

NOTICE OF 2019 ANNUAL GENERAL MEETING OF ROLLS-ROYCE HOLDINGS PLC



Annual General Meeting – 11:00am on Thursday 2 May 2019 at Ashton Gate Stadium, Bristol

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 ('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 invite you to our Annual General Meeting (AGM) which we will be holding at Ashton Gate Stadium in Bristol. The resolutions proposed and explanatory notes about each of them can be found on pages 02 to 05. Biographies of each Director standing for re-election can be found on pages 06 and 07.

Attending the meeting

If you plan to join us at the meeting, you will find enclosed directions to the venue and information about public transport. When you arrive at the meeting and register, you will be given a voting card so that you can vote on each of the resolutions put to the meeting. A proxy form is also enclosed if you would prefer to submit your vote in advance.

Unable to attend?

If you are unable to join us at the AGM, I encourage you to vote on each of the resolutions set out in this Notice by either:

- registering your vote online by visiting www.investorcentre.co.uk/eproxy and following the instructions; or
- completing and returning the enclosed proxy form to our Registrar (Computershare Investor Services PLC) in the pre-paid envelope provided.

The Registrar must receive your vote by 11:00am on Tuesday 30 April 2019. At the end of the AGM, voting on all of the resolutions will be taken by a poll which will include all of the votes submitted in advance.

Your Board believes that all of the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole. This year, we have reviewed our biographies to give clarity regarding the skills and experience each Director brings to the Board and, therefore, their contribution to the long-term sustainable success of the Company. The Directors will be voting in favour of all resolutions and unanimously recommend that you do so as well.

Yours sincerely

Ian Davis
Chairman

Business of the AGM

This year's AGM will be held at Ashton Gate Stadium, Ashton Road, Bristol, BS3 2EJ at 11:00am (BST) on Thursday 2 May 2019. You will be asked to consider and, if thought fit, to pass the resolutions set out below.

Ordinary resolutions 1–20

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 2018.

Remuneration report

2. To approve the Directors' Remuneration Report for the year ended 31 December 2018.

Re-election of Directors

3. To re-elect Ian Davis as a Director.
4. To re-elect Warren East CBE as a Director.
5. To re-elect Stephen Daintith as a Director.
6. To re-elect Lewis Booth CBE as a Director.
7. To re-elect Ruth Cairnie as a Director.
8. To re-elect Sir Frank Chapman as a Director.
9. To re-elect Irene Dorner as a Director.
10. To re-elect Beverly Goulet as a Director.
11. To re-elect Lee Hsien Yang as a Director.
12. To re-elect Nick Luff as a Director.
13. To re-elect Bradley Singer as a Director.
14. To re-elect Sir Kevin Smith CBE as a Director.
15. To re-elect Jasmin Staiblin as a Director.

Re-appointment and remuneration of the auditor

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

Payment to shareholders – C Shares

18. To authorise the Directors:
 - a) to capitalise such sums as they may determine from time to time but not exceeding the aggregate nominal sum of £500m standing to the credit of the Company's merger reserve, capital redemption reserve and/or such other reserves as the Company may legally use in paying up in full, at par, up to 500 billion non-cumulative redeemable preference shares in the capital of the Company with a nominal value of 0.1 pence each (C Shares) as defined in the Company's Articles of Association (Articles) from time to time or any other terms and conditions approved by the Directors from time to time;

- b) pursuant to section 551 of the Companies Act 2006 (the Act), to exercise all powers of the Company to allot and issue C Shares credited as fully paid up to an aggregate nominal amount of £500m to the holders of ordinary shares of 20 pence each in the capital of the Company on the register of members of the Company on any dates determined by the Directors from time to time and on the basis of the number of C Shares for every ordinary share held as may be determined by the Directors from time to time; and provided that the authority conferred by this resolution shall expire at the end of the Company's AGM in 2020 or 30 June 2020, whichever is sooner, and so that such authority shall be additional to, and without prejudice to, the unexercised portion of any other authorities and powers granted to the Directors, and any resolution passed before the date of passing of this resolution; and
- c) to do all acts and things they may consider necessary or desirable to give effect to this resolution and to satisfy any entitlement to C Shares howsoever arising.

