

Notice of 2024 Annual General Meeting of Rolls-Royce Holdings plc

Annual General Meeting – 11.00am on Thursday, 23 May 2024 at the Rolls-Royce Learning and Development Centre, Wilmore Road, Derby, DE24 9BD, with facilities to attend electronically and participate fully in the Meeting.

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

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, 23 May 2024 at the Rolls-Royce Learning and Development Centre, Wilmore Road, Derby, DE24 9BD, with facilities to attend electronically and participate fully in the Meeting. The resolutions proposed and explanatory notes about each of them can be found on pages 2 to 4.

Following the success of our previous years' AGMs, shareholders are encouraged to follow the business of the Meeting by virtual means again this year. Those joining virtually will be able to log into a live webcast, pose questions to the Board in real time and vote on the business of the Meeting. Full details of the AGM arrangements, including how to attend virtually and travel arrangements if you do plan to attend in person, are set out in Appendix 3.

The business of the Meeting includes the approval of a revised remuneration policy (resolution 2). The last policy was approved by shareholders at the 2021 AGM and we are proposing a return to a more conventional remuneration structure now that we have returned to a more normal operating environment post the pandemic. Resolutions 4 to 15 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. 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. It is our current intention that all Directors will be present in person at the AGM.

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 2024 AGM.

Yours sincerely

Dame Anita Frew
Chair

Important information

If you plan to attend in person, please bring your attendance slip, which can be found at the top of your proxy form or the notice of availability if you receive electronic communications from the Company.

The Company will be holding a General Meeting of C shareholders (Class Meeting) following the AGM to approve the changes to the Company's Articles of Association as set out in this notice (see page 4). In accordance with the Company's Articles of Association, a copy of the notice of the Class Meeting is enclosed for information. If you hold C shares in the Company, you will have received a personalised proxy form to enable you to vote on the single resolution being proposed.

Business of the AGM

Notice is hereby given that the AGM of the Company will be held at the Rolls-Royce Learning and Development Centre, Wilmore Road, Derby, DE24 9BD, with facilities for shareholders to attend electronically and participate fully in the Meeting, at 11.00am on Thursday, 23 May 2024. You will be asked to consider and, if thought fit, to pass the resolutions set out below.

Ordinary resolutions 1 to 22

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 2023.

Remuneration policy and report

2. To approve the Directors' remuneration policy set out on pages 88 to 98 of the 2023 Annual Report to take effect from the conclusion of the AGM.
3. To approve the Directors' remuneration report for the year ended 31 December 2023.

Election and re-election of Directors

4. To re-elect Dame Anita Frew as a Director of the Company.
5. To re-elect Tufan Erginbilgic as a Director of the Company.
6. To elect Helen McCabe as a Director of the Company.
7. To re-elect George Culmer as a Director of the Company.
8. To elect Birgit Behrendt as a Director of the Company.
9. To elect Stuart Bradie as a Director of the Company.
10. To elect Paulo Cesar Silva as a Director of the Company.
11. To re-elect Lord Jitesh Gadhia as a Director of the Company.
12. To re-elect Beverly Goulet as a Director of the Company.
13. To re-elect Nick Luff as a Director of the Company.
14. To re-elect Wendy Mars as a Director of the Company.
15. To re-elect Dame Angela Strank as a Director of the Company.

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 expenditure,up 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 2025 or close of business on 30 June 2025.

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 £561,113,133 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 £1,122,226,265 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 2025 or 30 June 2025, whichever is sooner.

Approval of the Rolls-Royce Global Employee Share Purchase Plan

20. That the Rolls-Royce Global Employee Share Purchase Plan (the GESPP), the principal terms of which are summarised in Appendix 1 on page 8 of this Notice and the rules of which have been produced to the Meeting, be approved and that the Directors be authorised to:

- a) do all acts and things which they may consider necessary or expedient to carry the GESPP into effect; and
- b) establish schedules to, or further share based plans based on, the GESPP but modified to take account of local tax legislation, exchange control or securities laws in overseas territories, provided that any awards made available under any such schedules or further plans are treated as counting against the limits on individual and overall participation in the GESPP.

Approval of the Rolls-Royce Long Term Incentive Plan

21. That the Rolls-Royce Long Term Incentive Plan (the LTIP), the principal terms of which are summarised in Appendix 2 on page 9 of this Notice and the rules of which have been produced to the Meeting, be approved and that the Directors be authorised to:

- a) do all acts and things which they may consider necessary or expedient to carry the LTIP into effect; and
- b) establish schedules to, or further plans based on, the LTIP but modified to take account of local tax legislation, exchange control or securities laws in overseas territories, provided that any awards made available under any such schedules or further plans are treated as counting against the limits on individual and overall participation in the LTIP.

Remuneration of Non-Executive Directors

22. To resolve that for the purposes of Article 134 of the Articles, the maximum aggregate amount of the ordinary remuneration of the directors shall be £5,000,000 per year and such amount as the directors determine should be paid to the directors who do not hold executive office by way of ordinary remuneration in any year.

Special resolutions 23 to 25

Disapplication of pre-emption rights

23. 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 (as described in Article 10(a) of the Articles); and
- b) otherwise than in connection with a pre-emptive offer, up to a nominal amount of £84,166,970 being the s561 amount in the Articles,

such authority to expire at the end of the Company's AGM in 2025 or 30 June 2025, whichever is sooner.

Authority to purchase own shares

24. 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 841,669,698;
- 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 2025 or 30 June 2025, 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

25. 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 current Articles of Association.

By order of the Board

Pamela Coles

Chief Governance Officer

22 February 2024

Rolls-Royce Holdings plc

Kings Place

90 York Way

London N1 9FX

www.rolls-royce.com

Registered in England and Wales No: 7524813

Explanation of resolutions

Resolutions 1 to 22 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 2023 Annual Report is available at www.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 POLICY

All UK listed companies must seek shareholder approval of their remuneration policy every three years, or earlier if it is proposed that the policy is changed during that period. Our current remuneration policy was approved by shareholders at the 2021 AGM. We have revised our policy to return to a more conventional remuneration structure having returned to a more normal operating environment post the pandemic. This is set out in the letter from the Chair of the Remuneration Committee on pages 84 and 85 of the Annual Report. Details of the proposed Directors' Remuneration Policy are set out on pages 88 to 98 of the Annual Report.

