AktG on May 10, 2022.

Remuneration of the Executive Board

The new remuneration system approved by the Annual General Meeting on May 11, 2021 applies to all Executive Board members from January 1, 2022. Due to previously concluded Executive Board contracts, the Executive Board remuneration for fiscal 2021 was still based on prior remuneration systems. A distinction is to be made here between the remuneration system proposed at the Annual General Meeting on May 19, 2020 (referred to subsequently as the "2020 remuneration system") and the remuneration system that preceded it (referred to subsequently as the "2019 remuneration system"). The 2020 remuneration system applies to the Executive Board members Peter Sebastian Krause and Jörg Grotendorst. The remuneration of the Chairman of the Executive Board, Armin Papperger, and the Chief Financial Officer, Helmut P. Merch, is determined in line with the 2019 remuneration system.

The Executive Board remuneration at Rheinmetall AG firstly provides for remuneration not linked to performance, which consists of three components: the basic remuneration, fringe benefits and a company pension. Secondly, it includes performance-related variable remuneration comprising two components: the one-year short-term incentive (STI) and the long-term incentive (LTI).

Overview of remuneration systems

Compensation system 2019	Aspect	Compensation system 2020
<ul style="list-style-type: none"> Mr. Armin Papperger Mr. Helmut P. Merch 	Scope	<ul style="list-style-type: none"> Mr. Peter Sebastian Krause Mr. Jörg Grotendorst
Performance period: 1 year Performance targets: <ul style="list-style-type: none"> Earnings before taxes (EBT) Return on capital employed (ROCE) Non-financial/individual/collective targets Payment in cash Cap at 200% of the target amount	Short Term Incentive (STI)	Performance period: 1 year Performance targets: <ul style="list-style-type: none"> Earnings before taxes (EBT) Return on capital employed (ROCE) Non-financial/individual/collective targets Modifier: Adjustment option of +/- 20% in the event of extraordinary developments Payment in cash Cap at 300% of the target amount (including modifier)
Performance period: 3 years (retroactive) Performance targets: <ul style="list-style-type: none"> 50% earnings before taxes (EBT) from the past three years multiplied by a personal EBT factor Payment 50% in cash and 50% in shares (shares are subject to a four-year blocking period) Cap at 150% of the target amount Additional cash payment in the amount of 20% of the share value	Long Term Incentive (LTI)	Performance period: 3 years (retroactive) Performance targets: <ul style="list-style-type: none"> 50% earnings before taxes (EBT) from the past three years multiplied by a personal EBT factor 50% relative total shareholder return (TSR) compared to the MDAX Payment 50% in cash and 50% in shares (shares are subject to a four-year blocking period) Cap at 150% of the target amount Additional cash payment in the amount of 20% of the share value
<ul style="list-style-type: none"> No clawback clause 	Malus and clawback provisions	<ul style="list-style-type: none"> Clawback clause, which covers the event of a serious deterioration in the company's situation for serious company-specific reasons
<ul style="list-style-type: none"> No determination of a maximum remuneration 	Maximum compensation	Maximum compensation without fringe benefits and pension plan <ul style="list-style-type: none"> Automotive division: EUR 3,037,500 Personnel division: EUR 2,725,500

1. Review of fiscal 2021

Fiscal 2021 was dominated by the transformation within Rheinmetall. A new management structure was established in connection with the strategic realignment into an integrated technology group in fiscal 2021. After the dissolution of the automotive holding company and the resulting direct management of all divisions by the Executive Board of Rheinmetall AG, the Board will consist of only three members instead of the previous four. For this reason, Jörg Grotendorst asked the Supervisory Board to relieve him of his duties as the Executive Board member responsible for automotive business at Rheinmetall AG. Following Jörg Grotendorst's departure as of April 22, 2021, the Group's management structure was adjusted in line with the upcoming challenges of the strategic realignment.

In addition, the extension of two Executive Board members' contracts sent a signal of continuity in turbulent times. Armin Papperger's contract was extended by another five years until December 31, 2026. In addition, Helmut P. Merch's contract was extended by one year until December 31, 2022. Peter Sebastian Krause's position as a member of the Executive Board was confirmed in 2020 already until December 31, 2024.

At the 2020 Annual General Meeting, a resolution on the approval of the remuneration system for the Executive Board members of Rheinmetall AG had been held. No majority approval was achieved here. In accordance with section 120a(3) AktG, the Supervisory Board therefore reviewed the remuneration system in detail in fiscal 2021, particularly taking account of the comments by Rheinmetall shareholders. The remuneration system for the Executive Board was therefore completely revised ahead of the Annual General Meeting on May 11, 2021.

Taking account of the German Act to Implement the Second Shareholder Rights Directive (ARUG II) and of the GCGC, the Supervisory Board resolved extensive amendments to the remuneration system for members of the Executive Board of Rheinmetall AG (referred to subsequently as the "2022 remuneration system") with effect from January 1, 2022 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%. A presentation of the main adjustments in comparison to the 2020 remuneration system can be found in the section "Outlook on the new remuneration system for the Executive Board" within this remuneration report.



2. 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 the company. It offers incentives for the value-creating and long-term development of the company. 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.

2.1 Target total and maximum remuneration of members of the Executive Board

The Supervisory Board defines a target total remuneration for each Executive Board member. The target total remuneration is an amount granted in the event of 100% target achievement for variable remuneration. 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 modifier and defined caps for variable remuneration.

In line with the definition in the 2020 remuneration system, the maximum total remuneration comprises all remuneration components allocated for fiscal 2021 with the exception of fringe benefits and the company pension. The 2020 remuneration system stipulates maximum total remuneration of €2,725,500 for Peter Sebastian Krause and of €3,037,500 for Jörg Grotendorst as the former Executive Board member responsible for automotive business, in accordance with section 87a(1) no. 1 AktG. This maximum total remuneration was not exceeded in fiscal 2021. By limiting the individual remuneration components, compliance with the defined maximum total remuneration for both Peter Sebastian Krause and Jörg Grotendorst was ensured.

2.2 Appropriateness of Executive Board remuneration

In fiscal 2020, the Supervisory Board – with the support of the Personnel Committee – reviewed 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 included primarily a horizontal remuneration comparison in which the level of the target and maximum remuneration received by the members of the Executive Board were set in relation to the usual remuneration for companies in the DAX and MDAX. This comparison took into account sales, number of employees, internationality and complexity of the Rheinmetall Group.

In addition, a vertical remuneration comparison was performed, which analyzed 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.



