

NOTICE OF 2022 ANNUAL GENERAL MEETING OF ROLLS-ROYCE HOLDINGS PLC



Annual General Meeting – 11.00am on Thursday, 12 May 2022 at the Rolls-Royce Flight Operations Centre, 4 Vanguard Road, East Midlands Airport, Derby, DE74 2SA, with facilities to attend electronically.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action that you should take, you should consult an independent financial adviser. If you have recently sold or transferred your shareholding in Rolls-Royce Holdings plc (Rolls-Royce or the Company) you should forward this document to your bank, stockbroker or other agent through whom the sale or transfer was made for transmission to the purchaser or transferee.

Dear shareholder

This is my first letter to you since I was appointed Chair of Rolls-Royce on 1 October 2021 and I am pleased to write to you with the arrangements for this year's Annual General Meeting (AGM or Meeting) and to enclose your Notice of AGM. The AGM will be held at 11.00am on Thursday, 12 May 2022 at the Rolls-Royce Flight Operations Centre, 4 Vanguard Road, East Midlands Airport, Derby, DE74 2SA, with facilities to attend electronically. The resolutions proposed and explanatory notes about each of them can be found on pages 2 and 3.

I would like to take this opportunity to make special reference to resolutions 3 to 15, which relate to the election and re-election of Directors. The Board comprises a broad range of skills and experience, from different industries and advisory roles, and from international markets. These skills support the strategic aims of the Company. A summary of the key strengths, the experience of each Director and the value they bring to the Board, as well as their biographical details, are set out on pages 4 and 5 and can be found in more detail at [rolls-royce.com](https://www.rolls-royce.com). Each of the Directors being proposed for election or re-election is considered to be effective in their role and to be committed to making available the appropriate time for Board meetings and other duties.

As we were unable to meet at the 2021 AGM, we are offering shareholders the opportunity to attend the 2022 AGM in person. It is our current intention that all Directors will be present in person at the AGM. However, for 2022, we will be holding a hybrid meeting and shareholders will be able to participate and vote electronically via the Lumi platform. Full details of the AGM arrangements, including travel, are set out in Appendix 1.

The Company will continue to monitor public health guidance and legislation issued by the UK Government in relation to the COVID-19 pandemic. Should it become appropriate to revise the current arrangements for the AGM, any such changes will be notified to shareholders through the Company's website, [rolls-royce.com](https://www.rolls-royce.com), and, where appropriate, by announcement made by the Company to a Regulatory Information Service.

Your Board believes that all the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole. The Directors will be voting in favour of all resolutions and unanimously recommend that you do so as well.

I look forward to meeting many of you, whether in person or virtually, at the 2022 AGM.

Yours sincerely
Anita Frew
Chair

Important information

To attend the Meeting in person please note that you must bring photographic ID along with you in the form of a driving licence or passport. It may also be helpful to bring this Notice with you to the Meeting.

Business of the AGM

Notice is hereby given that the AGM of the Company will be held at the Rolls-Royce Flight Operations Centre, 4 Vanguard Road, East Midlands Airport, Derby, DE74 2SA, with facilities to attend electronically, at 11.00am on Thursday, 12 May 2022. You will be asked to consider and, if thought fit, to pass the resolutions set out below.

Ordinary resolutions 1–19

Report and accounts

1. To receive the Company's accounts and the reports of the Directors and the auditor for the year ended 31 December 2021.

Remuneration report

2. To approve the Directors' remuneration report for the year ended 31 December 2021.

Election and re-election of Directors

3. To elect Anita Frew as a Director.
4. To re-elect Warren East CBE as a Director.
5. To re-elect Panos Kakoullis as a Director.
6. To re-elect Paul Adams as a Director.
7. To re-elect George Culmer as a Director.
8. To elect Lord Jitesh Gadhia as a Director.
9. To re-elect Beverly Goulet as a Director.
10. To re-elect Lee Hsien Yang as a Director.
11. To re-elect Nick Luff as a Director.
12. To elect Mike Manley as a Director.
13. To elect Wendy Mars as a Director.
14. To re-elect Sir Kevin Smith CBE as a Director.
15. To re-elect Dame Angela Strank as a Director.

Re-appointment and remuneration of the auditor

16. To re-appoint PricewaterhouseCoopers LLP (PwC) as the Company's auditor to hold office until the conclusion of the next general meeting at which financial statements are laid.
17. To authorise the Audit Committee, on behalf of the Board, to set the auditor's remuneration.