RESOLUTION 3 – THE DIRECTORS' REMUNERATION REPORT

It is a requirement of company law that the Directors' remuneration report for 2023, which is set out on pages 99 to 110 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 4 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 5 and 6 and detailed biographies are available at www.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 Chair is not subject to the Code's independence test other than on appointment. Dame 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 2024. Details of the remuneration paid to PwC in 2023 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 2024.

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 and has not made such donations since the date of the last AGM. 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 12 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 £561,113,133 representing approximately one third of the total issued ordinary share capital of the Company as at 21 February 2024 *.

Article 9(b) of the Articles authorises the Directors to allot further shares in the case of a rights issue. This is called the 'second s551 amount' in the Articles. Resolution 19(b) enables the Directors to allot new shares up to a nominal value of £1,122,226,133 representing approximately two thirds of the total issued ordinary share capital of the Company as at 21 February 2024 * (as reduced by the nominal amount of any shares issued under resolution 19(a)). As at 21 February 2024 *, the Company did not hold any shares in treasury. The Directors have no present intention of using this authority.

RESOLUTION 20 – APPROVAL OF THE ROLLS-ROYCE GLOBAL EMPLOYEE SHARE PURCHASE PLAN

The Company considers employee share ownership to be a key part of the Company's overall remuneration strategy, which enables the Company to align the interests of employees and shareholders. In support of the delivery of this strategy, the Company wishes to obtain shareholder approval for the Rolls-Royce GESPP.

The Company currently operates a global SAYE plan, which is cash settled outside the UK, and a UK purchase plan (operated under the SIP legislation). The Company does not currently have an employee incentive plan that is focused on delivering shares at all levels in as many countries as possible within the Group. The GESPP is intended to fill that gap. The GESPP requires employees to invest their own money in the Company (by way of salary deductions, where possible) in return for the award of a matching conditional free share award according to a specified ratio. The GESPP has employee investment in the Company at the heart of it but is also a flexible plan that allows the Company to grant conditional free share awards without the linked investment requirement. It is anticipated that employees in the UK will remain eligible to participate in the Rolls-Royce SharePurchase Plan (a UK tax advantaged share purchase and matching plan) rather than the GESPP.

The GESPP will be launched after the date of the AGM, if approved, and the ability to grant awards that can be satisfied with new issue or treasury shares will terminate at the Company's AGM in 2034 (unless further shareholder approval is obtained).

Resolution 20 seeks shareholder approval for the GESPP, the principal terms of which are summarised in Appendix 1 to this Notice. If passed, Resolution 20 will also enable the Company to add schedules to the GESPP or establish further plans based on the GESPP to enable the grant of awards to employees in overseas territories, taking account of local tax, exchange control and securities law issues in the relevant jurisdiction. Any awards made under such schedules or separate plans will count towards any limits on individual and overall participation in the GESPP.

A copy of the proposed plan rules for the GESPP will be available for inspection, as noted on page 7.

RESOLUTION 21 – APPROVAL OF THE ROLLS-ROYCE LONG TERM INCENTIVE PLAN

The Company wishes to obtain shareholder approval for renewal of the LTIP.

The Company has for many years operated a long term incentive plan and considers employee share ownership to be a key part of the Company's overall remuneration strategy, which enables the Company to align the interests of employees and shareholders, and to recruit, retain and motivate senior employees within the Group. The LTIP was approved by shareholders on 4 May 2017 and is due to expire on 4 May 2027.

It is proposed, in the Directors' remuneration policy (for which shareholder approval is sought at Resolution 2), that the LTIP will start to be used again as part of the remuneration package for the Company's Executive Directors. Accordingly, the LTIP includes minor changes to the rules to refresh the plan, align it more closely with the Company's other (more recently updated)

* 21 February 2024 being the latest practicable date prior to the publication of this Notice

plans and to keep it in line with changing legislation and best corporate governance practice. The LTIP is now being put to shareholders to approve its renewal for a further ten years and, if approved, the LTIP will terminate at the Company's AGM in 2034 (unless further shareholder approval is obtained).

Resolution 21 seeks shareholder approval for the renewal of the LTIP, the principal terms of which are summarised in Appendix 2 to this Notice. If passed, Resolution 21 will also enable the Company to add schedules to the LTIP or establish further plans based on the LTIP to enable the grant of awards to employees in overseas territories, taking account of local tax, exchange control and securities law issues in the relevant jurisdiction. Any awards made under such schedules or separate plans will count towards the limits on individual and overall participation in the LTIP.

A copy of the proposed new LTIP Rules will be available for inspection, as noted on page 7.

RESOLUTION 22 REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Articles require the Company to establish, with shareholder approval, a maximum ceiling on the total aggregate annual remuneration payable to its Non-Executive Directors and non-executive Chair. This resolution therefore has no relevance to the Executive Directors. The resolution proposes that the maximum ceiling should be £5,000,000 per annum. Since 2016, a ceiling of £1,600,000 per annum has been applied. Recognising that there has not been an increase in non-executive fees since 2014 and given the increasing responsibilities of Board directors, it is proposed to increase base and other fees as set out on page 109 of the Annual Report. The Board takes account of independent external benchmarking reports in determining the fees payable to the Chair and the Non-Executive Directors.

Resolutions 23 to 25 are Special Resolutions – for these resolutions to be passed, 75% or more of votes cast must be in favour.

RESOLUTIONS 23 – DISAPPLICATION OF PRE-EMPTION RIGHTS

Under s561(l) of the Act, when new ordinary shares are issued for cash, 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 £84,166,970, equal to 5% of the Company's issued ordinary share capital as at 21 February 2024 * 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.

If the authority in Resolution 23 is used in relation to a non-pre-emptive offer, the directors confirm their intention to act in line with the shareholder protections in Part 2B of the Pre-Emption Group's Statement of Principles on Disapplying Pre-Emption Rights 2022.

RESOLUTION 24 – 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 21 February 2024 *) and the minimum and maximum prices at which they may be bought.

On 21 February 2024 *, there were options over ordinary shares in the capital of the Company representing 2.03 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 2.25% 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 25 – AUTHORITY TO ADOPT NEW ARTICLES OF ASSOCIATION

The Company is proposing to adopt new Articles of Association (the New Articles). The principal changes are proposed to be made to Article 15 and Article 130 of the current Articles which were adopted on 12 May 2022 (the Current Articles) and a summary of and rationale for the key changes are set out below. Certain other changes of a minor, technical or clarifying nature have also been proposed. The resolution adopting the New Articles will only become effective from the conclusion of the AGM (subject to the changes proposed to Article 15 which must also be approved by C shareholders at the Class Meeting which will follow the AGM).