3. 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 2021.

3.1 Basic remuneration

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

3.2 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.

3.3 Company pension plan

Executive Board members receive a company pension in the form of a modular capital plan. They receive an annual basic contribution in the amount 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, 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 2021 are shown below:

Executive Board pensions in accordance with IFRS 19

€ thousand	Expenses in fiscal year				Net present value of pension obligation as of December 31	
	Total		Of which interest payable		2021	2020
	2021	2020	2021	2020		
Armin Papperger from January 1, 2013 ¹	1,643	1,586	91	117	13,807	13,435
Helmut P. Merch from January 1, 2013	66	92	66	92	9,435	9,742
Peter Sebastian Krause from January 1, 2017	820	783	33	39	5,236	4,787
Jörg Grotendorst from October 1, 2020	224	533	4	-	-	533
Total	2,753	2,994	194	248	28,479	28,497

¹ Member of the Executive Board since January 1, 2012



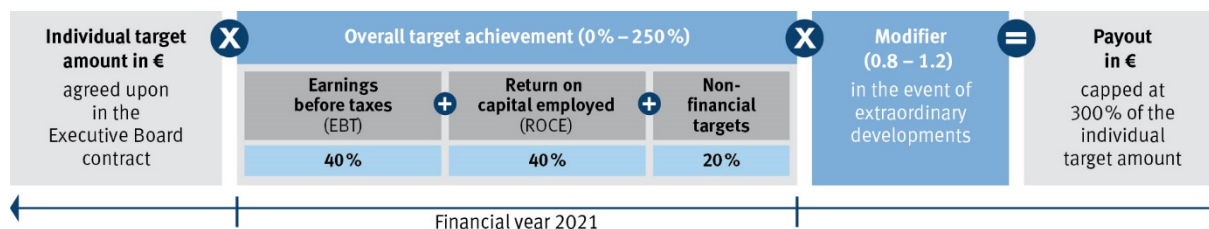
3.4 Short-term incentive (STI)

3.4.1 STI – 2020 remuneration system

The 2020 remuneration system, which is applied for fiscal 2021 for Peter Sebastian Krause as well as for Jörg Grotendorst, who left as of April 22, 2021, provides for a one-year STI the level of which depends on an individual target amount in euro agreed in the Executive Board member’s employment contract and on the achievement of financial and non-financial targets. In the context of the cancellation agreement with Jörg Grotendorst, he did not receive any STI allocation for fiscal 2021. The key figures of earnings before taxes (EBT) and return on capital employed (ROCE) are the financial targets – each of which has a weighting of 40%. EBT is particularly well-suited for assessing the economic success of the Rheinmetall Group’s operational entities. In addition, ROCE is used as a key performance indicator for ensuring profitability. The non-financial targets are weighted at a total of 20% and determined by the Supervisory Board for the respective fiscal year.

The weighted total of the target achievements across the financial and non-financial targets results in the overall target achievement. The STI provides for a modifier; in other words, a restricted margin of discretion that enables the Supervisory Board to adjust the values resulting from the achievement of targets upward or downward in the event of extraordinary developments. The margin by which the payment amount can be adjusted is limited to +/- 20%. A single modifier is set for the two Executive Board members, covering as it does solely extraordinary developments.

STI – 2020 remuneration system



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.

Degree of achievement of agreed annual targets			STI payment
□	20 %	under agreed targets	-
	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 return on capital employed, the figures actually achieved in fiscal 2021 and the resulting target achievement levels that are relevant for calculating the payment amount from the STI of the 2020 remuneration system:

Achievement financial targets STI – remuneration system 2020

	Target value	Actual value	Achievement in %
Earnings before taxes (€ million)	463	538	210.2
Return on capital employed (in %)	14.0	17.2	250.0

In contrast to the figures published in the consolidated financial statements, the actual figures shown for earnings before taxes and return on capital employed were calculated without applying IFRS 5, i.e. including the loss before taxes of €89 million from pistons activities. For this adjustment, it was assumed that half of the impairment loss of €91 million was chiefly due to the change in accounting. The adjustment thus amounts to €44 million for earnings before taxes and 1.8 percentage points for ROCE. At the time when the targets for 2021 were defined by the Supervisory Board, the application of IFRS 5 could not be assumed and the change in accounting therefore was not taken into account in the targets. The other 50% of the impairment loss is required to be taken into account in the target achievement, as it is the result of deterioration in the business environment.

For fiscal 2021, the Supervisory Board set the following non-financial targets and calculated target achievement levels that are relevant for calculating the payment amount from the STI of the 2020 remuneration system:

Achievement non-financial targets STI – remuneration system 2020

	Achievement	Explanation of achievement	Weighting	Overall target achievement non-financial targets
	%		%	%
CO ₂ reduction Rheinmetall group	137.5	Successful implementation of a valid planning and control system for reducing power consumption across the group. Trend-setting projects for increasing efficiency have been started. Clear optimization of CO ₂ reduction could have been achieved at low cost increase (e.g. shift to power supply by wood).	50	
Occupational Health and Safety	199.5	Successful implementation of lost time incident rate as part of the annual reporting across the group. Reported on a monthly basis with effect from January 1, 2022. Successful free vaccination across the group: In total more than 6,800 doses of vaccine have been given as primary, second or booster vaccination at more than 20 locations. Successful implementation of a working global health management at the group's locations by establishing operational local steering groups.	50	
				168.5



As there have been no extraordinary developments, the value of the modifier for Peter Sebastian Krause is set at 1.0. Based on the individual target amount, the overall target achievement in line with the weighted target achievement levels for the financial and non-financial performance targets and a modifier of 1.0 for fiscal 2021, this results in the following payment from the STI:

Payment amount STI – remuneration system 2020

	Target amount	Target achievement	Target achievement	Target achievement	Overall target achievement	Modifier	Payment amount
		non-financial targets (20%)	EBT (40%)	ROCE (40%)			
	€ thousand	in %	in %	in %	in %		€ thousand
Peter Sebastian Krause	360	168.5	210.2	250.0	217.8	1.0	784

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

3.4.2 STI – 2019 remuneration system

Due to the 2019 remuneration system in place, the STI is designed differently for Armin Papperger and Helmut P. Merch. There is no option for the Supervisory Board to subsequently adjust the payment amount by a modifier of +/- 20%. Moreover, the payment is capped at 200% of the target amount. In addition, the minimal/maximal target achievement for the financial targets is set to -30%/+10%.