Political donations and expenditure

18. To resolve that, in accordance with part 14 of the Companies Act 2006 (the Act), the Company and all companies that are its subsidiaries (together the Group) during the period for which this resolution has effect, are authorised to:
 - a) make donations to political parties and/or independent election candidates;
 - b) make donations to political organisations other than political parties; and
 - c) incur political expenditureup to an aggregate amount for the Group of £100,000, and the amount authorised under each of paragraphs (a) to (c) shall also be limited to such amount during the period from the date that this resolution is passed to the earlier of the conclusion of the Company's AGM in 2023 or close of business on 30 June 2023.

Authority to allot ordinary shares

19. To authorise the Directors generally and unconditionally to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company:
 - a) up to a nominal amount of £557,839,799 equal to the first s551 amount as defined in Article 12 of the Articles of Association (Articles); and
 - b) comprising equity shares up to a nominal amount of £1,115,679,599 equal to the second s551 amount as defined in Article 12 of the Articles.

The prescribed period as defined in Article 12 of the Articles for which the authorities conferred by this resolution are given shall be a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the Company's AGM in 2023 or 30 June 2023, whichever is sooner.

Special resolutions 20–22

Disapplication of pre-emption rights

20. To resolve that, subject to the passing of resolution 19, the Directors be and are generally and unconditionally authorised to allot equity securities (as defined in s560(1) of the Act) for cash under the authority provided by resolution 19 and/or to sell ordinary shares held by the Company as treasury shares for cash as if s561 of the Act did not apply to any such allotment or sale, provided that such authority shall be limited to:

- a) a pre-emptive offer; and
- b) otherwise than in connection with a pre-emptive offer, up to a nominal amount of £83,675,970 being the s561 amount in the Articles

such authority to expire at the end of the Company's AGM in 2023 or 30 June 2023, whichever is sooner.

Authority to purchase own shares

21. To resolve that the Company be and is generally and unconditionally authorised, for the purposes of s701 of the Act, to make market purchases (within the meaning of s693(4) of the Act) of its ordinary shares provided that:

- a) the maximum number of ordinary shares to be purchased is 836,759,698;
- b) the minimum price which may be paid for an ordinary share is 20 pence (being the nominal value of an ordinary share) and the maximum price which may be paid for each ordinary share is the higher of:
 - i) an amount equal to 105% of the average of the middle market prices for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and
 - ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Trading System (in both cases exclusive of expenses);

and this authority shall expire at the end of the Company's AGM in 2023 or 30 June 2023, whichever is sooner, and a contract to purchase shares under this authority may be made prior to the expiry of this authority and concluded, in whole or in part, after the expiry of this authority.

Adoption of new Articles of Association

22. To resolve that, with effect from the conclusion of the AGM, the amended Articles of Association of the Company, produced to the Meeting and initialled by the Chair of the Meeting for the purposes of identification, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board

Pamela Coles
Chief Governance Officer

4 March 2022

Rolls-Royce Holdings plc
Kings Place
90 York Way
London N1 9FX
rolls-royce.com

Registered in England and Wales No: 7524813

Explanation of resolutions Resolutions 1 to 19 are Ordinary Resolutions – for these resolutions to be passed more than 50% of votes cast must be in favour.

RESOLUTION 1 – REPORT AND ACCOUNTS

The 2021 Annual Report is available at rolls-royce.com. A printed copy of the Annual Report has been sent to those shareholders who have requested this.

RESOLUTION 2 – THE DIRECTORS' REMUNERATION REPORT

It is a requirement of company law that the Directors' remuneration report for 2021, which is set out on pages 95 to 104 of the Annual Report, is put to a shareholder vote. This is an advisory resolution but in the event that a substantial minority of shareholders vote against the Directors' remuneration report, the Company will respond and explain how it will address shareholder concerns.

RESOLUTIONS 3 TO 15 – ELECTION AND RE-ELECTION OF DIRECTORS

The Articles require that, at the AGM, all Directors at the date of the Notice of AGM shall retire from office. The Directors will put themselves forward for election or re-election at the AGM. Summary biographies of each Director standing for election and re-election are included in this Notice on pages 4 and 5 and detailed biographies are available at rolls-royce.com

In accordance with the UK Corporate Governance Code (the Code), the Board has reviewed the independence of its Non-Executive Directors and has determined that each of them remains fully independent of management. The Code states that whilst the Chair should, on appointment, be independent, thereafter the test of independence is not appropriate in relation to that post. Anita Frew met the Code's independence criteria upon her appointment as Chair.

RESOLUTIONS 16 AND 17 – RE-APPOINTMENT OF THE AUDITOR AND AUDITOR'S REMUNERATION

On the recommendation of the Audit Committee, the Board proposes the re-appointment of PwC as the Company's auditor for the financial year commencing 1 January 2022. Details of the remuneration paid to PwC in 2021 can be found in note 7 of the Consolidated Financial Statements of the Annual Report. Resolution 17 will authorise the Audit Committee, on behalf of the Board, to determine the auditor's remuneration for 2022.