A copy of the Current Articles and the New Articles will be available for inspection, as noted on page 7.

C SHARES MANDATORY REDEMPTION RIGHT (ARTICLE 15)

In accordance with Article 15(d)(ii) of the Current Articles, C Shares are able to be redeemed at the election of the company if: (i) the aggregate number of C Shares in issue is less than 10% of the aggregate number of C shares issued on and prior to that date, and (ii) if the Board determines if would be in the Company's interests to do so in certain specified circumstances, such as a proposed capital restructuring, if a new holding company is inserted above the Company, or in the event of an acquisition or a demerger of the Company.

The Company is proposing to amend Article 15(d)(ii) to allow the Company to elect to redeem C Shares if the Board determines it would be in the Company's interests to do so. While it is not the current intention of the Board to exercise such right, the proposed changes are designed to increase the Company's flexibility to redeem C Shares in the future and to give the Company the ability to simplify the capital structure of the Company. No changes are proposed to the amounts a C shareholder would receive for C Shares on a redemption.

BORROWINGS (ARTICLE 130)

Article 130 of the Current Articles sets out in detail what constitutes borrowings for the purpose of the Group's borrowing limit (set at £12bn). The New Articles propose new wording to simplify what constitutes borrowings for the purposes of this borrowing limit and to reflect more accurately how borrowings are currently calculated by the Group. The adoption of the New Articles will not materially change what counts towards borrowings for the purposes of Article 130 nor will it materially change the Company's borrowing policy.

A copy of the Current Articles and New Articles will be available for inspection, as noted on page 7.

Directors' biographies

Dame Anita Frew

Chair of the Board
Chair, Nominations, Culture & Governance Committee
Appointed to the Board on 1 July 2021 and as Chair on 1 October 2021.

Board skills and competencies Dame Anita brings a wealth of extensive leadership and global experience from more than two decades of board appointments, 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

Tufan Erginbilgic

Chief Executive
Appointed to the Board on 1 January 2023.

Board skills and competencies Tufan is a proven leader of winning teams within complex multinational organisations, with over six years as CEO of BP's downstream business. He drives a high-performance culture and delivers results for investors. He has extensive strategic and operational experience and a firm understanding of safety critical industries as well as the challenges and commercial opportunities presented by the drive for low carbon technologies. He has a strong track record for execution, delivery and the creation of significant value and an ambition to deliver the full potential of Rolls-Royce's market positions.

Key external appointments

Current

— Iveco Group NC, NED
— Global Infrastructure Partners (GIP), senior adviser
— UK PM's 2024 Business Council

Past

— GIP, partner
— BP p.l.c., various executive roles
— DCC plc, NED
— Türkiye Petrol Rafinerileri A.S, NED
— GKN plc, NED

Helen McCabe

Chief Financial Officer
Appointed to the Board on 4 August 2023.

Board skills and competencies Helen has a track record of promoting rigorous financial discipline and her experience of delivering effective performance management within complex multi-national engineering organisations will be invaluable as the Group moves, at pace, to transform Rolls-Royce. Her skillset complements the existing capabilities of the Executive Team, contributing to Rolls-Royce delivering on its significant potential.

Key external appointments

Past

— BP p.l.c., various leadership roles

Birgit Behrendt

Independent Non-Executive Director
Appointed to the Board on 11 May 2023.

Board skills and competencies Birgit brings deep experience across global procurement and supply chain management to the Board. Alongside this, she has significant insights into the development and management of international joint ventures (JVs), having led Ford's key European JV's. She also has a strong track record and an ongoing interest in developing, mentoring and coaching key talent and encouraging women in particular to consider a career in STEM. She has worked in the US and Germany and brings profound experience of working with unions and works councils.

Key external appointments

Current

— Umicore SA, NED
— Thyssenkrupp AG, NED
— KION Group AG, NED

Past

— Ford, various executive roles
— Ford-Werke GmbH, NED

Stuart Bradie

Independent Non-Executive Director
Appointed to the Board on 11 May 2023.

Board skills and competencies Stuart brings to the Board a reputation for building strong relationships and successfully driving comprehensive organisational transformation. Over the past nine years, Stuart has guided KBR's evolution, prioritising a focus on people alongside strong commercial discipline. KBR delivers disruptive technologies and digital solutions that address areas of global importance. Stuart has used a safety and ESG focus to deliver cultural change and helped make KBR the number one in its peer group in delivering against its ESG agenda.

Key external appointments

Current

— KBR, President & Chief Executive

Paulo Cesar Silva

Independent Non-Executive Director
Appointed to the Board on 1 September 2023.

Board skills and competencies Paulo brings deep expertise in the aerospace industry, a broad international mindset and an appetite for growth, change and innovation. Alongside this, he brings a wealth of strategic, commercial and operational experience to the Board's discussions. He also brings considerable finance experience having spent his early career in senior finance roles.

Key external appointments

Current

— Cemig, NED
— Electra.Aero, advisor

Past

— Embraer S.A., president & CEO

George Culmer

Senior Independent 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 with high cyber threat profiles 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, CFO
— RSA Insurance Group plc, group financial officer

Lord Jitesh Gadhia

Independent Non-Executive Director
Chair, Remuneration Committee
Appointed to the Board on 1 April 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, is an asset to the Board and the Remuneration Committee.

Key external appointments

Current

— Taylor Wimpey plc, NED
— Compare the Market Limited, NED
— Accord Healthcare Limited, NED
— Court of Directors of the Bank of England, NED

Past

— UK Government Investments, NED
— Blackstone Group, senior MD

Beverly Goulet

Independent Non-Executive Director
Rolls-Royce North America Holdings, Inc., board member
Lead Employee Champion
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 confidently contribute to decision-making and actively take part in developing and strengthening our businesses.

Key external appointments**Current**

- Xenia Hotels & Resorts, Inc., NED
- Answer ALS Foundation, foundation board chair

Past

- American Airlines, Inc., various executive roles
- American Airlines Federal Credit Union, chair
- Atlas Air Worldwide Holdings, Inc., NED

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, CFO

Past

- Centrica plc, CFO
 - Lloyds Banking Group plc, NED
 - QuinetiQ Group plc, NED
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Wendy Mars

Independent Non-Executive Director
Chair, Safety, Energy Transition & Tech Committee
Employee champion
Appointed to the Board on 8 December 2021.

