



# Rolls-Royce®

## RULES

OF THE

## ROLLS-ROYCE GLOBAL EMPLOYEE SHARE PURCHASE PLAN

|  |                          |
|--|--------------------------|
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| (under authority delegated by the Committee) |                          |

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<sup>1</sup> After 26<sup>th</sup> Feb 2024, no Investment Shares will be able to be purchased or Matching / Free Share Awards settled for California participants unless shareholder approval is renewed beforehand. Based on the approval at the AGM in 2024, the Plan has a 10 year life, However, for this reason it may be appropriate to take it back to shareholders in 2033 at the latest.

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# Rolls-Royce Global Employee Share Purchase Plan

## 1. Meaning of words used

### 1.1 General

In these rules:

**“Award”** means a Free Share Award, a right to purchase Investment Shares or a Matching Share Award;

**“Award Date”** means the date on which an Award is granted;

**“Business Day”** means a day on which the London Stock Exchange (or, if the Committee decides, any other stock exchange on which the Shares are traded) is open for the transaction of business;

**“Committee”** means the remuneration committee of the board of directors of the Company or a committee duly authorised by it. For the purposes of rules 12 (Takeovers and restructurings) and 13 (Exchange of Awards), it means those persons who were members of the Committee immediately before the relevant event;

**“Company”** means Rolls-Royce Holdings plc with registered number 07524813;

**“Contribution”** means a deduction from a Participant’s salary (or other agreed method of payment) for the purposes of acquiring Investment Shares;

**“Control”** means the power of a person to secure by means of the holding of shares or the possession of voting power or by virtue of any powers conferred by any articles of association (or other document), that the affairs of a body corporate are conducted in accordance with the wishes of that person;

**“Dealing Restrictions”** means any internal or external restrictions on dealings or transactions in securities;

**“Early Leaver Vesting Date”** means such date or dates as may be specified by the Committee on which Awards held by Participants who Leave may Vest, ahead of the relevant Expected Vesting Date;

**“Employee”** means any employee (including an employed executive director) of any Member of the Group and, for the purposes of rule 16 (Terms of employment), it includes a former employee;

**“Expected Vesting Date”** means the date the Committee decides under rules 4.3 (Terms of Free Share Awards) or 6.3 (Terms of Matching Share Awards) which, for the avoidance of doubt, in the case of Free Share Awards may be a fixed date or date of occurrence of a particular event or set of circumstances;

**“Free Share Award”** means a conditional right to acquire Shares granted under the Plan;

**“Group”** means the Company and any company that is a subsidiary of the Company (within the meaning of section 1159 of the Companies Act 2006) and, for the purposes of rule 10 (Leaving), it includes associated companies nominated for this purpose by the Committee, and **“Member of the Group”** will be understood accordingly;

**“Investment Shares”** means Shares bought on behalf of a Participant in accordance with the Plan;

**“Lapse”** means:

- (i) in relation to Investment Shares, the Participant no longer being entitled to purchase further Investment Shares in any Purchase Period; and
- (ii) in relation to a Free Share Award or a Matching Share Award, the Participant losing the right to receive some or all of the Shares or cash comprised in the Award;

**“Leave”** means ceasing to be an employee (and ceasing to be a director) of all Members of the Group and **“Leaving”** and **“Left”** will be understood accordingly;

**“Linked Investment Shares”** means those Investment Shares purchased up to any applicable Matching Limit as provided in rule 6.4 (Matching Ratio and Matching Limit);

**“Market Value”** on any day means the market value of a Share (for the purposes of calculating entitlements under the Plan) as determined using a calculation method decided by the Committee;

**“Matching Limit”** means the limit the Committee decides under rule 6.3 (Terms of Matching Share Awards);

**“Matching Ratio”** means the ratio the Committee decides under rule 6.3 (Terms of Matching Share Awards);

**“Matching Share Award”** means a conditional right to acquire Shares granted under the Plan in connection with the purchase of Investment Shares during a specified Purchase Period;

**“Nominee”** means the nominee appointed by the Committee to hold Plan Shares on behalf of Participants for the purposes of the Plan, including the use of any trust established pursuant to a trust deed entered into between the Company and the nominee to facilitate these services;

**“Other Conditions”** means any conditions imposed under rule 4.5 (Other Conditions);

**“Participant”** means a person who has enrolled in the Plan for the purchase of Investment Shares or who is holding or has held an Award or, after death, that person’s personal representatives;

**“Performance Conditions”** means any performance conditions imposed under rule 4.4 (Performance Conditions);

**“Performance Period”** means the period in respect of which any Performance Conditions are to be satisfied;

**“Plan”** means the plan constituted by these rules and its schedules known as the Rolls-Royce Global Employee Share Purchase Plan, as amended from time to time;

**“Plan Shares”** means Shares acquired by a Participant:

- (i) as Investment Shares;
- (ii) as a consequence of the Vesting of a Free Share Award or Matching Share Award; and
- (iii) in accordance with rule 9.1 (Shareholder distributions);

**“Purchase Date”** means each date on which Investment Shares are purchased on behalf of a Participant;

**“Purchase Period”** means the period, determined by the Committee, during which Investment Shares will be purchased;

**“Share”** means a fully paid ordinary share in the capital of the Company or, where relevant, an American depositary receipt or American depositary share representing one or more fully paid ordinary shares in the capital of the Company;

**“Tax”** means any tax and social security charges (and/or any similar charges), wherever arising, in respect of a Participant’s Award or otherwise arising in connection with that Participant’s participation in the Plan; and

**“Vesting”** means, in relation to a Free Share Award or a Matching Share Award, the Participant becoming entitled to the Shares subject to the Award, and **“Vest”** and **“Vested”** will be understood accordingly.

## **1.2 Interpretation**

In this Plan, the singular includes the plural and the plural includes the singular. References to any enactment or statutory requirement will be understood as references to that enactment or requirement as amended or re-enacted and they include any subordinate legislation made under it.

## **2. Grant of Awards – general**

### **2.1 Eligibility**

The Committee may only grant an Award to someone who is an Employee at the Award Date (unless otherwise permitted pursuant to these rules) or, if the Committee so decides, at any earlier date on which eligibility for an Award is assessed.

The Committee will decide which Employees will be granted Free Share Awards, Matching Share Awards and/or invited to apply for Investment Shares and can set such eligibility criteria as it considers appropriate from time to time.

### **2.2 Award type**

The Committee may grant:

- 2.2.1 Free Share Awards;
- 2.2.2 rights to purchase Investment Shares; and
- 2.2.3 for those who have enrolled to purchase Investment Shares, Matching Share Awards.

### **2.3 No payment**

A Participant is not required to pay for the grant of any Award.

### **2.4 Administrative errors**

If the Committee grants an Award:

- 2.4.1 in error, it will be deemed never to have been granted and/or will immediately Lapse; and/or
- 2.4.2 which is inconsistent with any provisions in this Plan, it will take effect only to the extent permissible under the Plan and will otherwise be deemed never to have been granted and/or will immediately Lapse.

### **2.5 Nominee**

Plan Shares will be held by the Nominee on behalf of the Participants. The Committee may make the grant of Awards subject to the condition that Participants enter into a Nominee agreement with the Nominee.

Plan Shares and any cash held by the Nominee on behalf of Participants will be subject to the terms and conditions of the Nominee agreement.