RESOLUTION 18 – POLITICAL DONATIONS AND EXPENDITURE

The Company's policy is that it does not, directly or through any subsidiary, make what are commonly regarded as donations to any political party and the Company has no intention of using this authority for that purpose. However, the Act defines political donations very broadly and so it is possible that normal business activities, such as sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling certain public duties and support for bodies representing the business community in policy review or reform, which might not be thought of as political expenditure in the usual sense, could be captured. Activities of this nature would not be thought of as political donations in the ordinary sense of those words.

Shareholder approval is being sought on a precautionary basis only, to ensure that the Group does not commit any technical breach of the Act.

RESOLUTION 19 – AUTHORITY TO ALLOT ORDINARY SHARES

The directors of a company may only allot shares (or grant rights to subscribe for, or convert any security into shares) if authorised to do so. Article 9(a) of the Articles authorises the Directors to allot shares up to a maximum nominal amount specified each year. This is called the 'first s551 amount' in the Articles. Resolution 19(a) enables the Directors to allot new shares up to a nominal value of £557,839,799 representing approximately one third of the total issued ordinary share capital of the Company as at 3 March 2022 *.

Article 9(b) of the Articles authorises the Directors to allot further shares in the case of a rights issue, in line with guidance issued by the Investment Association. This is called the 'second s551 amount' in the Articles. Resolution 18(b) enables the Directors to allot new shares up to a nominal value of £1,115,679,599 representing approximately two thirds of the total issued ordinary share capital of the Company as at 3 March 2022 * (as reduced by the nominal amount of any shares issued under resolution 19(a)). As at 3 March 2022 *, the Company did not hold any shares in treasury. The Directors have no present intention of using this authority.

Resolutions 20-22 are Special Resolutions – for these resolutions to be passed, 75% or more of votes cast must be in favour.

RESOLUTIONS 20 – DISAPPLICATION OF PRE-EMPTION RIGHTS

Under s561(l) of the Act, when new ordinary shares are issued, they must first be offered to the existing shareholders on a pre-emptive basis (unless they are issued or sold in connection with an employee share scheme). This is called a pre-emption right.

It is proposed that the Directors be authorised to issue an amount of new ordinary shares, or sell treasury shares, for cash without first offering them to existing shareholders. This amount is equal to a nominal amount of £83,675,970, equal to 5% of the Company's issued ordinary share capital as at 3 March 2022 * and being the s561 amount in the Articles. The Directors believe that seeking the disapplication of pre-emption rights, up to this amount, will allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue.

In line with best practice, the Company has not issued more than 7.5% of its issued share capital on a non-pro-rata basis over the last three years and the Board confirms its intention to follow best practice set out in the Pre-Emption Group's Statement of Principles which provides that usage of this authority in excess of 7.5% of the Company's ordinary share capital for cash other than to existing shareholders in any rolling three-year period would not take place without prior consultation with shareholders.

RESOLUTION 21 – AUTHORITY TO PURCHASE OWN SHARES

This Resolution gives the Company authority to buy back its own ordinary shares in the market as permitted by the Act. The Directors believe that, in common with many other listed companies, the Company should obtain from shareholders a general authority to make market purchases of its own ordinary shares on the London Stock Exchange. This Resolution specifies the maximum number of shares which may be acquired (up to 10% of the Company's issued ordinary share capital as at 3 March 2022 *) and the minimum and maximum prices at which they may be bought.

On 3 March 2022 *, there were options over ordinary shares in the capital of the Company representing 1.79% of the Company's issued ordinary share capital. If the authority to purchase the Company's ordinary shares was exercised in full and those shares were subsequently cancelled, these options would represent 1.99% of the Company's issued and voting ordinary share capital.

This authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per ordinary share and would be in the best interests of shareholders generally. The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review.

RESOLUTION 22 – AUTHORITY TO ADOPT NEW ARTICLES OF ASSOCIATION

The Company is proposing to adopt new Articles of Association (the New Articles). Changes are proposed to be made to Article 15(a) of the current Articles and a summary of and rationale for the changes are set out in Appendix 2 of this Notice. The resolution adopting the New Articles will only become effective from the conclusion of the AGM.

A copy of the current Articles and the New Articles will be available for inspection, as noted on page 8.

* 3 March 2022 being the latest practicable date prior to the publication of this Notice.

Directors' biographies

Anita Frew

Chair of the Board
Chair, Nominations & Governance Committee

Appointed to the Board on 1 July 2021 and as Chair on 1 October 2021.