Board skills and competencies As a leader, Wendy has overseen diverse teams across sales, engineering and innovation in 123 countries. She brings experience and insight across hardware, software and services with technological transformation of complex global organisations at her core. Wendy's knowledge of both the technical steps needed to foster innovation in a technology company as well as the challenging realities of its implementation in organisations at different stages of their transformation journey is invaluable to the Board and the Group as a whole. Technology can play a significant role in helping businesses to achieve their sustainability objectives; Wendy brings this experience to the Board.

Key external appointments**Past**

- Cisco Systems, Inc., president Europe, Middle East and Africa region (EMEA)
 - ThruPoint, Inc., various executive roles
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Dame Angela Strank

Independent Non-Executive Director
Appointed to the Board on 1 May 2020.

Board skills and competencies Dame Angela brings a wealth of corporate experience to the Board and a proven track record in managing engineering operations and driving technology, science and engineering programmes. Having actively worked in climate research and pioneering women in STEM careers, sustainability and corporate ethics are key areas of interest. As a member of the Safety, Energy Transition & Tech Committee, Dame Angela draws on her experience as a member of two other listed companies' sustainability committees which is invaluable to the Group as it develops its sustainability strategy.

Key external appointments**Current**

- Mondi plc, NED
- SSE plc, NED
- Rio Tinto Innovation Advisory Committee, member

Past

- Severn Trent plc, NED
 - BP p.l.c., various executive roles
-

Important notes

Issued share capital and total voting rights

As at 21 February 2024 *, the issued share capital of the Company consisted of 8,416,696,989 ordinary shares of 20 pence each, 22,869,088,353 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. The total number of voting rights in the Company, therefore, as at 21 February 2024 * was 8,416,696,989.

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 cannot themselves 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;
- a copy of the proposed plan rules for the GESPP;
- a copy of the proposed plan rules for the LTIP; and
- a copy of the Current Articles and New Articles proposed in resolution 25.

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 and on the Lumi platform from 30 minutes before the start of the AGM until the close of the Meeting. The proposed GESPP and LTIP rules will be available for inspection on the National Storage Mechanism from the date of this Notice. Please contact the Governance Team at governanceteam@rolls-royce.com if you would like to make arrangements to inspect any of the documents above.

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; and/or is not in the interests of the Company nor for the good order of the Meeting.

Under s338 and/or s338A of the Act, shareholders meeting the threshold requirements in those sections may request the Company to (i) give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) 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 such resolution or matter would not, (in the case of a resolution only), if passed, be ineffective, and it is not defamatory, frivolous or vexatious.

The Company will include such matter if sufficient requests have been received in accordance with s338(3) and/or s338A(3) of the Act. This requires a minimum of 100 shareholders who have a right to vote on the proposed resolution and/or 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 s338 and/or s338A of the Act.

Information available on our website

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

- the matters set out in this Notice, including the New Articles proposed in Resolution 25, 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 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)371 384 2637 between 8.30am and 5.30pm (UK time) Monday to Friday;
- by writing to the Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
- by emailing customer@equiniti.com.

Entitlement to vote

To be entitled to vote, shareholders must be registered on the Company's Register of Members as at 6.30pm on Tuesday, 21 May 2024 (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.

* 21 February 2024 being the latest practicable date prior to the publication of this Notice

Appendix 1

Summary of the Rolls-Royce Global Employee Share Purchase Plan

1. General

The operation of the GESPP will be overseen by the Remuneration Committee of the Board of Directors of the Company (or a duly authorised committee) (the Committee).

Decisions of the Committee are final and conclusive.

Benefits under the GESPP are not pensionable.

The GESPP is governed by the laws of England and Wales, and the courts of England and Wales have exclusive jurisdiction in respect of any disputes arising in connection with the GESPP.

2. Eligibility

Employees (including employed Executive Directors) of the Company and its subsidiaries (the Group) will be eligible to participate in the GESPP at the discretion of the Committee.

3. Awards under the GESPP

Three types of award may be granted under the GESPP:

- investment shares (Investment Shares), consisting of the opportunity for employees to invest post-tax salary contributions for the purchase of fully paid ordinary shares in the capital of the Company (Shares);
- matching share awards (Matching Share Awards), granted to employees who buy Investment Shares, being a conditional right to receive a number of free Shares in the future linked to the number of Investment Shares bought; and/or
- free share awards (Free Share Awards), being a conditional right to acquire Shares in the future for free.

The Committee has absolute discretion as to what type of award may be granted.

Awards may be settled using newly issued, treasury or existing Shares except that no newly issued or treasury Shares may be used for new offers of awards following the later of ten years after shareholder approval and the Company's AGM in 2034, unless further shareholder approval is obtained.

Alternatively, the Committee may decide to grant awards over American depositary receipts or American depositary shares, representing one or more Shares.

The Committee can choose to grant Matching Share Awards and Free Share Awards as phantom awards, so that they are a conditional right to receive a cash sum in the future linked to the value of a number of notional Shares.

Awards may not be transferred or otherwise disposed of except on the participant's death and no payment is required for the grant of an award.

No awards may be granted after the termination of the GESPP.

4. Dilution limits

Awards cannot be granted if they would cause the total number of Shares allocated to exceed 10%, or the Shares allocated in connection with discretionary plans to exceed 5%, of the ordinary share capital of the Company in issue.

The total number of Shares (10%) figure looks at the total number of new issue or treasury Shares that have been used to satisfy awards in the previous 10 years (or could still be used to satisfy awards) granted under the GESPP and any other employee share plan operated by the Group. The discretionary plan (5%) figure is similar but looks at awards granted under any discretionary employee share plans operated by the Group.

For so long as required by institutional investor guidelines, treasury Shares count towards these limits. Where certain variations of capital occur, the number of Shares taken into account under these limits will be adjusted as the Committee considers appropriate to take account of that variation.

5. Nominee

Shares acquired by participants pursuant to an award granted under the GESPP will be held by a nominee (the Nominee) on behalf of the participants. Shares held by the Nominee on behalf of participants may be withdrawn from the Nominee arrangements at any time. However, the withdrawal of Investment Shares by a participant will normally cause the related Matching Share Award to lapse pro-rata if the Matching Share Award has not yet vested.