### **3. Plan limits**

#### **3.1 Dilution**

An Award may not be made which would cause:

- 3.1.1 the total number of Shares that have been Allocated in the previous 10 years (or could still be Allocated by virtue of rights granted) under the Plan and under any other employee share plans operated by any Member of the Group to exceed 10% of the ordinary share capital of the Company in issue; and
- 3.1.2 the total number of Shares that have been Allocated in the previous 10 years (or could still be Allocated by virtue of rights granted) under any discretionary employee share plans operated by any Member of the Group to exceed 5% of the ordinary share capital of the Company in issue.

#### **3.2 Calculating the number of Shares**

For the purposes of this rule 3 (Plan limits):

- 3.2.1 Shares are considered to be “**Allocated**” when allotted and issued as new shares, or transferred from treasury. However, if relevant institutional investor guidelines cease to require treasury shares to be taken into account for these purposes, then treasury Shares will not count towards these Share limits;
- 3.2.2 employee share plans are considered to be “**discretionary**” when there is discretion as to who can receive awards under them (as opposed to granting awards to, or inviting, everyone that meets the eligibility criteria); and
- 3.2.3 where there has been a variation in the share capital of the Company as described in rule 14 (Variations in share capital), the number of Shares taken into account for the purposes of the Share limits will be adjusted as the Committee considers appropriate to take account of the variation.

### **4. Free Share Awards**

#### **4.1 Meaning of “Award”**

For the purposes of this rule 4 (Free Share Awards), references to “**Awards**” mean Free Share Awards.

#### **4.2 Grant of Free Share Awards**

If the Committee grants Awards, they will be granted by deed or in any other way which ensures the Awards are contractually enforceable.

The Committee may only grant Awards within 42 days starting on any of the following:

- 4.2.1 the day on which the Company’s shareholders approve the Plan;
- 4.2.2 the Business Day following the day on which the Company’s results are announced for any period;

- 4.2.3 any day on which changes to the legislation or regulations affecting share plans are announced or take effect;
- 4.2.4 any day on which the Committee resolves that exceptional circumstances exist which justify the grant of Awards; and
- 4.2.5 the day Dealing Restrictions, which prevented the granting of Awards during the periods specified above, are lifted.

The Committee may require Participants to accept Awards or specific terms and may provide for Awards to Lapse if they are not accepted within the time specified.

The Committee may allow Participants to disclaim all or part of an Award within a specified period. If an Award is disclaimed, it will be deemed never to have been granted.

#### **4.3 Terms of Free Share Awards**

Awards are subject to the rules of the Plan.

The Committee will approve the terms of an Award, including:

- 4.3.1 the Award Date;
- 4.3.2 the number of Shares subject to the Award or the basis for calculating the number of Shares;
- 4.3.3 the Expected Vesting Date;
- 4.3.4 if the Award is subject to any Performance Conditions, details of those Performance Conditions and the applicable Performance Period;
- 4.3.5 details of any Other Conditions; and
- 4.3.6 whether the Participant may be required to enter into any election for a particular tax and/or social security treatment in respect of an Award and/or any Shares and any consequences of failing to make the election.

Participants will be notified of the terms of their Awards as soon as practicable.

#### **4.4 Performance Conditions**

The Committee may make Vesting of an Award conditional on the satisfaction of one or more Performance Conditions.

The Committee may change a Performance Condition in accordance with its terms or if anything happens that causes the Committee to reasonably consider it appropriate to do so. A changed Performance Condition will not be materially less or more difficult to satisfy than the original condition was intended to be at the Award Date.

The Committee will notify any relevant Participant as soon as practicable after any change.

#### **4.5 Other Conditions**

The Committee may impose other conditions on Vesting of an Award. The Committee may change those other conditions in accordance with their terms or if anything happens which causes the Committee to reasonably consider it appropriate to do so.

The Committee will notify any relevant Participant as soon as practicable after any change.

## **5. Investment Shares**

### **5.1 Invitations, enrolment and applications**

If the Committee proposes to offer Investment Shares, it will invite Employees to enrol in the Plan by submitting an application. The Committee may invite Employees to enrol in the Plan at any time, subject to any applicable Dealing Restrictions.

Employees can enrol at any time when the Plan is open for applications, subject to any applicable Dealing Restrictions.

By enrolling in the Plan, Participants will:

- 5.1.1 accept the terms of the Plan;
- 5.1.2 apply for Investment Shares on the terms specified pursuant to rule 5.3 (Terms of Investment Shares);
- 5.1.3 specify the amount of each Contribution; and
- 5.1.4 authorise Contributions to be deducted from their salary (or agree to another method of payment agreed by the Committee).

### **5.2 Evergreen status**

Unless the Committee decides otherwise, when an Employee enrolls in the Plan, this will be on an evergreen basis, such that the Employee will become a Participant for the Purchase Period which is current at the time of enrolment and all future Purchase Periods, until they withdraw in accordance with the Plan.

The Committee may decide at any time that applications will cease to apply on an evergreen basis. This will not have any impact on Purchase Periods already in existence. The Committee will notify all affected Participants as soon as practicable.

Where the Plan operates on an evergreen basis, the terms for each new Purchase Period will apply on the same basis as for the most recent Purchase Period (with any dates being advanced as appropriate by reference to the new Purchase Period), unless the Committee decides otherwise in which case the updated terms will be communicated to Participants accordingly.

### **5.3 Terms of Investment Shares**

The rights to purchase Investment Shares are subject to the rules of the Plan.

The Committee will approve the terms on which Investment Shares are to be purchased, which will be set out in the terms communicated to Employees in connection with enrolment, including:

- 5.3.1 the timeframe in which Employees may enrol in the Plan;
- 5.3.2 the Purchase Period and, where appropriate, the interval at which future Purchase Periods will occur;
- 5.3.3 the number and frequency of Contributions to be made in the relevant Purchase Period;
- 5.3.4 the date on which Contributions will start;
- 5.3.5 the maximum and minimum amount for each Contribution;
- 5.3.6 any limit on Investment Shares under rule 5.4 (Limit on Investment Shares);



- 5.3.7 the Purchase Date(s) or the basis on which the Purchase Date(s) will be determined;
- 5.3.8 whether Matching Share Awards will be offered (in which case the terms set out in rule 6.3 (Terms of Matching Share Awards) will also be specified); and
- 5.3.9 whether the Participant may be required to enter into any election for a particular tax and/or social security treatment in respect of the purchase of Investment Shares and any consequences of failing to make it.

#### **5.4 Limit on Investment Shares**

The Committee may limit the number or value of Investment Shares which may be bought for any Purchase Period.

If the Company receives applications for Investment Shares that exceed the limit, or it becomes clear once Contributions have been made that the limit will be exceeded, then the Committee has discretion to accept the applications as made, or to scale down applications. If scaling down occurs, the number of Shares and/or Contributions for each Participant will be reduced as determined by the Committee. Each Participant will be notified of the change, each application will be deemed to be modified or withdrawn accordingly and any excess Contributions already made will be returned to the Participant.

#### **5.5 Holding Contributions**

Contributions will be held in a non-interest bearing account until they are used to purchase Investment Shares on the Participant's behalf or are returned to the Participant.

#### **5.6 Purchase of Investment Shares**

On each Purchase Date, the Committee will arrange for the aggregate amount of Contributions made by the Participants to be applied in purchasing Investment Shares on behalf of Participants.

The number of Shares that will be purchased on behalf of each Participant will be determined by reference to that Participant's Contributions and the Market Value of a Share on the Purchase Date.