Board skills and competencies Anita brings a wealth of extensive leadership and global experience from two decades of board appointments in industrial manufacturing and financial services companies, both in the UK and internationally. Together with her skills and reputation with investors and government institutions, her broad knowledge of strategic management across a range of sectors is invaluable to the Board and the Group as a whole.

Key external appointments

Current

- Croda International plc, chair
- Prime Minister's Business Council, member

Past

- BHP Group plc, non-executive director (2015 to 2021)
-

Warren East CBE

Chief Executive

Appointed to the Board on 1 January 2014 and as Chief Executive on 3 July 2015. To step down from the Board at the end of 2022.

Board skills and competencies Warren is a chartered engineer and has an outstanding record as a chief executive. He has a deep understanding of technology and developing long-term partnerships. He has proven strategic and leadership skills in a global business and a strong record of value creation. Warren harnesses the Company's world-class engineering skills and its proud record of innovation and delivery.

Key external appointments

Current

- ASML Holdings N.V., member of the supervisory board

Past

- ARM Holdings plc, chief executive (2001 to 2013)
-

Panos Kakoullis

Chief Financial Officer

Appointed to the Board on 3 May 2021.

Board skills and competencies Panos has over 30 years' experience working with a wide range of significant multinational corporations in a wide range of sectors, leading audits and advising on M&A transactions and turnarounds. Delivering significant transformation programmes throughout his career at Deloitte, he brings strong leadership and an appetite for innovation, collaboration and simplification.

Key external appointments

Past

- Deloitte LLP, various partner and leadership roles (1989 to 2019)
-

Paul Adams

Independent Non-Executive Director

Appointed to the Board on 11 March 2021.

Board skills and competencies Paul has extensive industry experience, specifically in engine manufacturing. He has a passion for engineering and has broad, sector-specific operational and safety experience. His industry focus is undoubtedly a great asset to both our Safety, Ethics & Sustainability Committee and our Science & Technology Committee.

Key external appointments

Current

- Aclara Resources, Inc., board member
- OC Oerlikon Corporation AG, Pfäffikon, board member

Past

- Aerion Corporation, board member (2018 to 2021)
 - Precision Castparts, chief operating officer (2016 to 2018)
 - Pratt & Whitney, various executive roles (1999 to 2016)
-

George Culmer

Independent Non-Executive Director

Appointed to the Board on 2 January 2020.

Board skills and competencies George has a strong track record as a senior finance professional with significant experience gained in large, international, highly-regulated groups and has proven business leadership credentials. With this experience, together with his strengths in change leadership and transformation gained from within complex groups, George makes a significant contribution to the Board.

Key external appointments

Current

- Aviva plc, chairman

Past

- Lloyds Banking Group plc, chief financial officer (2012 to 2019)
 - RSA Insurance Group plc, group financial officer (2004 to 2012)
-

Lord Jitesh Gadhia

Independent Non-Executive Director

To be appointed to the Board and a member of the Nominations & Governance and Remuneration Committees on 1 April 2022.

To be appointed Chair of the Remuneration Committee on 12 May 2022.

Board skills and competencies Jitesh brings a wealth of complex advisory and transactional experience to the Board, having spent nearly 25 years in the banking and private equity sector. He has extensive remuneration experience, earned from both listed companies and UK Government Investments and UK Financial Investments, where he played a key role in compensation discussions about the Government's investments in some of the UK's biggest companies. This, together with his broad industry experience, will be an asset to the Board and the Remuneration Committee.

Key external appointments

Current

- Taylor Wimpey plc, non-executive director
- Compare the Market Limited, non-executive director
- Accord Healthcare Limited, non-executive director

Past

- UK Government Investments, non-executive director (2014 to 2022)
 - Blackstone Group, senior managing director (2010 to 2015)
-

Beverly Goulet

Independent Non-Executive Director

Rolls-Royce North America Holdings, Inc., board member
Employee Champion, North America

Appointed to the Board on 3 July 2017.

Board skills and competencies Having spent a considerable amount of her career in the airline industry, Bev brings valuable knowledge and operational experience to the Board. She has significant expertise in finance, treasury, strategy, legal and governance matters. She has the expertise and experience to be able to contribute confidently to decision-making and actively take part in developing and strengthening our businesses.

Key external appointments

Current

- Atlas Air Worldwide Holdings, Inc., non-executive director
- Xenia Hotels & Resorts, Inc., non-executive director

Past

- American Airlines, Inc., various executive roles (1993 to 2017)
-

Lee Hsien Yang

Independent Non-Executive Director
Employee Champion, Asia Pacific

Appointed to the Board on 1 January 2014.