Political donations and expenditure

19. To resolve that in accordance with part 14 of 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 2020 or close of business on 30 June 2020.

Authority to allot ordinary shares

20. 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 £126,387,015 equal to the first section 551 amount as defined in Article 12 of the Articles; and
 - b) comprising equity shares up to a nominal amount of £252,774,030 of the second section 551 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 2020 or 30 June 2020, whichever is sooner.

Special resolutions 21 and 22

Disapplication of pre-emption rights

21. To resolve that, subject to the passing of resolution 20 above, the Directors be and are generally and unconditionally authorised to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority provided by resolution 20 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority shall be limited to:

- a) a pre-emptive offer; and
- b) otherwise than in connection with a pre-emptive offer, up to a nominal amount of £18,958,052;

such authority to expire at the end of the Company's AGM in 2020 or 30 June 2020, whichever is sooner.

Authority to purchase own shares

22. To resolve that the Company be and is generally and unconditionally authorised, for the purposes of section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares provided that:

- a) the maximum number of ordinary shares to be purchased is 189,580,523;
- 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 2020 or 30 June 2020, 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.

By order of the Board

Pamela Coles

Company Secretary

7 March 2019

Rolls-Royce Holdings plc

Registered office:

62 Buckingham Gate

London

SW1E 6AT

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www.rolls-royce.com

Registered in England and Wales No: 7524813

Explanation of resolutions

Resolutions 1 to 20 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 2018 Annual Report is available at www.rolls-royce.com. A hard copy of the annual report has been sent to those shareholders who have requested this.

RESOLUTION 2 – THE DIRECTORS' REMUNERATION REPORT

It is a requirement of company law that the Directors' Remuneration Report, which is set out on pages 86 to 95 of the Annual Report, is put to a shareholder vote. This is an advisory resolution but in the event that a substantial minority of shareholders vote against the Directors' remuneration report, the Company will respond and explain how it will address shareholder concerns.

RESOLUTIONS 3 TO 15 – 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 re-election at the AGM in 2019. Biographies of each Director standing for re-election are included in this Notice on pages 06 and 07.

In accordance with the UK Corporate Governance Code (the Code), the Board has reviewed the independence of its Non-Executive Directors and, with the exception of Bradley Singer, has determined that each of them remains fully independent of management. Bradley Singer is a partner and chief operating officer of ValueAct, a major shareholder, and therefore is not considered to be an independent Non-Executive Director. The Company and Bradley Singer are party to a relationship agreement with ValueAct (a summary of which can be found at www.rolls-royce.com). The Code states that whilst the Chairman should, on appointment, be independent, thereafter the test of independence is not appropriate in relation to that post. Ian Davis met the Code's independence criteria upon his election as Chairman on 2 May 2013.

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 2019. Details of the remuneration paid to PwC in 2018 can be found on page 135 of the 2018 Annual Report. Resolution 17 will authorise the Audit Committee, on behalf of the Board, to determine the auditor's remuneration for 2019.

RESOLUTION 18 – PAYMENT TO SHAREHOLDERS (C SHARES)

The Company issues redeemable C Shares of 0.1 pence each as a method of making payments to shareholders rather than paying a cash dividend. C Shares are not listed on the London Stock Exchange. C Shares can be redeemed for cash and our shareholders can choose to either receive the cash or use the cash to purchase additional ordinary shares via the C Share Reinvestment Plan (the CRIP).

The Company proposes to make a final bonus issue of 71 C Shares in respect of the 31 December 2018 financial year with a total nominal value of 7.1 pence for each ordinary share. The C Shares will be allotted on 1 July 2019 to shareholders on the register on 26 April 2019 and the C Share ex-entitlement date is 25 April 2019. Together with the interim issue on 3 January 2019 of 46 C Shares for each ordinary share with a total nominal value of 4.6 pence, this is the equivalent of a total annual payment to ordinary shareholders of 11.7 pence for each ordinary share.