The Committee will carry forward and add to the next Contribution any excess not used to purchase Shares on any Purchase Date. Alternatively, the Committee may pay the excess to the Participant as soon as practicable or may apply the excess in purchasing a fractional Share or fractional entitlement to Shares.

#### **5.7 Varying Contributions**

The Committee may, at any time, change the maximum and minimum amount of each Contribution not yet made for any Purchase Period and notify affected Participants accordingly. Following such notification, any Contribution greater than the new maximum will be deemed to be modified accordingly. Any Contribution less than the new minimum will only be modified where a Participant has agreed to such change. The Committee may permit Participants to vary the amount of their Contributions by giving notice to the Company. Any variation (within the maximum and minimum specified by the Committee) will take effect within such timeframe as is communicated to Participants or as soon as practicable following receipt of the notice.

#### **5.8 Stopping Contributions**

A Participant may, at any time, stop making further Contributions by giving notice to the Company. The notice will take effect within such timeframe as is communicated to Participants or as soon as practicable following receipt of the notice.

The Committee may, at any time, decide that no further Contributions will be taken for a Purchase Period and will give notice to affected Participants. The notice will take effect within such timeframe as is communicated to Participants or as soon as practicable following receipt of the notice. No new Purchase Periods will start following the notice until the Company so decides.

Contributions already made prior to the notice taking effect will be used to purchase Investment Shares unless the Committee decides otherwise.

The Committee may permit the Participant to restart Contributions. Missed Contributions may not be made up, unless the Committee decides otherwise.

## **5.9 Contributions in error**

If the amount of any Contribution made is in error, any Member of the Group and/or the Nominee may take such action as the Committee may direct to correct the error.

## **5.10 Dealing Restrictions**

If purchasing Investment Shares would be prohibited by Dealing Restrictions, the purchase will not occur until after the Dealing Restrictions cease to apply, unless the Committee decides otherwise.

A Participant should not take any other action referred to in this rule 5 (Investment Shares), including stopping, starting or varying Contributions, at a time when such action would be prohibited by Dealing Restrictions.

# **6. Matching Share Awards**

## **6.1 Meaning of “Award”**

For the purposes of this rule 6 (Matching Share Awards), references to “**Awards**” mean Matching Share Awards.

## **6.2 Grant of Matching Share Awards**

The Committee may decide to grant Awards to Participants which are linked to some or all of the Investment Shares purchased. The terms on which a Participant enrolls in the Plan will state if Awards will be granted.

A Participant’s Award will be granted on the first Purchase Date for that Participant in the relevant Purchase Period, unless the Committee decides otherwise.

## **6.3 Terms of Matching Share Awards**

Awards are subject to the rules of the Plan.

The Committee will approve the terms of an Award, which will be set out in the terms communicated to Employees in connection with enrolment, including:

- 6.3.1 the Matching Ratio;
- 6.3.2 the Matching Limit (if any);
- 6.3.3 the Expected Vesting Date; and
- 6.3.4 whether the Participant may be required to enter into any election for a particular tax and/or social security treatment in respect of an Award and/or any Shares and any consequences of failing to make the election.

## **6.4 Matching Ratio and Matching Limit**

The Committee will specify the Matching Ratio and, if having one, the Matching Limit for each Award.

The Matching Ratio is used to determine the number of Shares subject to a Matching Share Award by reference to the Linked Investment Shares purchased.

The Matching Limit, where applicable, is the limit on the number of Investment Shares or value of a Contribution by reference to which the Shares subject to a Matching Share Award will be calculated. Where a Matching Limit applies, the relevant number of Investment Shares (or number of Investment Shares purchased with the specified value of a Contribution) will be “**Linked Investment Shares**”. For the avoidance of doubt:

6.4.1 where applicable, Investment Shares acquired on any occasion which are in excess of the applicable Matching Limit will not be Linked Investment Shares; and

6.4.2 where no Matching Limit applies, all Investment Shares will be Linked Investment Shares.

The Committee may alter the Matching Ratio and/or Matching Limit at any time. The Committee must give notice of any change to all affected Participants as soon as practicable (and, in any event, before Investment Shares are purchased under the varied terms).

## **6.5 Lapse of Matching Share Awards**

In addition to any other provisions for Lapse under the Plan, if a Participant directs the Nominee, prior to the Expected Vesting Date, to sell or transfer any Linked Investment Shares, the related Award will Lapse in respect of a number of Shares determined as follows: Linked Investment Shares sold or transferred multiplied by the Matching Ratio of the Award in question, unless the Committee determines otherwise.

## **6.6 Number of Shares that will Vest**

The number of Shares subject to an Award that will Vest is equal to the aggregate number of Linked Investment Shares purchased for the relevant Purchase Period, and that continue to be held by the Nominee on behalf of the Participant, multiplied by the Matching Ratio of the Award. If the Matching Ratio has changed between Purchase Dates, the calculation will be applied to account for the different Matching Ratios.

## **7. Vesting of Free Share Awards and Matching Share Awards**

### **7.1 Timing of Vesting**

Free Share Awards will Vest on the latest of:

7.1.1 the Expected Vesting Date;

7.1.2 the date it is decided that any Performance Conditions are satisfied; and

7.1.3 the date it is decided that any Other Conditions are satisfied.

Matching Share Awards will Vest on the Expected Vesting Date.

### **7.2 Extent of Vesting**

A Free Share Award will Vest to the extent that the Committee decides that any Performance Conditions and/or Other Conditions are satisfied.

A Matching Share Award will Vest to the extent set out in rule 6.6 (Number of Shares that will Vest).

To the extent a Free Share Award or a Matching Share Award or any part of it is no longer capable of Vesting it will Lapse. To the extent the Award Lapses, it cannot Vest under any other provision of the Plan.

### **7.3 Vesting – Impact of Dealing Restrictions**

Where a Free Share Award or a Matching Share Award would otherwise Vest at a time when Dealing Restrictions would prohibit:

7.3.1 delivering or arranging delivery of Shares or cash; and/or

7.3.2 the Participant from selling Shares, if required to discharge Tax,

the Award will not Vest until the Dealing Restrictions cease to apply, unless the Committee decides otherwise.

### **7.4 Fractions**

Where a Free Share Award or a Matching Share Award would otherwise Vest over a fraction of a Share, the number of Shares that will Vest will be rounded to the nearest whole Share. Alternatively, the Committee could choose to settle the Award using a fractional Share or fractional entitlement to Shares.

## **8. Settlement of Free Share Awards and Matching Share Awards**

### **8.1 Meaning of “Award”**

For the purposes of this rule 8 (Settlement of Free Share Awards and Matching Share Awards), references to “**Awards**” mean Free Share Awards and Matching Share Awards.

### **8.2 Cash alternative**

The Committee may choose (whether at the time of grant or any other time before settlement) to settle any Award partly or fully in cash. The Participant will have no right to acquire the Shares in respect of which an Award has been settled in cash.

### **8.3 Delivery of Shares or cash**

If an Award Vests, the Committee will arrange for the delivery of Shares or cash as soon as practicable after Vesting. Shares will be delivered to the Nominee on behalf of the Participant, unless the Committee decides otherwise.

### **8.4 Dealing Restrictions**

If delivering or arranging delivery of Shares or cash would be prohibited by Dealing Restrictions, delivery will not occur until after the Dealing Restrictions cease to apply, unless the Committee decides otherwise.

