This summary assumes that you only pay tax in one place. Different rules may apply if you pay tax in different places.

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Tax - Employee Notes - Your Shares: Gifted

Poland	
When will I be taxed in relation to my plan benefits?	**Award**: No income tax. No social security. **Unlocking**: Income tax. No social security. **Sale by participant**: Personal income tax on the gain from the sale of shares on increase in value since unlocking. No social security.
What is the maximum rate of income tax payable in relation to my plan benefits?	32% (2024). Any change in tax rates usually takes effect from 1 January.
Income tax rates	Tax rates are progressive (12% to 32%). The maximum tax rate applies to annual taxable income over PLN120,000. Solidarity tax of 4% applies to annual income over PLN1million.
Will my employer withhold income tax in relation to my plan benefits?	No.
Are my plan benefits subject to social security contributions?	No.
Will my employer withhold social security contributions in relation to my plan benefits?	Not applicable.

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Tax - Employee Notes - Your Shares: Gifted

Poland	
What is the maximum rate of capital gains tax?	19% There is no separate capital gains tax regime. The gain from the sale of shares (increase in value since unlocking) is taxed at a flat rate of 19%. The income from the sale of shares is included in calculating solidarity tax.
How will I be taxed on shareholder distributions?	In Rolls-Royce, if a decision is taken to make shareholder distributions, these are currently paid in the form of 'C Shares'. You will only be eligible to receive C Shares on Your Shares: Gifted once they unlock. After that, you will receive C Shares on your unlocked shares, whenever we pay them, until you choose to sell your shares. Whilst you hold your unlocked shares in your Equiniti share account, your C Shares will be redeemed for cash which will automatically be reinvested into ordinary shares. **Issue of C Shares**: taxed as a dividend subject to income (capital gains) tax*. This tax will not be collected by Rolls-Royce. The income from dividends is taxed at a flat rate of 19%. The dividend tax liability may be credited against the amounts withheld abroad by the dividend distributor up to the maximum amount of tax which would be paid in Poland on the distribution of dividends. Dividend income is not included in calculating solidarity tax. No social security. **It may be possible to defer the tax until sale of the ordinary shares if you obtain a tax ruling.* **Redemption of C Shares:** potentially taxed** with income (capital gains) tax on the amount of proceeds from the automatic redemption**. This tax will not be collected by Rolls-Royce. No social security. ***As the C Shares are redeemed for nominal value, (which is the same amount they will have been taxed on as income at Issue), you might, if you obtain a tax ruling to this effect, reduce the proceeds from the automatic redemption by the income recognised at Issue. This could result in no taxable gain.* **Reinvestment into ordinary shares**: no income tax or social security,

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Tax - Employee Notes - Your Shares: Gifted

Poland	
	Sale of reinvested ordinary shares: taxed as a capital gain and subject to capital gains tax. This tax will not be collected by Rolls-Royce. No social security.
Do I have to report any income in relation to the plan to my local tax authority?	Yes, the employee must report any income from awards, dividends and from the sale of shares in their annual tax return. In the case of awards subject to progressive tax rates, participants may be required to pay a tax advance by the 20th day of the month following the month when they receive the unlocked shares **Report name**: Annual Tax Return (Form PIT-36 or PIT-38). The return can be filed online. The tax return forms can be downloaded from the website here. The solidarity tax must be reported in a separate tax return. **Tax period**: 1 January to 31 December. **Reporting deadline**: tax returns must be filed by 30 April of the following year. **Payment of tax**: if there is a positive difference between the annual tax due and total amount of advance payments made during the tax year, the employee must pay the tax by 30 April of the following year.