The Company is establishing an employee benefit trust to work alongside the GESPP (and any other employee share plans established by the Company), so that the trust can act as Nominee for the purposes of the GESPP.

6. Investment Shares

If the Committee decides to offer Investment Shares, it will invite employees to enrol in the GESPP. Employees can enrol at any time, subject to the Committee being able to set specified enrolment windows and any restrictions on dealings or transactions in securities (Dealing Restrictions).

The Committee will decide the terms on which participants can purchase Investment Shares, including:

- the number and frequency of contributions (which will normally be deducted from salary);
- the maximum and minimum amounts of each contribution;
- any limit on the number or value of Investment Shares available for purchase (and if applications or contributions are received in excess of this the Committee will decide whether to scale them back);
- the frequency at which contributions will be used to purchase Investment Shares (e.g. monthly, quarterly, annually); and
- the period over which Investment Shares will be purchased (e.g. a year).

It is currently intended that the GESPP will normally be operated on an evergreen basis, meaning that purchase periods will roll on one after the other and that when a participant enrolls in the GESPP, they enrol for the current and all future purchase periods, until stopped by the participant or the Company. The terms for each new purchase period will normally be the same as the previous purchase period, unless the Committee decides otherwise (in which case the new terms will be communicated to participants).

The Committee can decide at any time that the GESPP will cease to apply on an evergreen basis, but this will not normally affect any purchase period already in existence. The Committee may also decide at any time that no further contributions will be taken during a purchase period, although contributions already taken will normally be used to purchase Investment Shares.

A participant may stop their contributions at any time. The Committee may allow participants to restart and/or vary their contributions, although they may not normally make up missed contributions.

The Company may allow participants to purchase Investment Shares without a matching element.

7. Matching Share Awards

The Committee may grant Matching Share Awards linked to the number of Investment Shares purchased.

The Committee will decide the terms on which Matching Share Awards will be granted from time to time, including:

- the matching ratio used to determine the number of Shares subject to a Matching Share Award, by reference to the number of Investment Shares purchased (a final decision on the matching ratio for the initial launch of the plan will be taken by the Committee ahead of launch);
- any limit on the number or value of Investment Shares that can be 'matched'; and
- the date on which the Matching Share Award is expected to vest.

At vesting, the number of Shares that will vest will be equal to the aggregate number of Investment Shares purchased (and still held), up to any matching limit that applies, multiplied by the matching ratio.

8. Free Share Awards

Free Share Awards may only be granted within a period of 42 days starting on any of the following:

- the day the GESPP is approved by shareholders;
- the business day following the announcement of the Company's results for any period;
- any day on which changes to the legislation or regulations affecting share plans are announced or take effect;
- any day on which the Committee decides that exceptional circumstances justify the grant of awards; and
- if Dealing Restrictions prevented the granting of Free Share Awards in the periods mentioned above, the day those Dealing Restrictions are lifted.

Free Shares Awards may be granted to participants subject to performance conditions, or other conditions, that must normally be satisfied in order for Free Shares Awards to vest. However, the Committee is not required to include performance conditions or other conditions.

The Committee may change a performance condition, or other conditions, in accordance with its terms, or if anything happens that causes the Committee to reasonably consider the change would be appropriate. An amended performance condition will not be materially less or more difficult to satisfy than the original condition was intended to be.

Subject to the satisfaction of any performance conditions, and other conditions that apply, Free Share Awards will normally vest on the later of the date the Committee decides the performance conditions/other

conditions have been satisfied and the vesting date specified by the Committee at the grant date.

9. Vesting of Matching and Free Share Awards

Following vesting of a Matching Share Award or a Free Share Award, Shares (or cash, if a phantom award) will normally be delivered to the participant (or the Nominee, on their behalf) as soon as practicable. Shares acquired on vesting will normally be held by the Nominee on behalf of the participant.

The Committee may decide to settle an award partly or fully in cash instead of Shares. Vesting and/or the subsequent delivery of cash or Shares to the participant may be delayed due to Dealing Restrictions. To the extent an award or any part of it is no longer capable of vesting, it will lapse.

10. Shareholder distributions

In respect of any Shares held by the Nominee under the GESPP on behalf of participants, any shareholder distributions paid by the Company on those Shares in cash will normally be applied in purchasing further Shares. If shareholder distributions are paid in C shares, they will normally be redeemed for cash by the Nominee and, when there is sufficient cash, will be applied in purchasing further Shares. Any further Shares acquired in this way will normally be held by the Nominee on behalf of participants.

11. Mobile participants

If a participant moves jurisdiction or becomes tax resident in a different jurisdiction (without leaving employment) and, as a result, there may be adverse legal, regulatory, administrative or tax consequences in connection with the participant's participation in the GESPP, the Committee may adjust or lapse the participant's awards, or decide to treat the participant as a leaver, as the Committee considers appropriate.

12. Leavers

If a participant leaves the Group:

- their rights to purchase Investment Shares will lapse, but contributions made or in the process of being made will normally be used to purchase Investment Shares (which will qualify for a Matching Share Award, where applicable, up to any matching limit that applies);
- any unvested Matching Share Awards will normally vest early; and
- any unvested Free Share Awards will normally lapse.

Where a participant leaves after a Matching Share Award or Free Share Award has vested, the award will normally continue in accordance with the provisions of the GESPP.

A participant will be considered to have left the Group when no longer employed by (or a director of) any member of the Group (or an associated company).

If, at any time, a participant is summarily dismissed or leaves in circumstances that would have justified the participant's summary dismissal, the participant's Matching Share Awards and/or Free Share Awards will immediately lapse.

Following leaving, a participant will be required to remove their Shares from the Nominee.

13. Corporate events

In the event of a takeover (including a scheme of arrangement or a person becoming bound or entitled to acquire Shares under UK company law) or proposed voluntary winding up of the Company, rights to purchase further Investment Shares will lapse, Matching Share Awards will normally vest early and Free Share Awards will vest if and to the extent the Committee decides.

In some circumstances (including internal reorganisations in particular), Matching Share Awards and Free Share Awards may instead be exchanged for new awards.