## **9. Plan Shares**

### **9.1 Shareholder distributions**

In respect of Plan Shares held by the Nominee, shareholder distributions paid in:

- 9.1.1 cash will be applied in purchasing further Shares, the number of which will be determined by reference to the amount of shareholder distribution to which the Participant is entitled and the Market Value of a Share on the relevant date;
- 9.1.2 C shares (being redeemable non-cumulative preference shares in the Company) will be redeemed for cash by the Nominee on behalf of Participants as soon as possible, and when that cash is sufficient to purchase a whole Share, will be applied in purchasing further Shares which will take place at times specified by the Committee,

unless the Committee decides otherwise. Shares purchased under this rule will be considered Plan Shares and held by the Nominee on behalf of the Participant, unless the Committee decides otherwise.

The Committee will carry forward any excess not used to purchase Shares. Alternatively, the Committee may pay the excess to the Participant as soon as practicable or may apply the excess in purchasing a fractional Share or fractional entitlement to Shares.

## **9.2 Shareholder rights**

Shares issued in connection with this Plan will rank equally in all respects with the Shares in issue on that date.

Participants will only be entitled to rights attaching to Shares from the date of the allotment or transfer to them.

## **9.3 Withdrawing Plan Shares**

A Participant may instruct the Nominee to sell or transfer the Participant's Plan Shares at any time.

## **9.4 Share transfer tax**

Any share transfer taxes arising on the delivery of Plan Shares will be payable by the Nominee (and reimbursed by the Company), unless the Committee determines that Participants will cover them.

# **10. Leaving**

## **10.1 Leaving – general**

When a Participant Leaves, and after all outstanding Free Share Awards and Matching Share Awards have either Lapsed or Vested, the Nominee will arrange for:

- 10.1.1 any Plan Shares held by the Nominee on the Participant's behalf to be sold or transferred, in accordance with the Participant's instructions; and
- 10.1.2 any sales proceeds and other cash held by the Nominee on the Participant's behalf to be transferred to the Participant, or otherwise paid in accordance with the Participant's instructions,

as soon as practicable.

If a Participant does not give the Nominee instructions in relation to the Plan Shares within the specified timeframe for giving instructions, the Plan Shares will be managed as decided by the Committee from time to time.

The Nominee will not be required to transfer cash amounts with a value of less than a minimum amount (specified from time to time) to Participants who have Left.

## **10.2 Leaving – Investment Shares**

When a Participant Leaves, their rights to purchase Investment Shares Lapse. Contributions made, or in the process of being made, before the rights Lapse will be used to purchase Investment Shares (which will be able to qualify as Linked Investment Shares, up to the Matching Limit, for the purposes of the related Matching Share Award), unless the Committee decides otherwise.

## **10.3 Leaving before Vesting – Free Share Awards and Matching Share Awards**

Where a Participant who holds a Free Share Award or Matching Share Award Leaves before Vesting:

10.3.1 a Free Share Award will Lapse as at the date of Leaving, unless the Committee decides it should Vest, in which case rule 10.6 (Free Share Awards – extent of Vesting) will apply;

10.3.2 a Matching Share Award will Vest on the first practicable Early Leaver Vesting Date following Leaving,

unless the Committee decides otherwise.

## **10.4 Leavers after Vesting – Free Share Awards and Matching Share Awards**

If a Participant who holds a Free Share Award or Matching Share Award Leaves after Vesting, the Award will continue in accordance with the Plan.

## **10.5 Summary dismissal**

If, at any time, a Participant is summarily dismissed or Leaves in circumstances where the Participant's employer would have been entitled to summarily dismiss the Participant (in the opinion of the Committee) then that Participant's Free Share Awards and Matching Share Awards will immediately Lapse.

## **10.6 Free Share Awards – extent of Vesting**

If this rule 10.6 (Free Share Awards – extent of Vesting) applies, a Free Share Award will Vest to the extent the Committee decides (including, if appropriate, pro-rata to reflect the period from the Award Date until the date the Participant Leaves, as a proportion of the period from the Award Date until the Expected Vesting Date). Vesting will occur on the first practicable Early Leaver Vesting Date or otherwise on such date as the Committee decides.

## **11. Mobile Participants**

### **11.1 Application of rule**

If a Participant moves from one jurisdiction to another or becomes tax resident in a different jurisdiction and, as a result, there may be adverse legal, regulatory, administrative or tax consequences for the Participant and/or a Member of the Group in connection with participation in the Plan then the Committee may adjust the terms on which the Participant can participate in the Plan as it considers appropriate.

### **11.2 Cancellation**

If the Committee decides that adjusting the terms of participation under rule 11.1 (Application of rule) is not practicable or appropriate, the Committee may decide that Awards will Lapse and/or that the Participant will be treated as a Leaver.

### **11.3 Notifying Participants**

The Committee will notify affected Participants of any adjustment or decision made under this rule 11 (Mobile Participants) as soon as practicable.

## **12. Takeovers and restructurings**

### **12.1 Change of Control**

Where a person (or a group of persons acting together) obtains Control of the Company as a result of making an offer to acquire Shares:

- 12.1.1 Matching Share Awards will Vest;
  - 12.1.2 Free Share Awards will Vest if, and to the extent, the Committee decides; and
  - 12.1.3 rights to purchase Investment Shares will Lapse,
- on the date the person obtains such Control.

### **12.2 Schemes of arrangement**

Where a court sanctions a compromise or arrangement in connection with the acquisition of Shares, the Committee will decide that:

- 12.2.1 Matching Share Awards will Vest;
  - 12.2.2 Free Share Awards will Vest if, and to the extent, the Committee decides; and
  - 12.2.3 rights to purchase Investment Shares will Lapse,
- on the date of the court sanction or the effective date.

### **12.3 Bound or entitled**

Where a person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006 (inclusive):

- 12.3.1 Matching Share Awards will Vest;
  - 12.3.2 Free Share Awards will Vest if, and to the extent, the Committee decides; and
  - 12.3.3 rights to purchase Investment Shares will Lapse,
- on the date the person becomes so bound or entitled.

### **12.4 Winding up**

If shareholders approve the voluntary winding up of the Company:

- 12.4.1 Matching Share Awards will Vest;
  - 12.4.2 Free Share Awards will Vest if, and to the extent, the Committee decides; and
  - 12.4.3 rights to purchase Investment Shares will Lapse,
- on the date of the shareholder approval.

## **12.5 Lapse**

If Free Share Awards do not Vest, or Free Share Awards and/or Matching Share Awards only Vest in part under this rule 12 (Takeovers and restructurings), they will Lapse to the extent they do not Vest.

## **13. Exchange of Awards**

### **13.1 Definitions**

For the purposes of this rule 13 (Exchange of Awards), “**Acquirer**” means a person that obtains Control of the Company and “**Award**” means a Free Share Award or a Matching Share Award.

### **13.2 Application of rule**

Where any of rules 12.1 (Change of Control), 12.2 (Schemes of arrangement) or 12.3 (Bound or entitled) is expected to or does apply:

- 13.2.1 if the relevant event constitutes a corporate reorganisation of the Company where substantially all the shareholders of the Company immediately before the reorganisation will continue to have Control immediately afterwards, Awards will not Vest under rule 12 (Takeovers and restructurings) but will instead be exchanged for new awards, unless the Committee decides otherwise acting fairly and reasonably; and
- 13.2.2 in any other case, the Committee may, with the consent of the Acquirer, decide that either:
  - (i) Awards will not Vest under rule 12 (Takeovers and restructurings) but will instead be exchanged for new awards; or
  - (ii) Participants will be entitled to choose, within a period decided by the Committee, whether to exchange their Awards for new awards.