If you have not already submitted your payment instruction form (to redeem or reinvest C Shares) or if you want to change your instruction, your new instruction must be received by the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom no later than 5:00pm on 3 June 2019. CREST holders must submit their instructions in CREST before 3:00pm on 3 June 2019. Redemption will take place on 4 July 2019. Further information about C Shares can be found on the investors' section at www.rolls-royce.com.

We are asking shareholders to approve resolution 18 so that we can continue making payments to shareholders by issuing C Shares.

RESOLUTION 19 – POLITICAL DONATIONS AND EXPENDITURE

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

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

RESOLUTION 20 – AUTHORITY TO ALLOT ORDINARY SHARES

The directors of a company may only allot shares (or grant rights to subscribe for, or convert any security into shares) if authorised to do so. Article 9(a) of the Articles authorises the Directors to allot shares up to a maximum nominal amount specified each year. This is called the 'first section 551 amount' in the Articles. Resolution 20(a) enables the Directors to allot new shares up to a nominal value of £126,387,015 representing approximately one third of the total issued ordinary share capital of the Company as at 7 March 2019 *.

Article 9(b) of the Articles authorises the Directors to allot further shares in the case of a rights issue, in line with guidance issued by the Investment Association. This is called the 'second section 551 amount' in the Articles. Resolution 19(b) enables the Directors to allot new shares up to a nominal value of £252,774,030 representing approximately two thirds of the total issued ordinary share capital of the Company as at 7 March 2019 *.

As at 7 March 2019 *, the Company did not hold any shares in treasury.

Following approval from the relevant authorities in Spain on 19 December 2017, the Group acquired a 53.1% shareholding in ITP Aero from SENER resulting in ITP Aero becoming a wholly-owned subsidiary of the Company. The consideration of €718m will be settled over a two-year payment period, payable in eight equal instalments, and the agreement with SENER allows the Company flexibility to settle up to 100% of the consideration in the form of ordinary shares. Five payments were settled in 2018, all in the form of ordinary shares, as follows:

Instalment	No. of ordinary shares	Date
1st	9,612,581	15 January 2018
2nd	9,624,396	19 March 2018
3rd	9,719,544	19 June 2018
4th	8,398,166	19 September 2018
5th	10,202,227	19 December 2018

Final consideration as to whether the remaining three instalments will be settled in the form of cash or ordinary shares will be determined by the Company during the remaining payment period.

Apart from the agreement with SENER, the Directors have no present intention of using this authority.

Resolutions 21 and 22 are special resolutions – for these resolutions to be passed, 75% or more of votes cast must be in favour.

RESOLUTION 21 – DISAPPLICATION OF PRE-EMPTION RIGHTS

Section 561(l) of the Act requires that when new ordinary shares are issued, they must first be offered to the existing shareholders on a pre-emptive basis (unless they are issued or sold in connection with an employee share scheme). This is called a pre-emption right.

It is proposed that the Directors be authorised to issue an amount of new ordinary shares, or sell treasury shares, for cash without first offering them to existing shareholders. This amount is equal to 5% of the Company's issued ordinary share capital as at 7 March 2019 *. The Directors believe that seeking the disapplication of pre-emption rights, up to this amount, will allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue.

In line with best practice, the Company has not issued more than 7.5% of its issued share capital on a non-pro-rata basis over the last three years and the Board confirms its intention to follow best practice set out in the Pre-emption Group's Statement of Principles which provides that usage of this authority in excess of 7.5% of the Company's ordinary share capital for cash other than to existing shareholders in any rolling three-year period would not take place without prior consultation with shareholders. The issue of ordinary shares for non-cash consideration in settlement of the acquisition of ITP Aero (referred to in the explanatory note to resolution 20 above) is not subject to pre-emption rights.

RESOLUTION 22 – 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 7 March 2019 *) and the minimum and maximum prices at which they may be bought.

On 7 March 2019 * there were options over ordinary shares in the capital of the Company representing 1.6% of the Company's issued ordinary share capital. If the authority to purchase the Company's ordinary shares was exercised in full and those shares were subsequently cancelled, these options would represent 1.8% 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.

* 7 March 2019 being the latest practicable date prior to the publication of this Notice.