STI – 2019 remuneration system



The table below shows the respective targets for earnings before taxes and return on capital employed, the figures actually achieved in fiscal 2021 and the resulting target achievement levels that are relevant for calculating the payment amount from the STI of the 2019 remuneration system:

Target achievement financial STI – remuneration system 2019

	Target value	Actual value	Target achievement
			in %
Earnings before taxes (in € million)	463	538	200.0
Return on capital employed (in %)	14.0	17.2	200.0

In contrast to the figures published in the consolidated financial statements, the actual figures shown for earnings before taxes and return on capital employed were calculated without applying IFRS 5, i.e. including the loss before taxes of €89 million from pistons activities. For this adjustment, it was assumed that half of the impairment loss of €91 million was chiefly due to the change in accounting. The adjustment thus amounts to €44 million for earnings before taxes and 1.8 percentage points for ROCE. At the time when the targets for 2021 were defined by the Supervisory Board, the application of IFRS 5 could not be assumed and the change in accounting therefore was not taken into account in the targets. The other 50% of the impairment loss is required to be taken into account in the target achievement, as it is the result of deterioration in the business environment.

For fiscal 2021, the Supervisory Board set the following non-financial targets and calculated target achievement levels that are relevant for calculating the payment amount from the STI of the 2019 remuneration system:


Achievement non-financial targets STI – remuneration system 2019

	Achievement	Explanation of achievement	Weighting	Overall target achievement non-financial targets
	%		%	%
CO ₂ reduction Rheinmetall group	110	Successful implementation of a valid planning and control system for reducing power consumption across the group. Trend-setting projects for increasing efficiency have been started. Clear optimization of CO ₂ reduction could have been achieved at low cost increase (e.g. shift to power supply by wood).	50	
Occupational Health and Safety	159.5	Successful implementation of lost time incident rate as part of the annual reporting across the group. Reported on a monthly basis with effect from January 1, 2022. Successful free vaccination across the group: In total more than 6,800 doses of vaccine have been given as primary, second or booster vaccination at more than 20 locations. Successful implementation of a working global health management at the group's locations by establishing operational local steering groups.	50	134.8

Based on their respective individual target amounts and the overall target achievement in line with the weighted target achievement levels for the financial and non-financial performance targets for fiscal 2021, the payment from the STI for the two Executive Board members Armin Papperger and Helmut P. Merch is as follows:

Payment amount STI – remuneration system 2019

	Target amount	Target achievement non-financial targets (20%)	Target achievement EBT (40%)	Target achievement ROCE (40%)	Overall target achievement	Payment amount
	€ thousand	in %	in %	in %	in %	€ thousand
Armin Papperger	864	134.8	200	200	187	1,615
Helmut P. Merch	475	134.8	200	200	187	888

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.

3.5 Long-term incentive (LTI)

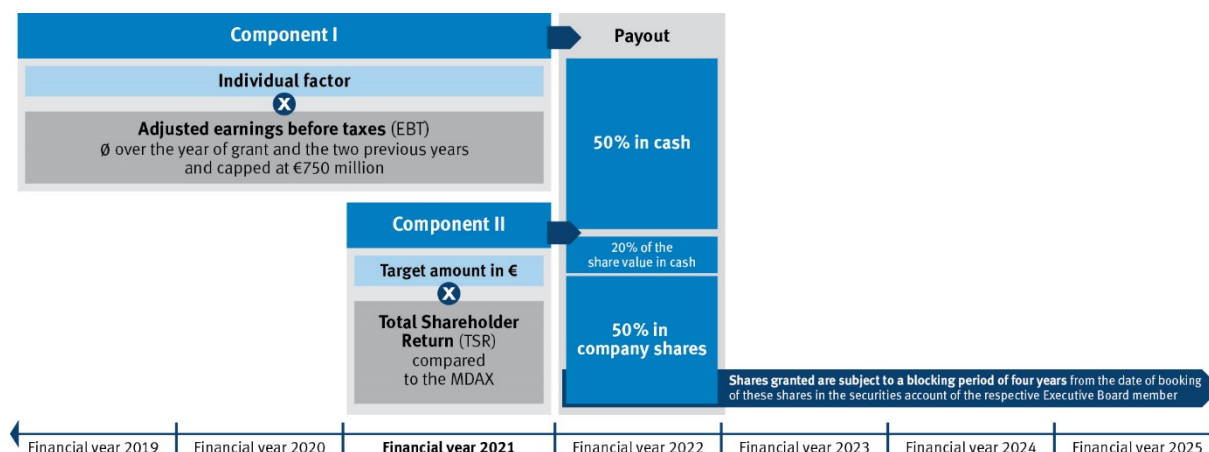
To achieve an even stronger alignment of Executive Board remuneration to sustainable and long-term corporate development and factor in shareholder interests, the Executive Board members take part in the company LTI program applicable to them.

3.5.1 LTI – 2020 remuneration system

In the 2020 remuneration system, the LTI is based on two equal components with an equal weighting and is allocated in yearly tranches. In fiscal 2021 (2021 tranche), the LTI of the 2020 remuneration system applies to the Executive Board member Peter Sebastian Krause. In the context of the cancellation agreement with Jörg Grotendorst, he did not receive any LTI allocation for fiscal 2021.



LTI – 2020 remuneration system



Component I of the LTI is based on the average adjusted EBT of the company in the year for which the remuneration is allocated as well as for the two years previous to this year. The adjusted EBT is calculated annually on the basis of Rheinmetall's consolidated financial statements by adding the adjusted EBIT published in the annual report and audited by the auditor and net interest income. The average adjusted EBT in the year in question and the two previous years is calculated on this basis. This means that the distribution amount for the 2021 tranche is calculated on the basis of the average adjusted EBT of the Rheinmetall Group in the years 2019–2021.

For the respective contract term, a personal EBT factor is agreed upon with the Executive Board member. To determine the share of the LTI based on the average adjusted EBT, this factor is multiplied by the actual average adjusted EBT over the three relevant years. The average adjusted three-year EBT needed for calculating the distribution amount is capped at €750 million, which means that a higher remuneration cannot be granted even if the average adjusted three-year EBT exceeds this value. If the average adjusted three-year EBT is €0.00 or lower, this remuneration component ceases to apply.