Where relevant, the Company and the Acquirer will agree the appropriate approach in respect of Awards which have Vested prior to the relevant event but would not generally be settled (in accordance with rule 8 (Settlement of Free Share Awards and Matching Share Awards)) until after that event.

### **13.3 Timing of exchange**

Any exchange of Awards for new awards will take place on (or as soon as practicable after) the relevant event in rule 12 (Takeovers and restructurings).

### **13.4 Exchange terms**

Where a Participant is granted a new award in exchange for an existing Award, the new award:

- 13.4.1 to the extent the existing Award is over Shares, must confer a right to acquire shares (or other securities) in the Acquirer or another body corporate, as determined by the Committee with the agreement of the Acquirer;
- 13.4.2 is treated as having been acquired at the same time as the Award; and
- 13.4.3 unless the Committee decides otherwise, must be subject to terms and conditions that are considered by the Committee to be substantially equivalent to the terms and conditions applicable to the Award immediately prior to exchange.



### **13.5 Interpretation following exchange**

Unless the Committee decides otherwise, any new award that is subject to the Plan will be interpreted as if references to Shares are references to the shares (or other securities) over which the new award is granted and references to the Company are references to the Acquirer.

## **14. Variations in share capital**

### **14.1 Definition**

For the purposes of this rule 14 (Variations in share capital), “**Award**” means a Free Share Award or a Matching Share Award.

### **14.2 Adjustments to Awards**

If there is:

- 14.2.1 a variation in the share capital of the Company, including a capitalisation or rights issue, open offer, sub-division, consolidation or reduction of share capital;
- 14.2.2 a demerger (in whatever form);
- 14.2.3 a special dividend or distribution; or
- 14.2.4 any other transaction which the Committee decides will materially affect the value of the Shares,

the Committee may adjust the number or class of the Shares to which an Award relates, and the number of Linked Investment Shares that are linked to a Matching Share Award, in such manner as the Committee considers appropriate.

The Committee will notify affected Participants of any adjustment made under this rule 14.2 (Adjustments to Awards) as soon as practicable.

### **14.3 Alternative Vesting**

If the Committee decides that an adjustment of Awards is not practicable or appropriate, then the Committee may decide that Awards (including a right to purchase Investment Shares) will be treated as if there had been a change of Control, in accordance with rule 12.1 (Change of Control), and to the extent Awards do not Vest they will Lapse. If the Committee decides that Awards will be treated as if there had been a change of Control, it may decide that any Vesting of Awards will take place immediately prior to, and conditional on, the relevant event in rule 14.2 (Adjustments to Awards) occurring.

## **15. Tax**

### **15.1 Withholding**

Any Member of the Group, any employing company, the Nominee or any third-party provider nominated by the Committee may make withholding arrangements as set out in this rule 15.1 (Withholding).

A withholding entity may make such withholding arrangements as it considers necessary or desirable, including making deductions from any cash payment owed to the Participant.

Withholding arrangements may include the sale on behalf of the Participant of some or all of the Participant's Plan Shares.

An entity may withhold to meet any liability for Tax and to meet any applicable dealing and/or currency exchange costs and other associated costs.

## **15.2 Participant indemnity**

Each Participant indemnifies the Group for that Participant's liability for Tax.

## **16. Terms of employment**

### **16.1 Application**

This rule 16 (Terms of employment) applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.

### **16.2 Not part of employment contract**

Nothing in the rules of the Plan or the operation of the Plan forms part of an Employee's contract of employment or alters it. The rights and obligations arising from the employment or former employment relationship between the Employee and the relevant Member of the Group are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, employment (continued or otherwise).

### **16.3 No future expectation**

No Employee has a right to participate in the Plan. Participation in the Plan or the grant of an Award on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of an Award on the same, or any other, basis (or at all) in the future.

### **16.4 Decisions and discretion**

The terms of the Plan do not entitle the Employee to the exercise of any discretion in the Employee's favour. The Employee will have no claim or right of action in respect of any decision, omission or discretion which may operate to the disadvantage of the Employee.

### **16.5 No compensation**

No Employee has any right to compensation or damages for any loss (actual or potential) in relation to the Plan, including any loss in relation to:

- 16.5.1 any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);
- 16.5.2 any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure or delay to exercise a discretion or take a decision; and
- 16.5.3 the operation, suspension, termination or amendment of the Plan.

### **16.6 Waiver**

By participating in the Plan, an Employee agrees to waive all rights which might otherwise arise under the Plan, other than the right to acquire Shares or cash (as appropriate) subject to and in accordance with the explicit rules of the Plan, in consideration for and as a condition of the grant of an Award.

## **17. General**

### **17.1 Data protection**

Participation in the Plan will be subject to:

17.1.1 any data protection policies applicable to any relevant Member of the Group; and

17.1.2 any applicable privacy notices.

### **17.2 Consents and filings**

All allotments, issues and transfers of Shares or cash payments will be subject to the Company's articles of association and any necessary consents or filings required in any relevant jurisdiction. The Participant will be responsible for complying with any requirements needed in order to obtain, or to avoid the necessity for, any such consents or filings.

### **17.3 Source of Shares**

The Plan may operate using newly issued Shares, Shares transferred from treasury and/or Shares purchased in the market, except that no newly issued Shares or Shares transferred from treasury may be used for new offers of Awards made following the later of 23 May 2034 and the Company's AGM in 2034, unless further shareholder approval is obtained.

### **17.4 Listing**

If, and for as long as, the Shares are listed on the London Stock Exchange (or, if the Committee decides, any other stock exchange on which the Shares are traded), the Company will apply as soon as practicable for the listing and admission to trading on such exchange of any Shares issued in connection with the Plan.

### **17.5 Notices**

Any notice or other communication required under this Plan will be given in writing, which may include electronic means.

Any notice or other communication to be given to an Employee or Participant may be delivered by electronic means (including by email, through the Group's intranet or a share plan portal), personally delivered or sent by ordinary post to such address as the Committee reasonably considers appropriate.

Any notice or other communication to be given to the Company, the Nominee or the Company's agents may be delivered or sent to its registered office or such other place and by such means as the Committee, the Nominee or the Company's agents, as appropriate, may specify and notify to Employees and/or Participants, as relevant.

Notices or other communications:

17.5.1 sent electronically will be deemed to have been received immediately (if sent during usual business hours) or at the opening of business on the next Business Day (if sent outside usual business hours);

17.5.2 that are personally delivered will be deemed to have been received when left at the relevant address (if left during usual business hours) or at the opening of business on the next Business Day (if left outside usual business hours); and

17.5.3 sent by post will be deemed to have been received 24 hours after posting to a UK address or 3 days after posting to an address outside the UK,

unless there is evidence to the contrary.

All notices or communications to be given to Employees or Participants are given and sent at the risk of the addressee. No Member of the Group has any liability in respect of any notice or communication given or sent, nor need they be concerned to see that the addressee actually receives it.

#### **17.6 Third party rights**

Except as otherwise expressly stated to the contrary, nothing in the Plan confers any benefit, right or expectation on any person other than an Employee, a Participant, the Nominee or a Member of the Group. No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 (or any similar legislation in an overseas jurisdiction) to enforce any rule of this Plan.