Directors' biographies

Ian Davis

Chairman of the Board
Chairman, Nominations & Governance Committee
Appointed to the Board in March 2013 and as Chairman in May 2013.

Career Ian was a partner at McKinsey for 31 years and, during his time, served as chairman and worldwide managing director.

Board skills and experience Ian brings significant financial and strategic experience and has worked with and advised global organisations and companies. This enables him to draw on knowledge of diverse issues and outcomes to assist the Board.

Other principal roles

- BP p.l.c., senior independent director
- Johnson & Johnson Inc., non-executive director
- McKinsey & Company, senior partner emeritus

Warren East CBE

Chief Executive
Appointed to the Board in January 2014 and as Chief Executive in July 2015.

Career Warren is an engineer and joined ARM Holdings plc in 1994 where he was CEO from 2001 until 2013. He is a fellow of the Institute of Engineering and Technology; the Royal Academy of Engineering; the Royal Society; and the Royal Aeronautical Society. He was awarded a CBE in 2014 for services to the technology industry.

Board skills and experience Warren brings a deep understanding of technology and developing long-term partnerships. He also has proven strategic and leadership skills within a global business and a strong record of value creation.

Other principal roles

- Dyson James Group Limited, director

Stephen Daintith

Chief Financial Officer
Appointed in April 2017.

Career Stephen is a chartered accountant. His previous roles include CFO of Daily Mail and General Trust plc from January 2011 to April 2017. He was CFO and COO of Dow Jones in New York and CFO of News International in London, both part of News Corporation. Prior to this, he held executive positions at British American Tobacco plc.

Board skills and experience Stephen has a strong understanding of international business and an appreciation for looking beyond numbers to help improve performance. His change management experience allows him to make a significant contribution to the long-term growth of the business.

Other principal roles

- 3i Group plc, non-executive director

Lewis Booth CBE

Independent Non-Executive Director
Chairman, Audit Committee
Appointed in May 2011.

Career After gaining a bachelor of engineering degree with honours in mechanical engineering, Lewis began his career with British Leyland. He spent 34 years at Ford Motor Company including as executive vice president and CFO. He was awarded a CBE in 2012 for services to the UK automotive and manufacturing industries.

Board skills and experience Lewis has considerable financial expertise and experience, of great benefit to both the Board and in his role as Chairman of the Audit Committee. He brings a global perspective and is recognised as one of the strongest and most experienced international leaders in his sector.

Other principal roles

- Mondelez International Inc., director

Ruth Cairnie

Independent Non-Executive Director
Chairman, Remuneration Committee
Appointed in September 2014.

Career A physicist by background, Ruth joined Royal Dutch Shell plc as a scientist. During her 37 years with the company, she held a number of senior positions, in the UK and internationally. From 2011 until her retirement in 2014, Ruth was executive vice president of strategy and planning for the global business.

Board skills and experience Ruth has strong strategic and commercial knowledge. Skilled in addressing technological and environmental challenges, she brings real value to the Science & Technology Committee. She also has significant experience as remuneration committee chair, both at Associated British Foods plc (ABF) and previously Keller Group plc.

Other principal roles

- ABF, non-executive director
- ContourGlobal plc, non-executive director
- POWERful Women, industry chair

Sir Frank Chapman

Independent Non-Executive Director
Chairman, Safety & Ethics Committee
Appointed in November 2011.

Career Sir Frank is a chartered engineer. With 40 years spent in the oil & gas sector, he was chief executive of BG Group plc for 12 years and chairman of Golar LNG Ltd. Sir Frank is a fellow of the Royal Academy of Engineering, the Institute of Mechanical Engineers and the Energy Institute. He was knighted in 2011 for services to the oil & gas industry.

Board skills and experience Sir Frank has an outstanding record of business achievement, a life-long passion for engineering and innovation and a deep understanding of technology. His significant industrial and safety experience are invaluable to the Board and in particular in his role as Chairman of the Safety & Ethics Committee.

Other principal roles

- Myeloma UK, vice chairman

Irene Dörner

Independent Non-Executive Director
Employee Champion
Appointed in July 2015.