Board skills and competencies A Singaporean national, Hsien Yang combines a strong background in engineering with extensive international business and management experience in our most important growth markets. Throughout his varied career history, Hsien Yang has gained significant industrial and financial skills which have proved invaluable in his current committee memberships.

Key external appointments**Current**

- Kacific Broadband Satellite Ltd, non-executive board director
- INSEAD South East Asia Council, president

Past

- Civil Aviation Authority of Singapore, chairman (2009 to 2018)
-

Nick Luff

Independent Non-Executive Director
Chair, Audit Committee

Appointed to the Board on 3 May 2018.

Board skills and competencies Nick is an experienced finance executive having been chief financial officer of a number of listed companies across a variety of industries. He has broad financial skills and a track record of driving business performance. His extensive non-executive and audit committee experience, together with both financial and accounting expertise and a passion for engineering, is crucial in his role as Chair of the Audit Committee and is invaluable to the Board.

Key external appointments**Current**

- RELX plc, chief financial officer

Past

- Lloyds Banking Group plc, non-executive director (2013 to 2017)
 - QuinetiQ Group plc, non-executive director (2004 to 2010)
-

Mike Manley

Independent Non-Executive Director

Appointed to the Board on 1 July 2021.

Board skills and competencies Mike has extensive international experience having led businesses in Europe, Asia and the US. Moreover, his expertise from the automobile industry and insights into electrification and power management will serve as an asset to the Board and the Science & Technology Committee.

Key external appointments**Current**

- AutoNation, Inc., chief executive officer and director

Past

- Stellantis N.V., head of Americas (2021)
 - DaimlerChrysler, various executive roles (2000 to 2021)
-

Wendy Mars

Independent Non-Executive Director

Appointed to the Board on 8 December 2021.

Board skills and competencies Wendy brings insight across hardware, software and services with technological transformation of complex global organisations at her core. Wendy remains connected to both the need to foster innovation in a technology company as well as the implementation challenges. Technology can play a significant role in helping businesses to achieve their sustainability objectives; Wendy will bring this experience to the Board.

Key external appointments**Current**

- Cisco Systems, Inc., president Europe, Middle East, Africa & Russia region (EMEAR)

Past

- ThruPoint, Inc., various executive roles (1996 to 2007)
-

Sir Kevin Smith CBE

Senior Independent Director
Chair, Science & Technology Committee

Appointed to the Board on 1 November 2015.

Board skills and competencies Sir Kevin has extensive industrial leadership experience and a deep knowledge of global engineering and manufacturing businesses, as well as the aerospace industry. As Chair of the Science & Technology Committee, Sir Kevin has been able to draw on his extensive experience and make a significant contribution to development and growth of key strategies.

Key external appointments**Current**

- L.E.K. Consulting LLC, European advisory board member

Past

- Unitas Capital PTE LTD, partner & chairman (2012 to 2015)
 - GKN plc, group chief executive (2003 to 2011)
-

Dame Angela Strank

Independent Non-Executive Director

Chair, Safety, Ethics & Sustainability Committee

Appointed to the Board on 1 May 2020.

Board skills and competencies Dame Angela brings a wealth of corporate experience to the Board as well as a passion for sustainability and corporate ethics, having actively worked in climate research and pioneering women in STEM careers. As Chair of the Safety, Ethics & Sustainability Committee, Dame Angela draws on her experience as a member of three other listed companies' sustainability committees which is invaluable to the Group as it develops its sustainability strategy.

Key external appointments**Current**

- Mondi plc, non-executive director
- SSE plc, non-executive director
- Severn Trent plc, non-executive director

Past

- BP p.l.c., various executive roles (1982 to 2020)
-

Important notes

Issued share capital and total voting rights

As at 3 March 2022*, the issued share capital of the Company consisted of 8,367,596,989 ordinary shares of 20 pence each, 24,358,957,773 C Shares of 0.1 pence each and one Special Share of £1. At the AGM, voting on the resolutions set out in this Notice will be by way of a poll. Holders of ordinary shares will be entitled to one vote for each ordinary share held. The Special Shareholder (as defined in the Articles) is entitled to receive notice of and to attend and speak, but has no right to vote, at a general meeting. C Shares do not carry the right to receive notice of any general meeting of the Company nor to attend, speak or vote at any general meeting except one at which a resolution to wind up the Company is to be considered. Therefore, the total number of voting rights in the Company as at 3 March 2022* was 8,367,596,989.