#### **17.7 Bankruptcy**

A Participant's Award will Lapse if the Participant becomes bankrupt or enters into a compromise (or any overseas equivalent) with the Participant's creditors generally, other than where the compromise (or overseas equivalent) is entered into by the Participant voluntarily and at the Participant's complete discretion.

#### **17.8 Not pensionable**

None of the benefits that may be received under the Plan are pensionable.

#### **17.9 Not transferable**

A Participant's Award will Lapse if the Participant transfers, assigns, charges or otherwise disposes of the Award or any of the rights in respect of it, whether voluntarily or involuntarily (other than to that Participant's personal representatives on death).

#### **17.10 Currency conversions**

Any conversion of money into different currencies (whether notional or actual) will be done at a time and rate of exchange that the Committee decides.

No Member of the Group will be liable for any loss due to movements in currency exchange rates or conversion or money transfer charges.

#### **17.11 No liability for delay**

No Member of the Group will be liable for any loss arising from any delay in giving effect to any notice or communication received from an Employee or Participant or in procuring a sale, allotment or transfer of any Shares.

#### **17.12 Malus and clawback policy**

The Rolls-Royce Group Malus and Clawback Policy does not apply to this Plan.

## **18. Administration**

### **18.1 Administration of the Plan**

The Plan will be administered by the Committee, which has authority to make such rules and regulations for the administration of the Plan as it considers necessary or desirable. The Committee may delegate any and all of its rights and powers under the Plan.

### **18.2 Committee decisions**

All decisions of the Committee in connection with the Plan and its interpretation and the terms of any Awards (including in any dispute) will be final and conclusive.

The Committee will decide whether and how to exercise any discretion in the Plan.

### **18.3 Severance of rules**

If any provision of the Plan is held to be invalid, illegal or unenforceable for any reason by any court with jurisdiction then, for the purposes of that jurisdiction only:

18.3.1 such provision will be deleted; and

18.3.2 the remaining provisions will continue in full force and effect,  
unless the Committee decides otherwise.

### **18.4 Language**

Where there is any conflict between the terms of the English version of the Plan, documents relating to the Awards and/or any ancillary documents and a version in any other language, the English language version will prevail.

### **18.5 Dealing Restrictions**

Each person will have regard to Dealing Restrictions when operating, interpreting, administering, participating in and/or taking any other action in relation to the Plan.

## **19. Changing the Plan and termination**

### **19.1 General power**

The Committee may change the Plan in any way and at any time.

### **19.2 Shareholder approval**

The Company will obtain prior approval of shareholders by ordinary resolution for any change to the Plan which is to the advantage of present or future Participants and which relates to any of the following:

19.2.1 the persons who may receive Shares or cash under the Plan;

19.2.2 the total number or amount of Shares or cash which may be delivered or paid under the Plan;

19.2.3 the maximum entitlement for any Participant;

19.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan and the rights of a Participant in the event of a variation made under rule 14.2.1; and

19.2.5 this rule 19.2 (Shareholder approval).

### **19.3 Shareholder approval – exceptions**

The Committee need not obtain shareholder approval for any changes to the Plan which are minor and to:

19.3.1 benefit the administration of the Plan;

19.3.2 comply with or take account of a change in legislation; and/or

19.3.3 obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant.

### **19.4 Participant consent**

If a proposed change would be to the material disadvantage of one or more Participants in respect of existing rights under the Plan, then the Committee must obtain the written consent of the affected Participant(s).

### **19.5 Participant consent – minor changes exception**

The Committee need not obtain Participant consent for any changes which are minor and to:

19.5.1 benefit the administration of the Plan;

19.5.2 comply with or take account of a change in legislation; and/or

19.5.3 obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant.

### **19.6 Participant consent – majority consent exception**

The Committee need not obtain the consent of a Participant if:

19.6.1 the Committee invites each disadvantaged Participant to indicate whether or not they approve the change; and

19.6.2 the majority of the Participants who were invited and who make an indication approve the change.

### **19.7 Notice of change**

The Committee will give written notice of changes to Participants whose Awards are materially affected.

### **19.8 International variations**

The Committee may establish plans or schedules based on the Plan, but modified to take account of any local tax, exchange control or securities laws in other jurisdictions, provided that:

19.8.1 those plans are subject to the limits set out in rule 3 (Plan limits); and

19.8.2 no individual will be entitled to more Shares or cash under an overseas plan than the maximum entitlement under the Plan.

## **19.9 Termination of the Plan**

The Plan will terminate on the date the Committee decides. No Awards may be granted after the termination of the Plan but termination will not affect existing rights under the Plan.

## **19.10 Consequences of termination**

If the Committee terminates the Plan, after all outstanding Free Share Awards and Matching Share Awards have either Lapsed or Vested, the Nominee will arrange for:

19.10.1 any Plan Shares held by the Nominee on the Participant's behalf to be sold or transferred, in accordance with the Participant's instructions; and

19.10.2 any sales proceeds and other cash held by the Nominee on the Participant's behalf to be transferred to the Participant, or otherwise paid in accordance with the Participant's instructions,

as soon as practicable.

If a Participant does not give the Nominee instructions in relation to the Plan Shares within the specified timeframe for giving instructions, the Plan Shares will be managed as decided by the Committee from time to time.

The Nominee will not be required to transfer cash amounts with a value of less than a minimum amount (specified from time to time) following termination of the Plan.

## **20. Governing law and jurisdiction**

The laws of England and Wales govern the Plan, all Awards and all Plan Shares. The courts of England and Wales have exclusive jurisdiction in respect of any disputes arising in connection with the Plan, any Award and any Plan Shares.

## Schedule 1: United States

### 1. Purpose

The purpose of this schedule is to alter the provisions of the Plan solely for Awards granted to or held by U.S. Participants to reflect the terms necessary or advisable for such Awards to qualify for an exemption from the requirements of Section 409A. Unless stated otherwise below, the terms and conditions in the main body of the rules of the Plan apply to Awards granted to U.S. Participants.

### 2. Application of this schedule

This schedule will apply to all Employees and Participants who are U.S. Participants. In the event that a Participant becomes a U.S. Participant subsequent to the Award Date of an Award, then that Award will immediately be amended in a manner consistent with this schedule. References in this schedule to Awards granted to U.S. Participants will include Awards held by a Participant who becomes a U.S. Participant subsequent to the Award Date.