Career Irene was CEO and president of HSBC, US until retiring in December 2014. During a 30-year career with HSBC, she held a number of international roles including CEO of HSBC in Malaysia. Irene is an honorary fellow of St Anne's College Oxford, she qualified as a barrister-at-law in London and until 2016, was a consultant at PwC.

Board skills and experience With a strong background in risk management, gained from the financial sector, Irene brings valuable insight as part of her role on our Audit Committee. As a passionate advocate of diversity and inclusion, she has embraced the role of Employee Champion and ensures the views of the workforce are properly reflected in the Board's discussions.

Other principal roles

- AXA SA, director
- Control Risks Group Holdings Limited, chairman

Beverly Goulet

Independent Non-Executive Director
Employee Champion, North America
Appointed in July 2017.

Career Beverly, a US national, started her career as a securities and M&A lawyer and has spent a considerable amount of her career in the airline industry. From 1993 until June 2017, Beverly was a key member of the executive team of American Airlines where she served in a number of senior roles.

Board skills and experience Beverly brings valuable knowledge and operational experience gained from within the airline sector. Together with her expertise in finance, treasury, strategy, legal and governance matters, she actively takes part in the development and strengthening of our business.

Other principal roles

- Xenia Hotels & Resorts, non-executive director
- Texas Women's Foundation, board member
- Rolls-Royce North America Holdings, Inc., board member

Lee Hsien Yang

Independent Non-Executive Director
Appointed in January 2014.

Career A Singaporean, Hsien Yang was chief executive of Singapore Telecommunications Limited for 12 years. He was a former member of the Rolls-Royce International Advisory Board, he served as chairman and non-executive director of Fraser and Neave Limited from 2007 to 2013 and as chairman of the Civil Aviation Authority of Singapore.

Board skills and experience Hsien Yang combines a strong background in engineering with extensive international business and management experience in a key market for the Company. His significant industrial and financial skills prove valuable in his committee memberships.

Other principal roles

– The Islamic Bank of Asia Private Limited, chairman

Nick Luff

Independent Non-Executive Director
Appointed in May 2018.

Career Nick is a chartered accountant. He is chief financial officer at RELX Group PLC, playing a key role in driving shareholder returns as the company transforms its business and simplifies its corporate structure. Nick was previously CFO of Centrica plc for seven years and, prior to that, P&O Group. Nick has formerly been audit committee chairman and a non-executive director of both Lloyds Banking Group plc and QinetiQ Group plc.

Board skills and experience Nick has broad financial skills and a track record of driving business performance. In addition, he has extensive non-executive experience. This exposure together with both financial and accounting expertise and a passion for engineering is invaluable to the Board.

Other principal roles

– RELX Group PLC, chief financial officer

Bradley Singer

Non-Independent Non-Executive Director
Appointed in March 2016.

Career Brad, a US national, is a partner and COO of ValueAct Capital Management, L.P. He has been senior executive vice president and CFO of Discovery Communications, Inc. and CFO and treasurer of American Tower Corp. Before these appointments, he worked as an investment banker at Goldman Sachs.

Board skills and experience Brad has an outstanding record as a business leader, with experience of public companies during periods of change, growth and significant financial outperformance, particularly in the US. He provides an investor perspective drawing on his experience as COO of ValueAct.

Other principal roles

– ValueAct Capital, partner and COO
– The Posse Foundation, chairman
– McIntire School Foundation, University of Virginia, trustee

Sir Kevin Smith CBE

Senior Independent Director
Chairman, Science & Technology Committee
Appointed in November 2015.

Career Sir Kevin was CEO of GKN plc for nine years. Before GKN, he spent nearly 20 years with BAE Systems in a number of senior executive positions. He has an honorary fellowship doctorate from Cranfield University and is an honorary fellow of the University of Central Lancashire. He was awarded a CBE in 1997 and knighted in 2006 for services to industry.

Board skills and experience Sir Kevin has extensive industrial leadership experience and a deep knowledge of engineering and manufacturing businesses, as well as the aerospace industry. He makes a significant contribution to the growth and development of our key strategies, both as a member of the Board and as Chairman of the Science & Technology Committee.