Like the calculation of EBT for the STI, the calculation of adjusted EBT was also based on figures before IFRS 5. The adjustment for the impairment in connection with pistons activities was recognized at the same amount. The calculation of adjusted EBT for the 2021 tranche is as follows:

Adjusted EBT

€ million	2021	2020	2019
EBIT - reported	608	398	512
Impact IFRS 5	(88)	(309)	-
EBIT - before IFRS 5	520	89	512
One-off expenses and income in connection with:			
Equity investments	45	87	-
Properties	6	23	(2)
Restructuring	13	253	24
Other	2	(9)	-
EBIT (adjusted)	587	444	533
Net interest	(28)	(33)	(35)
EBT (adjusted)	559	411	498

Average adjusted EBT for fiscal 2021 therefore amounts to €489 million.



Based on Peter Sebastian Krause's personal EBT factor, the distribution amount for Component I is as follows:

Component I LTI – remuneration system 2020

	Ø EBT	EBT factor	Payment amount/ total incl. 20%
	€ million		€ thousand
Peter Sebastian Krause	489	0.00067	328/360

Component II of the LTI is based on the monthly average total shareholder return (TSR) over the company's past fiscal year. The decisive TSR figure is calculated as follows on the basis of thirteen month-end figures (December 31 of the previous year up to and including December 31 of the allocation year):

First, the total return (share performance including dividend) of the Rheinmetall share for each individual month of a fiscal year is determined. Intermediate dividends are reinvested on the day of the dividend markdown (ex-day) at the closing price. Decisive here is the final XETRA closing price on the Frankfurt Stock Exchange in each month. These monthly returns on shares are used to form an average value, which is compared with all the MDAX values determined by the same method. For better comparability, only the MDAX stocks listed in the index across the entire period under review are included in the calculation.

The average values of all companies – including Rheinmetall AG – are placed in order and assigned to percentiles. The percentiles, in turn, are assigned target achievement levels (as a percentage), with which a target LTI amount in euro is multiplied to generate a payment amount for Component II. The assignment is made through linear interpolation between the 75th percentile (= cap 150%), the 50th percentile (= 100%) and the 0 percentile (= 0%). For Component II, an individual target amount has been agreed in the Executive Board employment agreements, which corresponds to a target achievement of 100%.

The table below shows the individual target amount for Peter Sebastian Krause, the percentile achieved and the resulting target achievement level and payment amount for Component II of the 2021 tranche:

Component II LTI – remuneration system 2020

	Target amount	Percentile rank	Target achievement	Payout amount/ total incl. 20%
	€ thousand		in %	€ thousand
Peter Sebastian Krause	335	26	52	174/192

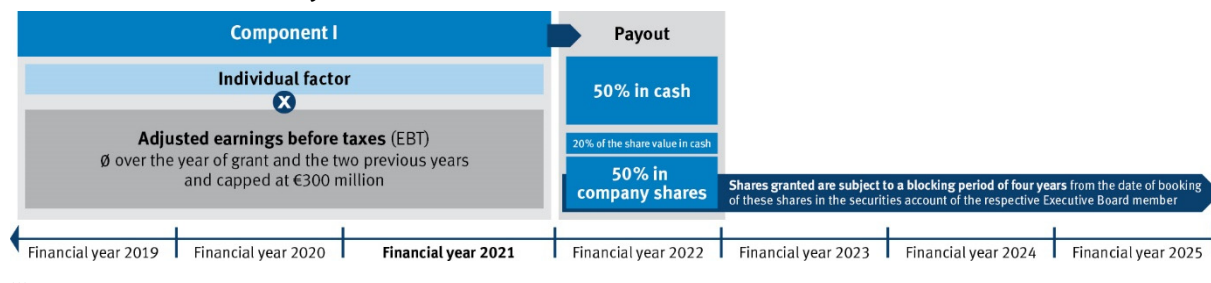
The distribution amounts determined above for Components I and II are paid out 50% in company shares and 50% in cash. The shares are subject to a lock-up period of four years as of the point at which these shares are posted to the securities account of the Executive Board member. In addition, 20% of the share value is paid in cash. The payment of the cash remuneration and posting the shares to the securities accounts of the Executive Board members take place in the year following approval of the financial statements by the Supervisory Board.

On the basis of the reference share price of €83.69 for the end of February 2021, a total of 2,756 shares in Rheinmetall AG were transferred to Peter Sebastian Krause on March 26, 2021 under the 2020 LTI tranche, while Jörg Grotendorst received 771 shares. The transfer of shares for the 2021 LTI tranche will take place on March 25, 2022, based on the reference share price as of the end of February 2022.

3.5.2 LTI – 2019 remuneration system

Due to the previous remuneration system in place, the LTI is designed differently for Armin Papperger and Helmut P. Merch. Thus only Component I as described above is used, with the average EBT over the decisive three years being capped at €300 million for the LTI for these two Executive Board members, in contrast to the 2020 remuneration system.

LTI – 2019 remuneration system



Based on Armin Papperger and Helmut P. Merch’s personal EBT factors, the distribution amounts for Component I of the 2021 LTI tranche are as follows:

Component I LTI – remuneration system 2019

	Ø EBT	EBT factor	Payout amount/ total incl. 20%
	€ million		€ thousand
Armin Papperger	300	0.0050	1.500/1.650
Helmut P. Merch	300	0.0025	750/825

The distribution amounts determined above for Component I are paid out 50% in company shares and 50% in cash. The shares are subject to a lock-up period of four years as of the point at which these shares are posted to the securities account of the Executive Board member. In addition, 20% of the share value is paid in cash. The payment of the cash remuneration and posting the shares to the securities accounts of the Executive Board members take place in the year following approval of the financial statements by the Supervisory Board.

On the basis of the reference share price of €83.69 for the end of February 2021, a total of 8,961 shares in Rheinmetall AG were transferred to Armin Papperger on March 26, 2021 under the 2020 LTI tranche, while Helmut P. Merch received 4,480 shares. The transfer of shares for the 2021 LTI tranche will take place on March 25, 2022, based on the reference share price as of the end of February 2022.

3.5.3 LTI – lock-up period for the shares granted under LTI

The shares granted under the LTI tranches are subject to a lock-up period of four years as of the point at which these shares are posted to the securities account of the Executive Board member. This means that the Executive Board member can freely dispose of these shares only after this period has expired. During the lock-up period, the shares granted are exposed to all the opportunities and risks that prevail on the capital market. The four-year lock-up period ends automatically when the Executive Board member retires. This means that Executive Board members can sell the granted shares as soon as they retire. The lock-up period also ends automatically in the event of the death of an Executive Board member, which means that the securities account holdings can be sold immediately by the heirs.