### 3. Meaning of words used

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended;

**"Good Leaver Reason"** means:

- (i) death;
- (ii) disability, in each case evidenced to the satisfaction of the Committee;
- (iii) termination by the Participant's employer without cause (as determined by the Committee);
- (iv) retirement (as determined in accordance with any guidelines adopted by the Committee or the relevant Member of the Group, from time to time);
- (v) the Participant's employing company ceasing to be a Member of the Group;
- (vi) a transfer of the business or part of the business in which the Participant works to a person that is not a Member of the Group; or
- (vii) any other reason, determined at the discretion of the Committee;

**"Section 409A"** means Section 409A of the Code, and the U.S. Treasury Regulations promulgated and other official guidance issued thereunder, collectively;

**"Short-Term Deferral Period"** means the period commencing on the date that a Free Share Award or Matching Share Award (or portion thereof) first is no longer subject to a "substantial risk of forfeiture" for the purposes of Section 409A and ending upon the 15th day of the third month following the end of the Taxable Year in which the Free Share Award or Matching Share Award (or portion thereof) first is no longer subject to a substantial risk of forfeiture for the purposes of Section 409A;

**"Taxable Year"** means the calendar year, or, if different, the taxable year of the Member of the Group that employs the U.S. Participant;

**"U.S."** means the United States of America;

**"U.S. Participant"** means an Employee or Participant who is subject to U.S. federal income tax on the Award Date of an Award, is expected to become subject to U.S. federal income tax following the Award Date or does become subject to U.S. federal income tax following the Award Date but prior to the date upon which any part of the Award Vests; and

**"U.S. Treasury Regulations"** means the regulations promulgated under the Code.



## **4. Leavers**

Rule 10.3 (Leaving before Vesting – Free Share Awards and Matching Share Awards) will not apply to Matching Share Awards granted to a U.S. Participant. Instead, where a U.S. Participant who holds a Matching Share Award Leaves before Vesting, the Matching Share Award will Lapse as at the date of Leaving, unless the U.S. Participant is Leaving for a Good Leaver Reason in which case the Matching Share Award will Vest.

If a Matching Share Award Vests in these circumstances, it will Vest on the first practicable Early Leaver Vesting Date or otherwise on such date as the Committee decides, subject always to settlement within the Short-Term Deferral Period, as set out in paragraph 5 below.

Rule 10.3 (Leaving before Vesting – Free Share Awards and Matching Share Awards) will continue to apply to Free Share Awards granted to U.S. Participants.

## **5. Settlement**

Notwithstanding any other provisions of the Plan, the settlement of a Free Share Award or Matching Share Award (or portion thereof) granted to a U.S. Participant, whether in Shares or in cash, will be made no later than the end of the Short-Term Deferral Period.

In the event that the settlement, or the procurement of the settlement, of a Free Share Award or Matching Share Award (or portion thereof) granted to a U.S. Participant has not been made by the end of the Short-Term Deferral Period due to rule 7.3 (Vesting - Impact of Dealing Restrictions) or rule 8.4 (Dealing Restrictions), then to the extent permissible under Section 1.409A-1(b)(4)(ii) of the proposed U.S. Treasury Regulations, such settlement may be delayed so long as the Free Share Award or Matching Share Award (or portion thereof) is then settled at the earliest date at which it is reasonably anticipated that the relevant Dealing Restrictions cease to apply.

## **6. Changes to Performance Conditions or other conditions**

A Performance Condition or Other Condition applicable to an outstanding Free Share Award granted to a U.S. Participant may not be changed pursuant to rule 4.4 (Performance Conditions) or 4.5 (Other Conditions), or any other provision of the Plan, if and to the extent that the changed Performance Condition or Other Condition would result in the earlier ending of the applicable Short-Term Deferral Period.

## **7. Lock-up**

### **7.1 Terms of lock-up**

If a Free Share Award or Matching Share Award (or portion thereof) is settled early because of the application of this schedule, the Committee may decide that the Shares or cash (as the case may be) acquired by the U.S. Participant may not be transferred, assigned or otherwise disposed of by or on behalf of the U.S. Participant before the date it would otherwise have been settled (as determined by the Committee), other than:

- 7.1.1 to the U.S. Participant's personal representatives in the event of the U.S. Participant's subsequent death;
- 7.1.2 to a nominee on behalf of the U.S. Participant;
- 7.1.3 in accordance with rule 15.1 (Withholding) to fund any liability for Tax (as well as any applicable dealing and/or currency exchange costs and other associated costs); or
- 7.1.4 with the agreement of the Committee.

## **8. Mobile Participants**

Where there is to be an adjustment of an Award granted to a U.S. Participant pursuant to rule 11 (Mobile Participants), the Committee will attempt to structure the terms of the adjustment so that it does not violate Section 409A.

## **9. Exchange of Awards**

Where there is to be an exchange of a U.S. Participant's Free Share Award or Matching Share Award pursuant to rule 13 (Exchange of Awards), the Committee will attempt to structure the terms of the exchange and the new award such that neither the exchange nor the new award violates Section 409A.

## **10. Changes to the Plan and Awards**

Notwithstanding rules 19.4 (Participant consent), 19.5 (Participant consent – minor changes exception) and 19.6 (Participant consent – majority consent exception), but subject to rules 19.2 (Shareholder approval) and 19.3 (Shareholder approval – exceptions), the Committee need not obtain the written consent of Participants for any changes to Awards that were granted to U.S. Participants which are necessary or desirable in order for the Awards to avoid a violation of Section 409A.

The Plan and any Awards to U.S. Participants cannot be amended if the amendment would result in an Award granted to a U.S. Participant violating Section 409A.

## **11. Interpretation and administrative intent**

Free Share Awards and Matching Share Awards granted to U.S. Participants are intended to be exempt from the requirements of Section 409A under the short-term deferral exception described in Section 1.409A-1(b)(4) of the U.S. Treasury Regulations (or otherwise in compliance with Section 409A), and the Plan and this schedule will be interpreted and administered with respect to Free Share Awards and Matching Share Awards consistently with such intention. Any delay in the Vesting of a Free Share Award or Matching Share Award pursuant to rule 7.3 (Vesting – Impact of Dealing Restrictions) will not in any case impose an additional or extend the existing substantial risk of forfeiture applicable to such Free Share Award or Matching Share Award for the purposes of Section 409A.

Rights to purchase Investment Shares granted to U.S. Participants are also intended to be exempt from the requirements of Section 409A, on the basis that no income is recognized from the purchases because the Investment Shares are acquired for their fair market value on the Purchase Date, and the Plan and this schedule will be interpreted and administered with respect to rights to purchase Investment Shares consistently with such intention.

In the event of any conflict between the provisions of this schedule and the main rules of the Plan with respect to an Award granted to or held by a U.S. Participant, the provisions of this schedule will take precedence.

## **12. No liability**

Notwithstanding any other provision of the Plan (including this schedule) or any Award, no Member of the Group guarantees or warrants to any person that an Award granted to a U.S. Participant complies with or is exempt from Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes, penalties and interest that may be imposed on the U.S. Participant in connection with the Plan and/or this schedule and/or any Award, including any taxes, penalty and/or

interest under Section 409A. No Member of the Group will have any obligation to indemnify or otherwise hold the U.S. Participant harmless from any or all of such taxes, penalty or interest.

## **Schedule 2: California Participants**

### **1. Purpose**

The purpose of this schedule is to alter the provisions of the Plan solely for Awards granted to or held by California Participants to satisfy the requirements of California Securities Law. California Participants will be subject to the following additional limitations, terms and conditions set out in this schedule. Unless stated otherwise below, the terms and conditions in the main body of the rules of the Plan apply to Awards granted to California Participants. The terms and conditions in Schedule 1 (United States) will also apply to any California Participants who are also U.S. Participants (as defined in that schedule).

### **2. Application of this schedule**

This schedule will apply to all Employees and Participants who are California Participants. In the event that a Participant becomes a California Participant subsequent to the Award Date of an Award, then that Award will immediately be amended in a manner consistent with this schedule. References in this schedule to Awards granted to California Participants will include Awards held by a Participant who becomes a California Participant subsequent to the Award Date.