Nominated Persons

The main point of contact for Nominated Persons remains the registered shareholder (or the custodian or broker who administers the investment on their behalf). Any person who has been nominated under s146 of the Act to enjoy Information Rights (a Nominated Person) may, under an agreement with the registered shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed), as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, the Nominated Person may, under any such agreement, have a right to give instructions to the shareholders as to the exercise of voting rights, but you cannot yourself appoint a proxy. Alternatively, if you do not have such a right, or do not wish to exercise it, you may have the right under such an agreement to give instructions to the registered shareholder as to the exercise of voting rights.

Corporate representatives

The Companies (Shareholders' Rights) Regulations 2009 allow multiple representatives appointed by the same corporate member to vote in different ways on a poll (provided they do not do so in relation to the same shares).

American depositary receipt (ADR) holders

Registered holders should contact the depositary:

J.P. Morgan Chase Bank N.A.
PO Box 64504
St Paul, MN 55164-0504
USA

Phone: +1 800 990 1135 (from outside the USA +1 651 453 2128)

or via www.adr.com/contact/jpmorgan

If you are a broker or institutional investor, please contact:

J.P. Morgan Depositary Receipts
383 Madison Ave, Floor 11
New York, NY 10179

+1 212 552 8926

or via www.adr.com/contact/jpmorgan

ADR holders who do not hold their investment directly should contact the registered shareholder, custodian or broker, or whoever administers the investment on their behalf in relation to any rights under agreements with them to be appointed as a proxy to vote at the AGM.

Documents available for inspection

Shareholders may inspect the following documents at the Company's registered office during normal business hours:

- Executive Directors' service contracts;
- Non-Executive Directors' letters of appointment;
- deeds of indemnity granted to each Director; and
- a copy of the Current Articles and proposed New Articles proposed in resolution 22.

These will be available from the date of this Notice and up to and including the date of the AGM and at the place of the Meeting from 15 minutes before the start of the AGM until the close of the Meeting. Copies of the Current Articles and New Articles will be available on Lumi at least 15 minutes prior to and during the Meeting. Please contact the Governance Team at governanceteam@rolls-royce.com if you would like to make arrangements to inspect a document.

Business at the AGM

Under s319A of the Act, shareholders have the right to ask questions at the AGM relating to the business of the Meeting and for these to be answered, unless the answer: would interfere unduly with the business of the Meeting; would involve the disclosure of confidential information; has already been published on the Company's website; or is not in the interests of the Company nor for the good order of the Meeting.

Under s338A of the Act, shareholders may request the Company to include in the business to be dealt with at annual general meetings any matter (other than a proposed resolution) which may be properly included in the business, provided that it is not defamatory, frivolous or vexatious.

The Company will include such matter if sufficient requests have been received in accordance with s338A(3) of the Act. This requires a minimum of 100 shareholders who have a right to vote at the AGM and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100, or shareholders representing at least 5% of the total voting rights, to make the request which must be submitted in the manner detailed in s338A of the Act.

Information available on our website

The following information is available at rolls-royce.com:

- the matters set out in this Notice including the proposed New Articles proposed in resolution 22, the total voting rights and number of shares of each class in respect of which shareholders are entitled to exercise voting rights at the AGM, and shareholders' rights to include business to be dealt with at the AGM; and
- if applicable, shareholders' statements, resolutions and matters of business received by the Company after the date of this Notice.

Publication of audit concerns on our website

Under s527 of the Act, shareholders have a right to request publication of any concerns that they propose to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be submitted to the Meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the last AGM.

The Company will publish the statement on its website if sufficient requests have been received in accordance with s527(2) of the Act. This requires a minimum of 100 shareholders who have a right to vote at the AGM and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100, or shareholders

* 3 March 2022 being the latest practicable date prior to the publication of this Notice.

representing at least 5% of the total voting rights, to make the request which must be submitted in the manner detailed in s527 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with such request.

Where a statement is published, the Company will forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required, under s527 of the Act, to publish on its website.

Communication

Except as provided above, shareholders who have general queries about the AGM should use the following means of communication (no other methods of communication will be accepted):

- by calling the Registrar's helpline on +44 (0)370 703 0162 between 8.30am and 5.30pm Monday to Friday;
- by writing to the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom; or
- by emailing webqueries@computershare.co.uk

Entitlement to vote

To be entitled to vote, shareholders must be registered on the Company's Register of Members as at 6.00pm on Tuesday, 10 May 2022 (or, in the event of an adjournment, on the Register of Members 48 hours before the time of any adjourned meeting). Changes to the Register of Members made after the deadline will be disregarded in determining the rights of any person to vote at the AGM.

Appendix 1

AGM instructions – in person attendance

The Meeting will be held at the Rolls-Royce Flight Operations Centre, 4 Vanguard Road, East Midlands Airport, Derby, DE74 2SA at 11.00am on Thursday, 12 May 2022.