3.6 Clawback regulation

In accordance with the 2020 remuneration system, the Executive Board contracts of Peter Sebastian Krause and Jörg Grotendorst contain a “clawback” clause, which entitles the Supervisory Board to partially reclaim amounts paid under the STI and LTI, regardless of whether the targets decisive for these payments were achieved. This is subject to the condition that, after the end of the assessment period for the relevant remuneration component, the company suffers a serious deterioration in its situation as a result of serious, company-specific reasons and the “claw-back” with regard to the performance of the Executive Board member is not unreasonable at the dutiful



discretion of the Supervisory Board, taking into account the conduct and performance of the Executive Board member during the assessment period. The company is entitled to reclaim amounts within two years of the end of the assessment period of the relevant remuneration component. The repayment claim is capped at 50% of the net amount of the STI and LTI paid out in the assessment period. Any claims for compensation against the Executive Board member in question remain unaffected. In fiscal 2021, there was no reason to reclaim variable remuneration components already paid, so there was no claw-back.

3.7 Payments in the event of premature termination of the Executive Board 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 the company to terminate the contract for cause. 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 deviation from this, Helmut P. Merch's employment contract has been extended until December 31, 2022. Automatic termination is also stipulated in the event that the Executive Board member becomes permanently unable to work during the term of their contract.

If the Executive Board contract is terminated during the year, the basic remuneration as well as the STI and LTI are granted only on a pro rata temporis basis. The level of target achievement for the STI and LTI is always calculated to the day on which the contract ends.

Payments to an Executive Board member that are agreed upon with the Executive Board member concerned in the event of premature termination without cause of the Executive Board contract must not exceed the equivalent of two annual remuneration payments (basic remuneration, STI, LTI, fringe benefits) and must not remunerate more than the remaining term of the Executive Board contract. The Executive Board contracts do not provide for any special arrangements for a severance payment in the event of a change of control.

3.8 Remuneration for mandates

The Executive Board remuneration covers all activities for the company and for services performed with the company 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 the company or one of its affiliated companies belongs, the Supervisory Board decides on such setting-off.

In fiscal 2021, 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
Armin Papperger Engineering graduate	Chairman	January 1, 2017, to December 31, 2021	Rheinmetall Automotive AG*) Chairman
Born 1963 Nationality German			Rheinmetall Denel Munition (Pty) Ltd*) Chairman
			Rheinmetall MAN Military Vehicles GmbH*) Chairman
			The Dynamic Engineering Solution Pty Ltd Deputy Chairman of the Supervisory Board
			Rheinmetall Landsysteme GmbH *) Chairman (since November 23, 2021)
Helmut P. Merch Business graduate	CFO	January 1, 2013, to December 31, 2017	Rheinmetall Automotive AG*)
Born 1956 Nationality German	Finance and Controlling	January 1, 2017, to December 31, 2021	Rheinmetall Denel Munition (Pty) Ltd*) ErlingKlinger AG (since July 7, 2020)
Peter Sebastian Krause Lawyer	Director of Industrial Relations	January 1, 2017, to December 31, 2019	Rheinmetall Electronics GmbH*)
Born 1960 Nationality German	Human Resources	January 1, 2020, to December 31, 2024	Rheinmetall Landsysteme GmbH*) Chairman Rheinmetall Waffe Munition GmbH*) Chairman
Jörg Grotendorst Engineering graduate		October 1, 2020, to April 22, 2021	HASCO KSPG Nonferrous Components (Shanghai) Co., Ltd.*) Chairman of the Board of Directors (since December 1, 2020 to April 22, 2021)
Born 1970 Nationality German			Kolbenschmidt Huayu Piston Co., Ltd.*) Vice Chairman of the Board of Directors (since December 1, 2020 to April 22, 2021)
			KS HUAYU AluTech GmbH*) Vice Chairman (since December 1, 2020 to April 22, 2021)
			Pierburg Huayu Pump Technology Co., Ltd.*) Chairman of the Board of Directors (since December 1, 2020 to April 22, 2021)

*) Internal mandates
December 31, 2021

3.9 Third-party payments

In fiscal 2021, no Executive Board member received payments from a third party with regard to their work as an Executive Board member.

4. Itemized total remuneration for 2021

4.1 Target remuneration for fiscal 2021

In order to ensure transparent reporting of Executive Board remuneration, the table below first shows the individual contractually agreed target amounts of the individual remuneration components for each Executive Board member, plus the expenses for fringe benefits and the company pension. The target amount for the STI reflects the contractually regulated STI target amount in the case of 100% target achievement. For Component I of the LTI, the target amount results from the contractually determined 100% value of the average adjusted EBT for the past three years multiplied by the personal EBT factor. The target amount for Component II of the LTI corresponds to the contractually determined LTI target amount for Component II in the case of 100% target achievement.


Contractual target remuneration

	Armin Papperger		Helmut P. Merch		Peter Sebastian Krause		Jörg Grotendorst	
	CEO since January 1, 2013 ¹		Member of the executive board since January 1, 2013		Member of the executive board since January 1, 2017		Member of the executive board from October 1, 2020 to April 22, 2021	
	2021	2020	2021	2020	2021	2020	2021	2020
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Basic remuneration	1,296	1,296	713	713	540	540	600	150
Fringe benefits	34	34	25	26	36	36	20	3
Total	1,330	1,330	738	739	576	576	620	153
Short-term variable remuneration (STI)								
STI 2020		864		475		360		100
STI 2021	864		475		360		400	
Long-term variable remuneration (LTI)								
LTI tranche 2020								
of which cash component*		900		450		402		113
of which share component		750		375		335		94
LTI tranche 2021								
of which cash component*	900		450		402		450	
of which share component	750		375		335		375	
Total	3,844	3,844	2,038	2,039	1,673	1,673	1,845	460
Pension expenses	1,552	1,469			787	744	221	533
Total remuneration	5,395	5,313	2,038	2,039	2,460	2,417	2,066	993

¹ Member of the executive board since January 1, 2012

* Also contains the additional payment to 20% of the share value

4.2 Remuneration granted and owed in fiscal 2021 – Executive Board members active in fiscal 2021

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.

The payment amounts of the STI and LTI allocations for fiscal 2021 are shown in the 2021 remuneration report already, as the underlying activity for the remuneration was already fully completed as of the end of fiscal 2021. The relevant results for determining the target achievement levels can already be determined as of the end of fiscal 2021, although the actual payment will not take place until the following year, i.e. in fiscal 2022.