14. Variation of share capital

In the event of a variation in the share capital of the Company, a demerger, special dividend or distribution or any other transaction that the Committee believes will materially affect the value of Shares, the Committee may adjust the number or class of Shares to which a Matching Share Award or Free Share Award relates and the number of matched Investment Shares.

Alternatively, if the Committee considers an adjustment is not practicable or appropriate, vesting may be accelerated on a similar basis as for other corporate events.

15. Rights attaching to Shares

All Shares issued in connection with the GESPP will rank equally with other Shares then in issue. The Company will apply for the listing of any Shares issued in connection with the GESPP.

Participants will not be entitled to any dividend, voting or other rights in respect of Shares until the Shares are issued or transferred (as appropriate) to the Nominee on their behalf.

16. Amendments and termination

The Committee may change the GESPP in any way at any time, but the Company will obtain prior shareholder approval for any change that is to the advantage of present or future participants and which relates to any of the following: the persons who may receive Shares or cash under the GESPP; the total number or amount of Shares or cash that may be delivered under the GESPP; the maximum entitlement for any participant; the basis for determining a participant's entitlement to, and the terms of, Shares or cash provided under the GESPP; the rights of a participant in the event of a capitalisation issue, rights issue, open offer, sub-division or consolidation of shares, reduction of capital or any other variation of the Company's share capital; or to the provision in the rules requiring shareholder approval for changes.

There is an exception for minor amendments to benefit the administration of the GESPP, to comply with or take account of any change in legislation and/or to obtain or maintain favourable tax, exchange control or regulatory treatment of any member of the Group or any present or future participant.

No change may be made to the material disadvantage of one or more participants in respect of subsisting rights without the written consent of the affected participant(s) or unless all such disadvantaged participants have been asked for their consent and a majority of those who respond give consent. Similar exceptions for minor amendments as apply to the shareholder approval requirement apply to the obligation to seek participant consent.

The Committee may establish further plans or schedules based on the GESPP, but modified to take account of any local tax, exchange control or securities laws in other jurisdictions, provided any awards made under them count towards the individual and plan limits in the GESPP. It is currently intended that the GESPP will be operated with permitted tax advantages in Germany. It is intended that the GESPP will operate with a number of international schedules, in particular to help try to avoid potentially adverse tax rules for US taxpayers.

The GESPP will terminate on the date the Committee decides, although no newly issued or treasury Shares may be used for new offers of awards following the later of ten years after shareholder approval and the Company's AGM in 2034, unless further shareholder approval is obtained. Termination will not affect any subsisting rights under the GESPP, although participants will be required to remove their Shares from the Nominee in due course.

This summary does not form part of the rules of the GESPP and should not be taken as affecting the interpretation of their detailed terms and conditions. The Committee reserves the right to amend or add to the rules of the GESPP up until the time of the AGM, provided that such amendments or additions do not conflict in any material respect with this summary.

Appendix 2

Summary of the Rolls-Royce Long Term Incentive Plan

1. General

The operation of the LTIP will be overseen by the Remuneration Committee of the Board of Directors of the Company (or a duly authorised committee) (the Committee).

Decisions of the Committee are final and conclusive.

Benefits under the LTIP are not pensionable.

The LTIP is governed by the laws of England and Wales and the courts of England and Wales have exclusive jurisdiction in respect of any disputes arising in connection with the LTIP.

2. Eligibility

Employees (including employed Executive Directors) of the Company and its subsidiaries (the Group) will be eligible to participate in the LTIP at the discretion of the Committee, unless they are on notice to terminate their employment.

Awards made to Executive Directors of the Company will comply with the shareholder-approved remuneration policy in effect at that time (the Remuneration Policy), particularly the application of individual limits, performance conditions, malus/clawback, vesting and holding periods, and post-termination shareholding requirements.

3. Awards under the LTIP

Awards will be granted in one or more of the following forms, at the discretion of the Committee:

- a share award, being a conditional right to acquire fully paid ordinary shares in the capital of the Company (Shares) in the future; or
- a phantom award, being a conditional right to receive a cash sum in the future linked to the value of a number of notional Shares.

Share awards may be settled using newly issued, treasury or existing Shares. Awards may not be transferred or otherwise disposed of except on the participant's death and no payment is required for the grant of an award.

4. Timing of awards

Awards may only be granted within a period of 42 days starting on any of the following:

- the day the LTIP is approved by shareholders;
- the business day following the announcement of the Company's results for any period;
- any day on which changes to the legislation or regulations affecting share plans are announced or take effect;
- any day on which the Committee decides that exceptional circumstances justify the grant of awards; and
- if restrictions on dealings or transactions in securities (Dealing Restrictions) prevented the granting of awards in the periods mentioned above, the day those Dealing Restrictions are lifted.

Awards may also be granted when an employee first joins the Group or is promoted to a position that qualifies.

Awards may not be granted after termination of the LTIP.

5. Dilution limits

Awards cannot be granted if they would cause the total number of Shares allocated to exceed 10%, or the Shares allocated in connection with discretionary plans to exceed 5%, of the ordinary share capital of the Company in issue.

The total number of Shares (10%) figure looks at the total number of new issue or treasury Shares that have been used to satisfy awards in the previous 10 years (or could still be used to satisfy awards) granted under the LTIP and any other employee share plan operated by the Group. The discretionary plan (5%) figure is similar but looks at the awards granted under the LTIP and any other discretionary employee share plan operated by the Group.

For so long as required by institutional investor guidelines, treasury Shares count towards these limits. Where certain variations of capital occur, the number of Shares taken into account under these limits will be adjusted as the Committee considers appropriate to take account of that variation.

6. Individual limits

Awards to Executive Directors may only be granted in accordance with the limits set out in the Remuneration Policy.

For other participants, awards may only be granted, in respect of any one financial year, with an aggregate market value (taken at each relevant grant date) up to a percentage of that participant's annual basic salary. This percentage will be the same as the normal percentage salary limit(s) for awards to the Chief Executive of the Company under the Remuneration Policy. The Committee may determine in exceptional circumstances, or when buying out a new recruit's previous awards (Buyout Award), to grant awards in excess of this limit.

7. Conditions

Awards may be granted subject to performance conditions, or other conditions, that must normally be satisfied in order for awards to vest.

All LTIP awards granted to Executive Directors will be subject to performance conditions, with a performance period consistent with the Remuneration Policy, unless it is a Buyout Award.