Important: If you are able to join us, **please bring photographic ID in the form of a driving licence or passport with you.** It may also be useful to bring this Notice with you and present it to the shareholder registration desks to show that you have the right to attend and speak at the Meeting and participate in the poll. Once you have registered, you will be provided with a poll card. The Chair will tell you when to complete the poll card. Admission is from 10.15am and light refreshments will be served before and after the Meeting.

For your safety and security there may be checks and bag searches of those attending the AGM. Photography and other recordings are not allowed in the meeting hall and you may be asked to leave cameras and other recording devices with a member of our security team. All mobile phones must be switched off for the duration of the Meeting. Please note that sign language interpreters will not be present at the AGM. The Rolls-Royce Flight Operations Centre offers access for disabled people. If you have any other requirements, please talk to one of the Rolls-Royce team who will be in attendance on the day.

Directions

Please note that there are no parking facilities on site. Instead please travel using one of our shuttle buses from the shuttle bus sites detailed below.

DONINGTON PARK CAR PARK BY CAR

If you are driving, please park at Donington Park, Castle Donington, Derby, DE74 2BN and shuttle buses will operate from the car park to the Rolls-Royce Flight Operations Centre from 9.45am until 10.30am and return journeys between 12.15pm and 1.00pm.

To access Donington Park car park please use the postcode DE74 2BN in your satellite navigation systems.

BY RAIL

The nearest station to the Rolls-Royce Flight Operations Centre is East Midlands Parkway station.

Shuttle buses will operate from the exit of the station to the Rolls-Royce Flight Operations Centre from 9.45am until 10.30am and return journeys between 12.15pm and 1.00pm.

It is not possible to walk from the station to the Rolls-Royce Flight Operations Centre.

AGM instructions – virtual attendance

Shareholders are able to join the meeting virtually.

We will livestream the AGM by webcast and shareholders will be able to attend, ask questions relating to the AGM resolutions during the Meeting and vote. Please refer to the following information for details of how to view the webcast of the Meeting, submit questions and vote.

An active internet connection is required at all times in order to allow you to submit questions and view the webcast. It is the user's responsibility to maintain connectivity for the duration of the meeting.

To view the webcast you will need to visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Edge or Firefox installed on your device. Please ensure that your browser is compatible.

For those shareholders who cannot view the webcast, teleconference details will be made available on the day of the AGM via the Lumi platform. Shareholders will be able to listen and ask questions via the teleconference line.

Online streaming

Links are present on the Lumi information screen. When you click on a link, the selected document will open in your browser. Data usage for streaming the Meeting or viewing documents via the AGM platform varies depending on individual use, the specific device being used (Android, iPhone, etc.) and the network connection (3G, 4G).

Webcast

On accessing the webcast, you will be asked to enter a Meeting ID which is 175-241-012. You will then be prompted to enter your unique Shareholder Reference Number (SRN) and PIN. These can be found printed on your proxy form. Access to the Lumi AGM website will be available from 10.30am on Thursday, 12 May 2022. When successfully authenticated, the information screen will be displayed. You can view Company information, ask questions and watch the webcast. To watch the webcast press the broadcast icon at the bottom of the screen. If viewing on a computer, the broadcast will appear at the side automatically once the Meeting has started.

The Company may process personal data of attendees at the AGM. This may include webcasts, photos, recordings and audit and video links, as well as other forms of personal data. The Company shall process such personal data in accordance with its privacy policy, which can be found at rolls-royce.com/site-services/data-privacy.aspx

Duly appointed proxies and corporate representatives

If you wish to appoint a proxy or corporate representative to attend in your place, please contact the Company's Registrar before 11.00am on Tuesday, 10 May 2022 for your unique username and password. Requests can be sent by email to corporate-representatives@computershare.co.uk.

Voting and proxies

Your vote is important to us.

There are a variety of ways in which a shareholder can provide a voting instruction regarding the resolutions to be put to the AGM. If you are entitled to attend and vote at the Meeting, you are entitled to appoint one or more proxies. A proxy need not be a shareholder and can be an individual or a corporate body. Each proxy will have the right to vote on a poll and to speak at the Meeting. If a shareholder appoints more than one proxy to attend the Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by a shareholder.

Voting in person at the Meeting

If you are attending in person, voting on each of the resolutions to be put to the AGM will be taken on a poll to ensure an accurate reflection of shareholder views.

Voting online at the Meeting

Shareholders participating in the meeting virtually, will be able to vote online.