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

	Armin Papperger			Helmut P. Merch			Peter Sebastian Krause			Jörg Grotendorst		
	CEO			Member of the executive board since			Member of the executive board since			Member of the executive board		
	since January 1, 2013 ¹			January 1, 2013			January 1, 2017			from October 1, 2020 to April 22, 2021		
	2021	2021	2020	2021	2021	2020	2021	2021	2020	2021	2021	2020
€ thousand	in %	€ thousand	€ thousand	in %	€ thousand	€ thousand	in %	€ thousand	€ thousand	in %	€ thousand	
Basic remuneration	1,296	21.1	1,296	713	29.1	713	540	20.2	540	600	17.7	150
Compensation										2,550	70.8	
Fringe benefits	34	0.5	34	25	1.0	26	36	1.3	36	20	0.6	3
Total	1,330	21.6	1,330	738	30.1	739	576	21.5	576	3,170	93.5	153
Short-term variable remuneration (STI)												
STI 2020			1,642			903			855			238
STI 2021	1,615	26.3		888	36.2		784	29.3				
Long-term variable remuneration (LTI)												
LTI tranche 2020												
of which cash component*			900			450			278			78
of which share component			750			375			231			65
LTI tranche 2021												
of which cash component*	900	14.6		450	18.4		300	10.8				
of which share component	750	12.2		375	15.3		250	9.0				
Total of paid and owed remuneration	4,595	74.8	4,622	2,451	100.0	2,467	1,910	70.6	1,940	3,170	93.5	534
Pension expenses	1,552	25.2	1,469				787	29.4	744	221	6.5	533
Total remuneration	6,146	100.0	6,091	2,451	100.0	2,467	2,698	100.0	2,684	3,390	100.0	1,067

¹ Member of the executive board since January 1, 2012

* Also contains the additional payment to 20% of the share value

Jörg Grotendorst received a severance payment of €2.55 million in the context of the cancellation agreement and as compensation for the premature termination of his employment. This severance payment was disbursed in the second quarter of 2021. Basic remuneration of €50,000 per month will be paid to him until the end of his contract term as of December 31, 2022.

4.3 Remuneration granted and owed in fiscal 2021 – former Executive Board members

The remuneration granted and owed in fiscal 2021 to former Executive Board members who were active within the past ten years solely comprised pension benefits.

Paid and owed remuneration of former members of the executive board

	Horst Binnig		Klaus Eberhardt	
	Resignation date Dezember 31, 2019		Resignation date Dezember 31, 2012	
	2021	2021	2021	2021
	€ thousand	in %	€ thousand	in %
Pension payments				
Total	211	100	433	100



5. Outlook on the new remuneration system for the Executive Board

The remuneration system for the Executive Board that was approved by the Annual General Meeting on May 11, 2021 applies to all members of the Executive Board of Rheinmetall with effect from January 1, 2022. From this date on, all Executive Board contracts were changed over to the 2022 remuneration system.

As part of the review and revision of the remuneration system, shareholders' criticisms of the previous remuneration system were analyzed in detail and the remuneration system for the Executive Board was adjusted as follows on this basis and in line with the corporate strategy:

Outlook for the 2022 remuneration system

Compensation system 2020	Aspect	Compensation system 2022
<ul style="list-style-type: none"> Mr. Peter Sebastian Krause Mr. Jörg Grotendorst 	Scope	<ul style="list-style-type: none"> All board members
Performance period: 1 year Performance targets: <ul style="list-style-type: none"> Earnings before taxes (EBT) Return on capital employed (ROCE) Non-financial/individual/collective targets Modifier: Adjustment option of +/- 20% in the event of extraordinary developments Payment in cash Cap at 300% of the target amount (including modifier)	Short Term Incentive (STI)	Performance period: 1 year Performance targets: <ul style="list-style-type: none"> 40% Earnings before taxes (EBT) 40% Operating Free cash flow (OFCF) 20% Non-financial/individual/collective targets No modifier Payment in cash Cap at 250% of the target amount
Performance period: 3 years (retroactive) or 1 year Performance targets: <ul style="list-style-type: none"> 50% earnings before taxes (EBT) from the past three years multiplied by a personal EBT factor 50% relative total shareholder return (TSR) compared to the MDAX Payment 50% in cash and 50% in shares (shares are subject to a four-year blocking period) Cap at 150 % of the target amount Additional cash payment in the amount of 20% of the share value	Long Term Incentive (LTI)	Performance period: 4 years (forward looking) Performance targets: <ul style="list-style-type: none"> 40% relative total shareholder return (TSR) compared to EURO STOXX® Industrial Goods & Services 40% Return on capital employed (ROCE) 20% Environmental, Social and Governance (ESG) Payment in cash Cap at 250% of the target amount
<ul style="list-style-type: none"> Claw back clause, which covers the event of a serious deterioration in the company's situation for serious company-specific reasons 	Malus and claw back provisions	<ul style="list-style-type: none"> Malus and claw back clause in cases of compliance violations and flawed consolidated financial statements
<ul style="list-style-type: none"> No Share Ownership Guidelines 	Share Ownership Guidelines (SOG)	<ul style="list-style-type: none"> 200% of the annual gross base compensation for the Chairperson of the Executive Board and 100% of the annual gross base compensation for ordinary Executive Board members
Maximum compensation without fringe benefits and pension plan <ul style="list-style-type: none"> Automotive division: EUR 3,037,500 Personnel division: EUR 2,725,500 	Maximum compensation	Maximum compensation incl. fringe benefits and pension plan <ul style="list-style-type: none"> Chairperson of the Executive Board: EUR 8,000,000 Ordinary Executive Board members: EUR 4,000,000

Overall, the strategy remains geared toward sustainable and profitable growth across economic cycles. The economic success of the operational entities and the resulting sustainable and profitable growth of the Rheinmetall Group are still assessed primarily on the basis of earnings before taxes (EBT), which are therefore included in the 2022 STI for the Executive Board as a key performance target. At the same time, liquidity on the basis of operating free cash flow (OFCF) represents the second key performance target in the 2022 STI. The option for an adjustment of +/- 20% in the event of extraordinary developments is dispensed with completely.

The corporate strategy is aimed at generating fair returns over the long term, looking at any opportunities that come our way, leveraging and expanding success potential, and, at the same time, avoiding, minimizing or compensating for the associated risks. The aim is to maintain our corporate flexibility and financial security and thereby safeguard the continued, long-term existence of the Rheinmetall Group. For this reason, profitability on the basis of the return on capital employed (ROCE) is assessed and ensured for the management of the Rheinmetall Group. ROCE is therefore included in the 2022 LTI for the Executive Board as a key performance target.