The Committee may replace or vary a performance condition, or any other conditions, in accordance with its terms, or if anything happens that causes the Committee to determine that the performance condition or other condition is no longer appropriate. A replaced or amended condition will not be materially less difficult to satisfy than the original condition was intended to be.

8. Vesting of awards

Subject to the satisfaction of the performance conditions, and any other conditions that apply, awards will normally vest on the later of:

- the date the Committee decides the performance conditions/other conditions have been satisfied;
- the vesting date specified by the Committee at the grant date; and
- if a holding period applies, the end of the holding period.

Awards may vest in tranches, in which case each tranche may have a different vesting date.

The Committee may adjust the extent to which an award will vest in light of the wider performance of the Group or any member of the Group, the performance of the participant or the experience of stakeholders. It may also reduce the extent to which an award will vest to take account of periods of absence from work, subject to applicable laws.

Following vesting of an award, Shares (if a share award) or cash (if a phantom award) will normally be delivered to the participant as soon as practicable.

The Committee may decide to settle a share award partly or fully in cash instead of Shares.

Vesting and/or the subsequent delivery of cash or Shares to the participant may be delayed due to Dealing Restrictions, or where an investigation is ongoing that might lead to malus and/or clawback being triggered.

Awards with a holding period will normally carry the right to receive an additional amount, in cash or Shares, relating to the value of any shareholder payment paid by the Company (which is normally paid as C shares) that has a record date during the holding period, as if the participant had owned the Shares (in respect of which the award vests) during that period. The additional amount will normally be paid in Shares for Executive Directors. Awards will not otherwise normally carry the right to receive additional amounts in respect of dividends paid before vesting.

To the extent an award or any part of it is no longer capable of vesting, it will lapse.

If a participant moves jurisdiction or becomes tax resident in a different jurisdiction (without leaving employment) and, as a result, there may be adverse legal, regulatory, administrative or tax consequences in relation to the participant's awards, the Committee may adjust or lapse those awards as it considers appropriate.

Where awards are granted in tranches, the rules relating to vesting will apply to each tranche separately as if each tranche was a separate award.

9. Holding period

Awards may be granted subject to a holding period, which will normally apply after the performance period has ended or after an anniversary of grant, if there are no performance conditions. Awards subject to a holding period normally do not vest (so Shares or cash are not delivered) until after the end of the holding period. Awards granted to Executive Directors will be subject to a holding period, other than Buyout Awards.

10. Malus and clawback

Awards are normally subject to the Group's malus and clawback policy, as updated from time to time. The Committee may choose to disapply the policy for awards to participants who are not Executive Directors or for Buyout Awards.

Under the policy, the Board (or a duly authorised committee) may decide to reduce, cancel or forfeit an award (malus) or recover all or part of the value of an award that has been satisfied (clawback) if certain circumstances occur.

11. Leavers

If a participant leaves the Group before an award vests (or, if the award is subject to a holding period, before the holding period starts), the award will normally lapse, unless the reason for leaving is death; ill-health, injury or disability (evidenced to the satisfaction of the Committee); retirement; redundancy; the transfer of the participant's employing business or company outside of the Group; or any other reason at the Committee's discretion (a Good Leaver).

For Good Leavers, awards that are not subject to performance conditions or a holding period will normally vest immediately. Awards that are subject to performance conditions and/or a holding period, will normally continue until the normal vesting date. In either case, awards will only vest to the extent any performance conditions and other conditions have been determined to be satisfied and will normally be pro-rated for time.

Where a participant leaves after an award vests (or, if the award is subject to a holding period, during the holding period), the award will normally continue in accordance with the provisions of the LTIP.

A participant will be considered to have left the Group when no longer employed by (or a director of) any member of the Group (or an associated company) or, if earlier, when the participant gives or receives notice to leave.

If, at any time, a participant is summarily dismissed or leaves in circumstances that would have justified the participant's summary dismissal, their awards will immediately lapse.

Where awards are granted in tranches, with each tranche having different vesting dates, the leaver rules will apply to each tranche separately as if each tranche was a separate award.

12. Post-termination restriction for Executive Directors

Executive Directors' awards are subject to a post-termination restriction, which means that the participant's award may lapse, and/or amounts be recovered in respect of it, if they receive Good Leaver treatment as a

consequence of retirement and, within a specified period from leaving (normally 12 months), become employed or engaged as an executive director in another business (in a non-voluntary capacity).

13. Corporate events

In the event of a takeover (including a scheme of arrangement or a person becoming legally bound or entitled to acquire Shares) or a proposed voluntary winding up of the Company, awards will normally vest early.

If awards vest in any of these circumstances, they will only vest to the extent any performance conditions and other conditions have been determined to be satisfied (with appropriate adjustments if the performance period has not yet ended) and will normally be pro-rated for time (except that any holding period will be ignored for the purposes of pro-rating).

The Committee may decide that the Group's malus and clawback policy will no longer apply to an award (and/or any Shares or cash already acquired in respect of an award), or that the policy will be varied in its application, if there is a corporate event.

In some circumstances (including internal reorganisations in particular), awards may instead be exchanged for new awards.

Where awards are granted in tranches, these rules will apply to each tranche separately as if each tranche was a separate award.

14. Variation of share capital

In the event of a variation in the share capital of the Company, a demerger, special dividend or distribution or any other transaction that the Committee believes will materially affect the value of Shares, the Committee may adjust the number or class of Shares to which an award relates.

Alternatively, if the Committee considers an adjustment of awards is not practicable or appropriate, vesting may be accelerated on a similar basis as for other corporate events.

15. Rights attaching to Shares

All Shares issued in connection with the LTIP will rank equally with other Shares then in issue. The Company will apply for the listing of any Shares issued in connection with the LTIP.

Participants will not be entitled to any dividend, voting or other rights in respect of Shares until the Shares are issued or transferred to them (as appropriate).

16. Amendments and termination

The Committee may change the LTIP in any way at any time, but the Company will obtain prior shareholder approval for any change that is to the advantage of present or future participants and which relates to any of the following: the persons who may receive Shares or cash under the LTIP; the total number or amount of Shares or cash that may be delivered under the LTIP; the maximum entitlement for any participant; the basis for determining a participant's entitlement to, and the terms of, Shares or cash provided under the LTIP; the rights of a participant in the event of a capitalisation issue, rights issue, open offer, sub-division or consolidation of shares, reduction of capital or any other variation of the Company's share capital; or to the provision in the rules requiring shareholder approval for changes.

