

# NOTICE OF GENERAL MEETING OF C SHAREHOLDERS OF ROLLS-ROYCE HOLDINGS PLC



General Meeting of holders of C shares (C Shareholders) of Rolls-Royce Holdings plc (the Company) (the Class Meeting) 12 May 2022 at 12 noon or, if later, immediately after the conclusion of the Annual General Meeting (AGM) being held at 11.00am.

**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 C shares 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.

## Notice of Class Meeting

This document sets out the business of the Company's Class Meeting for C Shareholders that will be held at 12 noon on Thursday, 12 May 2022 or, if later, immediately after the conclusion of the Annual General Meeting (AGM) being held at 11.00am. The single resolution recommends that the reference rate for the calculation of the preferential dividends on C Shares, currently calculated as 75% of 6-month Sterling LIBOR, is replaced with the Bank of England Bank Rate and that the Articles of Association are updated to reflect this. Further information explaining the background to the replacement is set out in this notice.

Information on how to attend the Class Meeting can be found 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 Class Meeting, any such changes will be notified to C Shareholders through the Company's website, [rolls-royce.com](https://www.rolls-royce.com).

Your Board believes that the resolution being proposed at this Class Meeting is in the best interests of the C Shareholders, the Company, and its shareholders as a whole. The Directors recommend that you vote in favour of this resolution.

Yours sincerely

Anita Frew

Chair

## Class Meeting Important Information

To attend the Class 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 Class Meeting.

## Business of the Class Meeting

The Class Meeting will be held at the Rolls-Royce Flight Operations Centre, 4 Vanguard Road, East Midlands Airport, Derby, DE74 2SA, at 12 noon on Thursday, 12 May 2022 to consider and, if thought fit, to pass the resolution set out below.

## Special resolution

### Change to the reference rate for the calculation of the preferential dividends on C Shares

To resolve that the Company's Articles of Association (Articles) be and are amended by:

- replacing Article 15(a)(ii) with the following new Article 15(a)(ii):

*Each of the periods commencing on January 1 and ending on June 30 and commencing on July 1 and ending on December 31 (as applicable) is called a Calculation Period. The rate per annum of the C preferential dividend for each Calculation Period shall be the Bank of England's Bank Rate prevailing on the first business day immediately preceding the relevant first day of the Calculation Period;*

- deleting Article 15(a)(iii); and
- amending relevant cross-references.

#### By order of the Board

**Pamela Coles**

Chief Governance Officer

4 March 2022

Rolls-Royce Holdings plc

Registered office:

Kings Place

90 York Way

London N1 9FX

rolls-royce.com

Registered in England and Wales No: 7524813

## Explanation of resolution

### This resolution is a special resolution – for this resolution to be passed, 75% or more of votes cast must be in favour.

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 proposed new Articles will be available for inspection, as noted on page 3.

## 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 Class Meeting, voting on the resolution set out in this Notice will be by way of a poll. C Shareholders will be entitled to one vote for every C 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 the Class Meeting.

Therefore, the number of voting rights in respect of C Shares as at 3 March 2022\* was 24,358,957,773.

### Entitlement to attend and vote

To be entitled to vote, C Shareholders must be registered on the Company's Register of Members (C Shares) 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 Class Meeting. No electronic facilities will be made available and C Shareholders will not be able to access the meeting remotely.

### Voting

Voting on the resolution will be conducted by way of a poll. On a poll, every C Shareholder shall have one vote for every 200 C Shares held. The result of the poll will be announced to the London Stock Exchange once the results have been verified and will also be published at [rolls.royce.com](http://rolls.royce.com).

### Voting and proxies

If you are entitled to attend and vote at the Class Meeting, you are entitled to appoint one or more proxies. A proxy need not be a shareholder and can be an individual or a body corporate. 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 advance of the Class Meeting

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

1. register your vote online by visiting [investorcentre.co.uk/eproxy](http://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 Class Meeting Notice.

Votes cast in advance of the Class Meeting will be counted in the votes for the Class Meeting and must be submitted by 12 noon on Tuesday, 10 May 2022 at the latest to ensure that your vote is counted. Details of the Registrar can be found on page 3. 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 Class Meeting in person.

### Votes withheld

A vote withheld option is provided to enable you to abstain on the resolution. It is not a vote in law, which means that the vote will not be counted in the calculation of the percentage of votes for or against the resolution.

## 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 section 146 of the Companies Act 2006 (the Act) to enjoy Information Rights (a 'Nominated Person') may, under an agreement with the registered C Shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed), as a proxy for the Class Meeting. 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 C 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 C 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).

## Documents available for inspection

C 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.

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 Class Meeting from 15 minutes before the start of the Class Meeting until the close of the Class Meeting.

A copy of the proposed new Articles will also be available for inspection ahead of the Class Meeting on our website at [rolls-royce.com](http://rolls-royce.com).

## Business at the Class Meeting

If you wish to submit any questions in relation to the business of the Class Meeting, please send these to the Chief Governance Officer by email to: [governanceteam@rolls-royce.com](mailto:governanceteam@rolls-royce.com). Questions must be submitted by 12 noon on Tuesday, 10 May 2022.

## Communication

Except as provided above, C Shareholders who have general queries about the General Meeting 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](mailto:webqueries@computershare.co.uk)

## Information available on our website

A copy of this Notice, and other information required by section 311A of the Act, can be found at [rolls-royce.com](http://rolls-royce.com).

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

## Appendix 1

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### Class Meeting – joining instructions

The Class Meeting will be held at the Rolls-Royce Flight Operations Centre, 4 Vanguard Road, East Midlands Airport, Derby, DE74 2SA at 12 noon or, if later, immediately after the conclusion of the AGM 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 Class 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 Class Meeting.

For your safety and security, there may be checks and bag searches of those attending the Class Meeting. 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 Class Meeting. Please note that sign language interpreters will not be present at the Class Meeting. 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

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**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.

#### OLD DONINGTON 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 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.