As part of the Group's strategy, specific and measurable ESG targets (E = environment, S = social, G = governance) are also taken into account in the Executive Board's variable remuneration. Furthermore, Rheinmetall believes that it has a responsibility to contribute to the implementation of the Paris Climate Agreement. The Executive Board's contribution to the target of achieving CO₂ neutrality by 2035 is therefore also taken into account in the variable part of the remuneration system and the promotion of energy efficiency increases at all Rheinmetall locations is still being advanced.



In addition, we promote a continuous increase in enterprise value for our shareholders by way of a targeted alignment of interests between the Executive Board and shareholders. By tying a significant portion of the LTI directly to the share price performance, we ensure the promotion of Rheinmetall's capital market performance.

In addition to the revision of the STI and the LTI, the penalty and clawback regulations were also expanded. The 2022 remuneration system accordingly now provides for the option to reclaim variable remuneration in the event of incorrect consolidated financial statements and to reduce/reclaim amounts in the event of a compliance infringement.

Furthermore, share ownership guidelines have been introduced for the Executive Board members. 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 Chairman 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 continuously until the end of their Executive Board activity. The necessary shareholding must be accumulated within four calendar years.

In addition, maximum remuneration in accordance with section 87a(1) 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.

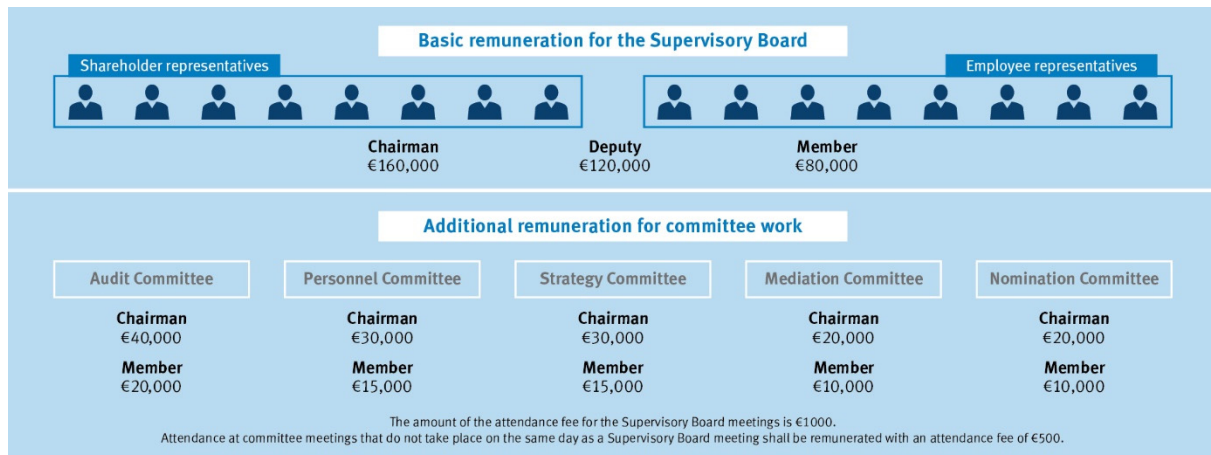


Remuneration of the Supervisory Board

Remuneration of the Supervisory Board

The remuneration regulations for the Supervisory Board that were applicable for the year under review were adopted by the Annual General Meeting on May 8, 2018, with effect from fiscal 2019. These are set down in Article 13 of the Articles of Association of Rheinmetall AG and shown in the diagram below:

Remuneration of the members of the Supervisory Board and its committees



The Supervisory Board members also 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 €500. 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 refunds VAT on Supervisory Board remuneration and expenses incurred for the Supervisory Board meetings to the members of the Supervisory Board upon request.

The Supervisory Board members are covered by any directors' and officers' liability insurance that has been taken out by the company 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 the company.



The shareholder representatives on the Supervisory Board in office as of December 31, 2021 received the following remuneration for fiscal 2021:

		Fixed remuneration		Committee remuneration		Attendance fee		Total remuneration
		€	%	€	%	€	%	€
Ulrich Grillo	2021	160,000	53.6	120,000	40.2	18,500	6.2	298,500
Chairman of the Supervisory Board	2020	160,000	54.7	120,000	41.0	12,500	4.3	292,500
Professor Dr. Dr. h.c. Sahin Albayrak*	2021	51,507	78.4	9,658	14.7	4,500	6.9	65,665
	2020	-						
Dr.-Ing. Dr.-Ing. E. h. Klaus Draeger	2021	80,000	75.5	15,000	14.2	11,000	10.4	106,000
	2020	80,000	77.3	15,000	14.5	8,500	8.2	103,500
Professor Dr. Andreas Georgi	2021	80,000	50.3	61,438	38.7	17,500	11.0	158,938
	2020	80,000	54.4	55,000	37.4	12,000	8.2	147,000
Dr. Britta Giesen*	2021	51,507	77.3	9,658	14.5	5,500	8.3	66,665
	2020	-						
Professor Dr. Susanne Hannemann	2021	80,000	70.2	20,000	17.5	14,000	12.3	114,000
	2020	80,000	72.4	20,000	18.1	10,500	9.5	110,500
Dr. Franz Josef Jung	2021	80,000	78.8	10,000	9.9	11,500	11.3	101,500
	2020	80,000	81.6	10,000	10.2	8,000	8.2	98,000
Klaus-Günter Vennemann	2021	80,000	79.6	10,000	10.0	10,500	10.4	100,500
	2020	80,000	82.5	10,000	10.3	7,000	7.2	97,000

* Since May 11, 2021
 Figures exclude value-added tax

The employee representatives on the Supervisory Board in office as of December 31, 2021 received the following remuneration for fiscal 2021:

		Fixed remuneration		Committee remuneration		Attendance fee		Total remuneration
		€	%	€	%	€	%	€
Dr. Daniel Hay ¹	2021	120,000	60.8	60,000	30.4	17,500	8.9	197,500
Deputy Chairman of the Supervisory Board	2020	98,798	67.5	36,147	24.7	11,500	7.9	146,445
Ralf Bolm ¹	2021	80,000	70.2	20,000	17.5	14,000	12.3	114,000
	2020	40,219	75.0	9,399	17.5	4,000	7.5	53,618
Dr. Michael Mielke	2021	80,000	87.9			11,000	12.1	91,000
	2020	80,000	92.0			7,000	8.0	87,000
Reinhard Müller ¹	2021	80,000	66.9	25,000	20.9	14,500	12.1	119,500
	2020	80,000	75.4	17,049	16.1	9,000	8.5	106,049
Dagmar Muth ¹	2021	80,000	76.9	15,000	14.4	9,000	8.7	104,000
	2020	80,000	80.0	15,000	15.0	5,000	5.0	100,000
Barbara Resch ¹	2021	80,000	89.9			9,000	10.1	89,000
	2020	40,219	93.1		0.0	3,000	6.9	43,219
Markus Schnaubel ¹	2021	80,000	74.8	15,000	14.0	12,000	11.2	107,000
	2020	80,000	77.3	15,000	14.5	8,500	8.2	103,500
Sven Schmidt ¹	2021	80,000	64.4	29,658	23.9	14,500	11.7	124,158
	2020	80,000	72.7	20,000	18.2	10,000	9.1	110,000

Figures exclude value-added tax

¹ These employee representatives in the Supervisory Board and the trade union representatives in the Supervisory Board have declared that they will forward their remuneration less attendance fees to the Hans Böckler Foundation in accordance with the guidelines of the Federation of German Trade Unions.



The Supervisory Board members who left in 2021 and who had represented the shareholders received the following remuneration:

		Fixed remuneration		Committee remuneration		Attendance fee		Total remuneration
		€	% TR	€	% TR	€	% TR	€
Detlef Moog*	2021	28,712	74.4	5,384	13.9	4,500	11.7	38,596
	2020	80,000	78.8	15,000	14.8	6,500	6.4	101,500
Univ.-Prof. Dr. Marion A. Weissenberger-Eibl*	2021	28,712	77.0	3,589	9.6	5,000	13.4	37,301
	2020	80,000	83.3	10,000	10.4	6,000	6.3	96,000

* Until May 11, 2021

Figures exclude value-added tax

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. In the view of the Supervisory Board and the Executive Board, the constant competition for qualified and experienced individuals as candidates for the shareholder representatives on the Supervisory Board and the still increasing requirements for Supervisory Board activities made it necessary to increase the Supervisory Board remuneration as compared to the previously granted remuneration in line with usual market conditions, so as to be able to compete in the search for suitable candidates in the future, too.

Taking account of ARUG II and the German Corporate Governance Code, the Annual General Meeting on May 11, 2021 approved the management's motion put to the vote under agenda item 8 by a majority of 99.75%.



The diagram below shows the main adjustments in comparison to the previous remuneration system for the Supervisory Board. This new remuneration system applies from January 1, 2022:

Previous remuneration system	Aspect	New remuneration system
Supervisory Board Chairman: €160,000 Deputy Supervisory Board Chairman: €120,000 Member of the Supervisory Board: €80,000	Basic remuneration for the Supervisory Board	Supervisory Board Chairman: €180,000 Deputy Supervisory Board Chairman: €135,000 Member of the Supervisory Board: €90,000
Audit Committee Chairman: €40,000 Member: €20,000	Additional remuneration for committee work	Audit Committee Chairman: €60,000 Member: €30,000
Personnel Committee Chairman: €30,000 Member: €15,000		Personnel Committee Chairman: €30,000 Member: €15,000
Strategy Committee Chairman: €30,000 Member: €15,000		Strategy Committee Chairman: €30,000 Member: €15,000
Nomination Committee Chairman: €20,000 Member: €10,000		Nomination Committee Chairman: €20,000 Member: €10,000
Mediation Committee Chairman: €20,000 Member: €10,000		Mediation Committee Chairman: €20,000 Member: €10,000
In addition to reimbursement of expenses for each meeting of the Supervisory Board which the member attends in person, each member of the Supervisory Board receives an attendance fee of € 1,000 and for the personal participation in committee meetings an attendance fee of € 500 for meetings which occur on a day which is not a day of a Supervisory Board meeting	Attendance fee	In addition to reimbursement of expenses for each meeting of the Supervisory Board which the member attends – irrespective of whether on the basis of physical presence, by phone or in any other way, not however in the case of mere participation in a resolution – each member of the Supervisory Board receives an attendance fee of € 1,000 and for personal participation in committee meetings an attendance fee of € 1,000.
None	Share Ownership Guidelines (SOG)	Each member of the Supervisory Board – with the exception of the employee representatives – is required to deploy 25% of the gross remuneration paid for acquiring shares in the company 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 the company. This obligation to buy shares does not apply to remuneration which has not yet been paid at the time of departure from the Supervisory Board. The claim to the above part of the remuneration 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

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.

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.

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.


Comparative representation

	2021	change 2021/2020*	2020
			in %
On December 31, 2021 incumbent members of the executive board			
Armin Papperger	4,595	(0.6)	4,622
Helmut P. Merch	2,451	(0.6)	2,467
Peter Sebastian Krause	1,910	(1.5)	1,940
In fiscal year 2021 retired members of the executive board			
Jörg Grotendorst	3,170	493.6	534
Former members of the executive board			
Klaus Eberhardt	433		433
Horst Binnig	211	0.5	210
On December 31, 2021 incumbent supervisory board members			
Dipl.-Kfm. Ulrich Grillo	299	2.1	293
Prof. Dr. Dr. h.c. Sahin Albayrak**	66		
Dr.-Ing. Dr. Ing. E.h. Klaus Draeger	106	2.4	104
Prof. Dr. Andreas Georgi	159	8.1	147
Dr. Britta Giesen**	67		
Prof. Dr. Susanne Hannemann	114	3.2	111
Dr. Franz Josef Jung	102	3.6	98
Klaus-Günter Vennemann	101	3.6	97
Dr. Daniel Hay	198	34.9	146
Ralf Bolm***	114	112.6	54
Dr. Michael Mielke	91	4.6	87
Reinhard Müller	120	12.7	106
Dagmar Muth	104	4.0	100
Barbara Resch***	89	105.9	43
Markus Schaubel	107	3.4	104
Sven Schmidt	124	12.9	110
In fiscal year 2021 retired members of the supervisory board			
Detlef Moog	39	(62.0)	102
Marion Weissenberger-Eibl	37	(61.1)	96
Ø remuneration of employees	86	4.4	83
Earnings trend			
Adjusted EBT Rheinmetall AG in € million	180	100.0	90
Adjusted EBT of Rheinmetall Group € million	559	36.0	411

* The change in percent is based on exact, non-rounded figures in euro.

** From May 2021

*** From July 2020

Düsseldorf, March 9, 2022

The Executive Board
Rheinmetall AG

The Supervisory Board
Rheinmetall AG