There is an exception for minor amendments to benefit the administration of the LTIP, to comply with or take account of any change in legislation and/or to obtain or maintain favourable tax, exchange control or regulatory treatment of any member of the Group or any present or future participant.

No change may be made to the material disadvantage of one or more participants in respect of subsisting rights without the written consent of the affected participant(s) or unless all such disadvantaged participants have been asked for their consent and a majority of those who respond give consent. Similar exceptions for minor amendments as apply to the shareholder approval requirement apply to the obligation to seek participant consent.

The Committee may establish further plans or schedules based on the LTIP, but modified to take account of any local tax, exchange control or securities laws in other jurisdictions, provided any awards made under them count towards the individual and plan limits in the LTIP. At the date of this Notice, a number of international schedules are attached to the LTIP, including ones setting out particular leaver / mover treatment for participants in China (taking account of local exchange control rules) and to help try to avoid potentially adverse tax rules for US taxpayers.

The LTIP will terminate on the later of ten years after shareholder approval and the date of the Company's AGM in 2034 (or on such earlier date as the Committee decides), although this will not affect any subsisting rights under the LTIP.

This summary does not form part of the rules of the LTIP and should not be taken as affecting the interpretation of their detailed terms and conditions. The Committee reserves the right to amend or add to the rules of the LTIP up until the time of the AGM, provided that such amendments or additions do not conflict in any material respect with this summary.

Appendix 3

AGM instructions – in person attendance

The Meeting will be held at the Rolls-Royce Learning and Development Centre, Wilmore Road, Derby, DE24 9BD at 11.00am on Thursday, 23 May 2024.

Please bring your attendance slip with you, which can be found at the top of your proxy form or the notice of availability if you receive electronic communications from the Company and present it to the shareholder registration desk 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 10.00am and light refreshments will be served before and after the Meeting in the Rolls-Royce Heritage Exhibition in the Company's Learning and Development Centre.

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 Learning and Development Centre offers access for people with disabilities. If you have any other requirements, please talk to one of the Rolls-Royce team who will be in attendance on the day.

Directions

By car

Parking is available at the venue. You do not need to pay for parking. For sat nav systems, please use the following postcode: DE24 9BD.

By rail

The nearest station to the Rolls-Royce Learning and Development Centre is Derby. Shuttle buses will operate from the front exit of the station to the Rolls-Royce Learning and Development Centre from 10.00am until 10.30am and return journeys between 12.30pm and 2.00pm.

AGM instructions – virtual attendance

Shareholders are able to join the meeting virtually.

We will livestream the AGM by webcast via the Lumi platform 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 submit questions and allow you to 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/125797547> 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.

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, 5G).

Webcast

On accessing the webcast, you may be asked to enter a Meeting ID which is 125-797-547. You will then be prompted to enter your unique Shareholder Reference Number (SRN) and PIN. Your SRN can be found printed on your proxy form or notice of availability and your PIN is the first two and last two digits of your SRN. Access to the Lumi AGM website will be available from 10.30am on Thursday, 23 May 2024. When successfully authenticated, the meeting home screen will be displayed. You can view Company information, ask questions and watch the webcast. If viewing on a mobile phone or tablet, 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 www.rolls-royce.com/site-services/data-privacy.aspx

Please refer to 'Voting and Proxies' below for details of how shareholders participating in the Meeting virtually will be able to vote online.

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.

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 by completing and returning the enclosed proxy form by post, online, or electronically by the deadline. Please refer to 'Voting in advance of the Meeting' for instructions on how to appoint a proxy and vote in advance of the Meeting. 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 via the Lumi platform.

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 complete and return the proxy form using one of the below methods:

1. register your vote online by visiting www.sharevote.co.uk. You will be asked to enter the Voting ID, Task ID and Shareholder Reference Number as printed on the proxy form or notice of availability and agree to certain terms and conditions;
2. lodge your vote by completing and returning the enclosed proxy form to our Registrar (Equiniti) in the reply-paid envelope enclosed with the Notice of Meeting;
3. in the case of shareholders holding their shares through CREST, by utilising the CREST electronic proxy appointment service. Please refer to 'Voting through the CREST electronic proxy appointment service' set out below; or
4. in the case of a shareholder that is an institutional investor, your proxy appointment may be submitted electronically via the Proximity platform.

Shareholders are encouraged to appoint the Chair of the Meeting rather than a named person as their proxy. This will ensure that your vote will be counted.

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, 21 May 2024 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.

Shareholders have the right to request, in accordance with section 360BA of the Act 2006, information to enable them to determine that their vote on a poll was validly recorded and counted. Shareholders who wish to do so should contact the Company's Registrar by:

- calling the Registrar's helpline on +44 (0)371 384 2637 between 8.30am and 5.30pm (UK time) Monday to Friday;

- writing to the Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
- emailing customer@equiniti.com

Duly appointed proxies and corporate representatives

If you wish to appoint a proxy or corporate representative to attend in your place, you will need a unique SRN and PIN. To obtain these, please contact the Company's registrar Equiniti by emailing hybrid.help@equiniti.com. To avoid any delays accessing the AGM, contact should be made at least 24 hours prior to the Meeting date and time.

Mailboxes are monitored 9.00am to 5.00pm (UK time) Monday to Friday (excluding public holidays in England & Wales).

Voting through the CREST electronic proxy appointment service

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by following the procedures described in the CREST manual (www.euroclear.com/CREST). CREST personal members or other CREST-sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instruction, as described in the CREST manual. All messages relating to the appointment of a proxy or an instruction to a previously-appointed proxy must be transmitted so as to be received by Equiniti (Issuer agent ID number RA19) by 11.00am on Tuesday, 21 May 2024.

It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Voting Through the Proximity Platform

If you are an institutional investor you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to www.proximity.io. Your proxy must be lodged by 11:00 a.m. on Tuesday, 21 May 2024 (or no later than two business days before the time appointed for any adjourned meeting) in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

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 Chief Governance Officer at governanceteam@rolls-royce.com. Questions must be submitted by 11.00am on Tuesday, 21 May 2024;
2. during the Meeting via the Lumi platform from 10.30am until the close of the AGM on Thursday, 21 May 2024. 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 summary of the questions asked at the AGM together with the answers will be made available on the Company's website as soon as practicable following the conclusion of the Meeting.