Other principal roles

– Unitas Capital, senior adviser
– L.E.K. Consulting, European advisory board member

Jasmin Staiblin

Independent Non-Executive Director
Appointed in May 2012.

Career A German national, Jasmin was the CEO of Alpiq Holding AG from 2013 to 2018. Prior to this, she held a number of senior positions in the ABB Group working in Switzerland, Sweden and Australia, becoming CEO of ABB Switzerland from 2006 until 2012.

Board skills and experience Jasmin combines a strong background in advanced engineering and deep technology knowledge with extensive international business experience in the industrial sector. With a background dominated by science and technology, she makes a significant contribution both to the Board and as a member of the Science & Technology Committee.

Other principal roles

– Georg Fischer AG, non-executive director
– Seves, non-executive director

Important notes**Issued share capital and total voting rights**

As at 7 March 2019 * the issued share capital of the Company consisted of 1,895,805,228 ordinary shares of 20 pence each, 29,410,313,340 C Shares of 0.1 pence each and one Special Share of £1. At the AGM, voting on the resolutions set out in this Notice will be by way of a poll. Holders of ordinary shares will be entitled to one vote for each ordinary share held. The Special Shareholder (as defined in the Articles) is entitled to receive notice of and to attend and speak, but has no right to vote, at a general meeting. C Shares do not carry the right to receive notice of any general meeting of the Company nor to attend, speak or vote at any general meeting except one at which a resolution to wind up the Company is to be considered. Therefore, the total number of voting rights in the Company as at 7 March 2019 * was 1,895,805,228.

Entitlement to attend and vote

To be entitled to attend and vote at the AGM, shareholders must be registered on the Company's register of members as at 6:00pm (BST) on Tuesday 30 April 2019 (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 attend or vote at the AGM.

* 7 March 2019 being the latest practicable date prior to the publication of this Notice.

Voting at the AGM

Voting on all resolutions will be conducted by way of a poll and not by a show of hands. On a poll, every member shall have one vote for every ordinary share held. The results of the poll will be announced to the London Stock Exchange once the results have been verified and will also be published at www.rolls-royce.com.

Vote withheld

A vote withheld option is provided to enable you to abstain on any particular 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 Act to enjoy Information Rights (a 'Nominated Person') may, under an agreement with the registered shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed), as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, the Nominated Person may, under any such agreement, have a right to give instructions to the shareholders as to the exercise of voting rights, but you cannot yourself appoint a proxy. Alternatively, if you do not have such a right, or do not wish to exercise it, you may have the right under such an agreement to give instructions to the registered shareholder as to the exercise of voting rights.

Corporate representatives

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

American depositary receipt (ADR) holders

Registered holders should contact the depositary:

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

Email: jpmorgan.adr@eq-us.com

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

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

J.P. Morgan Depositary Receipts
383 Madison Ave, Floor 11
New York, NY 10179
+1 866 576 2377

Email: adr@jpmorgan.com

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 and from 10:00am on the date and at the place of the AGM until the meeting closes:

- Executive Directors' service contracts;
- Non-Executive Directors' letters of appointment;
- deeds of indemnity granted to each Director; and
- a copy of the Articles.

Business at the AGM

Under section 319A of the Act, shareholders have the right to ask questions at the AGM relating to the business of the meeting and for these to be answered, unless the answer: would interfere unduly with the business of the meeting; would involve the disclosure of confidential information; has already been published on the Company's website; or it is not in the interests of the Company or the good order of the meeting that the question be answered.

Under section 338A of the Act, shareholders may request the Company to include in the business to be dealt with at annual general meetings any matter (other than a proposed resolution) which may be properly included in the business, provided that it is not defamatory, frivolous or vexatious.

The Company will include such matter if sufficient requests have been received in accordance with section 338A(3) of the Act. This requires a minimum of 100 shareholders who have a right to vote at the AGM and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100, or shareholders representing at least 5% of the total voting rights, to make the request which must be submitted in the manner detailed in section 338A 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 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 section 527 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 section 527(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 section 527 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 section 527 of the Act, to publish on its website.

Communication

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

- by calling the Registrar's helpline on +44 (0)370 703 0162 between 08:30am 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