Once the Chair has formally opened voting, the list of resolutions will appear on your screen. Select the option that corresponds with how you wish to vote. Once you have selected your vote, the option will change colour and a confirmation message will appear to indicate your vote has been cast and received. There is no submit button. To vote on all resolutions displayed select the 'vote all' option at the top of the screen. To change your vote, reselect your choice. To cancel your vote, select the 'cancel' button. You will be able to do so whilst the poll remains open and before the Chair announces its closure.

Voting in advance of the Meeting

If you wish to vote in advance of the Meeting, please:

1. register your vote online by visiting investorcentre.co.uk/eproxy and follow the instructions; or
2. lodge your vote by completing and returning the enclosed proxy form to our Registrar (Computershare Investor Services PLC) in the reply-paid envelope enclosed with the Notice of Meeting.

Votes cast in advance of the Meeting will be counted in the votes for the Meeting and must be submitted by 11.00am on Tuesday, 10 May 2022 at the latest to ensure that your vote is counted. Details of the Registrar can be found on page 7. Further information on how to appoint a proxy is outlined in the proxy form. The appointment of a proxy does not preclude you from attending and voting at the Meeting in person.

The results of the voting will be posted on the Company's website as soon as practicable after the Meeting.

Questions

Any shareholder or appointed proxy accessing the Meeting is eligible to ask questions. There are four ways that shareholders can ask questions, either in advance, or at the Meeting:

1. pre-submit questions by emailing them to the Corporate Governance Officer at governanceteam@rolls-royce.com. Questions must be submitted by 11.00am on Tuesday, 10 May 2022;
2. during the Meeting via the Lumi platform from 10.30am until the close of the AGM on Thursday, 12 May 2022. To submit a question via the Lumi platform, select the messaging icon from the navigation bar and type your question at the top of the screen. To submit your question, click on the arrow icon to the right of the text box. Questions can be submitted at any time during the Q&A session up until the Chair closes the session. Questions sent via the Lumi AGM online platform will be moderated before being sent to the Chair. This is to avoid repetition and to ensure an orderly meeting;

3. via a teleconference line, details of which will be available on the Lumi platform from 10.30am until the close of the AGM; or
4. in person at the Meeting.

To enable the Board to answer as many shareholder questions as possible, we strongly encourage you to submit questions in advance of the Meeting.

A transcript of the questions asked at the AGM and the answers will be made available on the Company's website as soon as practicable following the conclusion of the Meeting.

Appendix 2

Summary of changes to the Articles of Association

In accordance with Article 15 of the current Articles, the rate per annum of the C share preferred dividend is calculated by reference to the London inter-bank offered rate (LIBOR), specifically, 75% of LIBOR for six month deposits in sterling on the business day immediately preceding the first day of the relevant calculation period.

On 5 March 2021, the FCA published a statement confirming the dates on which the various LIBOR currency/tenor settings would either cease, or would cease to be representative of any underlying market. On 31 December 2021 all LIBOR settings other than certain USD settings, effectively ceased in their then-current form.

On 1 January 2022, the FCA announced that it had exercised its statutory powers to compel ICE Benchmark Administration Limited (IBA), the administrator of LIBOR, to continue publishing the 1-month, 3-month and 6-month sterling LIBOR settings under a changed or "synthetic" methodology. These synthetic rates are being published on a temporary basis, for the purpose of supporting certain legacy contracts only. The FCA has mandated the publication of the synthetic sterling rates for an initial 12 month period until the end of 2022. Their continuation is due to be reviewed shortly. It is not currently anticipated that the FCA will support 6 month sterling LIBOR beyond the end of 2022 in any event, meaning it must be replaced with an alternative reference rate for the purposes of the C-share preferred dividend calculation.

The Company is proposing to amend Article 15(a)(ii) (and delete Article 15(a)(iii)) to replace the reference to 75% of 6-month sterling LIBOR with a reference to the Bank of England's Bank Rate, as published by the Bank of England from time to time. Instead of being calculated by reference to 75% of the 6 month sterling LIBOR rate on the business day immediately preceding the first day of the relevant calculation period, the dividend will be calculated by reference to the Bank of England's Bank Rate prevailing on the business day immediately preceding the first day of the relevant calculation period.

While the Company cannot in any way guarantee or influence the future level of the Bank of England Bank Rate nor provide any assurance that any future C share preferred dividend will be the same as it would have been were 6-month sterling LIBOR to remain available (and 75% of 6-month sterling LIBOR to remain as the reference rate), the Company believes that the Bank of England Bank Rate is an appropriate, accessible and straightforward replacement reference rate. The Bank of England Bank Rate is a well-known and trusted rate that is widely used as a reference rate in many financial products.

A copy of the current Articles and New Articles will be available for inspection, as noted on page 6.