### **3. Meaning of words used**

**“California Participant”** means an Employee or Participant who works or resides in the State of California on the Award Date of an Award or a Participant who begins to work or reside in the State of California after the Award Date but prior to the date upon which any part of the Award Vests;

**“California Securities Law”** means, collectively, Section 25102(o) of the California Corporate Securities Law of 1968, as amended, and the regulations issued thereunder by the California Commissioner of Corporations; and

**“Rule 701”** means Rule 701 of the U.S. Securities Act of 1933, as amended.

### **4. Additional terms of Awards to California Participants**

#### **4.1 Additional terms of Awards**

The terms of all Awards granted to a California Participant will comply, to the extent applicable, with Section 260.140.42 of the California Securities Law. In particular:

- 4.1.1 for the purposes of California Securities Law only, Awards subject to this schedule will be considered to be granted under a separate plan (on the terms of this schedule) maintained solely for California Participants;
- 4.1.2 Awards will normally be granted in accordance with Rule 701, although Awards may be granted in accordance with any other registration exemption permitted under the California Securities Law or by qualification under such law, subject to such conditions as required by such law; and
- 4.1.3 unless the number of California Participants granted options or awards or issued Shares under all option and other compensatory plans and agreements of the Company does not exceed 35, the Plan must be approved by Company shareholders holding at least a majority of the outstanding securities entitled to vote by the later of:
  - (i) within 12 months before or after the Plan is adopted; and
  - (ii) prior to or within 12 months of the granting of any Award under the Plan in California.

#### **4.2 Additional restriction regarding recapitalisations, stock splits etc.**

In the event of a stock split, reverse stock split, stock dividend, recapitalisation, combination, reclassification or other distribution of the Company's securities, the number of securities allocated to each California Participant must be adjusted proportionately and without the receipt by any Member of the Group of any consideration from any California Participant.

#### **4.3 Additional restriction regarding granting of Awards and issuance of Shares**

Awards must be granted, and Shares must be issued, to California Participants by February 26, 2034, or such later date as permitted under Section 260.140.42 of the California Securities Law.

#### **4.4 Additional requirement to state the number of Shares that may be granted under the Plan**

The total number of Shares that may be issued under the Plan is 10% of the ordinary share capital of the Company in issue from time to time.

#### **4.5 Additional requirement to provide information to California Participants**

Unless the Plan or Award complies with all conditions of Rule 701, the Company will provide to each California Participant and to each California Participant who acquires securities pursuant to the Plan, not less frequently than annually, copies of annual financial statements (which need not be audited). The Company will not be required to provide such statements to key employees whose duties in connection with the Group assure their access to equivalent information or when the Plan or Award complies with all conditions of Rule 701.

### **5. Interpretation**

In the event of any conflict between the provisions of this schedule and the main rules of the Plan with respect to an Award granted to or held by a California Participant, the provisions of this schedule will take precedence.

## **Schedule 3: China SAFE Participants**

### **1. Purpose**

The purpose of this schedule is to alter the provisions of the Plan solely for SAFE Participants, to satisfy the requirements of SAFE. Unless stated otherwise below, the terms and conditions in the main body of the rules of the Plan apply to SAFE Participants.

### **2. Application of this schedule**

SAFE Participants will be subject to the terms set out in this schedule.

### **3. Meaning of words used**

“**SAFE**” means the State Administration of Foreign Exchange of the People’s Republic of China and its local-level branch offices;

“**SAFE Leaver**” means a SAFE Participant who ceases to be an employee of a SAFE registered Member of the Group; and

“**SAFE Participant**” means a participant who is registered with SAFE.

### **4. Shareholder distributions**

#### **4.1 Payment in cash**

Rule 9.1 (Shareholder distributions) will not apply to SAFE Participants. Instead, in respect of Plan Shares held by the Nominee:

4.1.1 shareholder distributions paid in cash will be paid to SAFE Participants as soon as practicable; and

4.1.2 shareholder distributions paid in C shares (being redeemable non-cumulative preference shares in the Company) will be redeemed for cash by the Nominee on behalf of Participants as soon as possible and then the cash will be paid to SAFE Participants as soon as possible,

unless the Committee decides otherwise.

### **5. Additional terms for SAFE Leavers**

Where the Committee determines, in its opinion, that an alternative treatment for SAFE Leavers is necessary or desirable due to SAFE rules, the Committee can determine the alternative treatment that will apply and the rules of the Plan, in particular rule 10 (Leaving), will be interpreted accordingly.

The Committee will notify any affected Participant of any changes to the Participant’s Awards or their participation in the Plan in accordance with this schedule.

### **6. Interpretation**

In the event of any conflict between the provisions of this schedule and the main rules of the Plan with respect to a SAFE Participant, the provisions of this schedule will take precedence.

### **7. Changing the Plan and this schedule**

Notwithstanding any of the rules of the Plan, the Committee may at any time change the Plan and/or this schedule in any way as it applies to SAFE Participants, to ensure compliance with SAFE rules.

## **Schedule 4: German Taxpayers**

### **1. Purpose**

The purpose of this schedule is to alter the provisions of the Plan with the intention that the Plan will qualify for tax advantages for Relevant Employees who are German Taxpayers. Unless stated otherwise below, the terms and conditions in the main body of the rules of the Plan apply to Relevant Employees.

### **2. Application of this schedule**

Relevant Employees will be subject to the terms set out in this schedule.

### **3. Meaning of words used**

**“German Qualifying Company”** means any Member of the Group whose Employees are invited to participate in the Plan, where:

- (i) one or more of those Employees is a German Taxpayer; and
- (ii) the Committee has determined that the Member of the Group will be a ‘German Qualifying Company’ for these purposes;

**“German Taxpayers”** means any Employees who are subject to unlimited or (with respect to their employment income) limited tax liability in Germany;

**“Relevant Employees”** means all Employees (subject to limited exceptions) of German Qualifying Companies;

**“Salary”** means monthly salary before wage tax, income tax or social security contributions are calculated; and

**“Salary Sacrifice”** (Entgeltumwandlung) means the reduction of the Relevant Employee’s Salary in an amount equal to the Relevant Employee’s contribution.

### **4. Additional or different terms for Relevant Employees**

#### **4.1 Investment Shares - Salary Sacrifice**

Investment Shares may be acquired on behalf of Relevant Employees in recognition of a Salary Sacrifice. In these circumstances, the number of Investment Shares awarded to a Relevant Employee on a Purchase Date will be determined by reference to the value of their Salary Sacrifice, and provisions about Investment Shares in the Plan and related documents, including references to Contributions and purchasing Investment Shares, will be interpreted accordingly.

#### **4.2 Equal treatment requirement**

To qualify for tax advantages in Germany, the Plan must comply with the ‘equal treatment’ requirement, meaning that all Relevant Employees are treated equally, in accordance with sec. 3 no. 39 sentence 2 of the German Income Tax Act (Einkommensteuergesetz). To ensure compliance with this requirement, the following additional terms will apply to Relevant Employees:

- 4.2.1 All Relevant Employees will be invited to participate on a non-discriminatory basis (other than where permitted for valid reasons);
- 4.2.2 Differences in the terms of an invite to participate in the Plan for different Relevant Employees will only be permitted if for valid reasons;

- 4.2.3 All discretions exercised under the Plan in relation to Relevant Employees will be exercised on a non-discriminatory basis (other than where permitted for valid reasons); and
- 4.2.4 All terms of the Plan applying to Relevant Employees will be interpreted in accordance with the equal treatment requirement.

## **5. Interpretation**

In the event of any conflict between the provisions of this schedule and the main rules of the Plan with respect to Relevant Employees, the provisions of this schedule will take precedence.