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**Statement of Particulars for awards offered under
the
Rolls-Royce Global Employee Share Purchase Plan
prepared in terms of Section 97 of the South
African Companies Act,
2008 (Act No. 71 of 2008, as amended)**

IMPORTANT:

This document summarizes the terms of all Awards that can possibly be granted under the Plan but, as at the date of this Summary, the Company is only granting Investment Shares and Matching Share Awards.



The date of this statement is 13 April 2026

1. Introduction

1.1. What is this document?

1.1.1. This summary document (the “**Statement**”), amongst other things, sets out a summary of the material terms of the rules of the Rolls-Royce Global Employee Share Purchase Plan, including schedules thereto (the “**Plan**” and its “**Rules**”). This Statement is subject to and qualified by the terms and conditions of the Rules including the terms applicable to the acquisition of shares thereunder (including for example, the purchase agreement for the Investment and Matching Shares (“**PSA**”), the Global Appendix and the trust deed, or any replacement thereof (together the “**Plan Documents**”). Copies of the Plan Documents are accessible at <https://shareplans.rolls-royce.com/>. Just navigate to your country details, then click on ‘Resource’ and then ‘Legal Documents’.

1.1.2. For ease of reference, terms and expressions defined in the Plan and its Rules bear the same meanings in this Statement, unless otherwise expressly indicated to the contrary.

1.1.3. This Statement does not form part of the Plan Documents.

1.1.4. In accordance with the provisions of the South African Companies Act, 2008 (Act No. 71 of 2008, as amended) (“**SA Companies Act**”), this Statement also constitutes the relevant written statement contemplated in section 97(2)(b) of the SA Companies Act. This Statement is provided by the Company to any Employee who receives an Award from the Company in terms of an employee share scheme (as contemplated in section 95 of the SA Companies Act) being the Plan, and sets out:

1.1.4.1. the full particulars of the nature of the transaction/s contained in the Plan including the risks associated with it;

1.1.4.2. information relating to the Company, including its latest annual financial statements, the general nature of its business and its profit history over the last three years; and

1.1.4.3. the full particulars of any material changes that occur in respect of any information in terms of subsections 1.1.4.1 and 1.1.4.2 above.

1.1.5. This Statement:



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- 1.1.5.1. shall not be construed as creating any obligations on the Company;
- 1.1.5.2. is only prepared in compliance with the requirements of the SA Companies Act for the purpose and reasons indicated therein;
- 1.1.5.3. is not to be understood as the Company giving any representations or warranties regarding an Employee's participation entitlements under the Plan; and
- 1.1.5.4. is not to be taken into account in interpreting the meaning of any provision of the Plan.

It is only the Plan Documents that determine the rights and obligations of a participating Employee.

- 1.1.6. This Statement provides Employees with additional explanatory information (in addition to that contained in the Plan Documents), and identifies certain risks associated with an Employee's participation in the Plan. Because this Statement is provided on a general basis to all Employees (particularly South African Employees), it does not take into account the particular circumstances concerning a particular Employee and is not intended to list all possible risks that may be applicable to that Employee.
- 1.1.7. Employees wishing to participate in the Plan are encouraged to consult a qualified financial advisor, legal advisor and/or tax consultant (each at an Employee's own cost) for guidance specific to an Employee's own situation. In addition, Employees should consider his/her/their own expectations of the future share price performance of the Company and should take an active and long-term interest in participation in the Plan.
- 1.1.8. Employees are further encouraged to consult and review:
 - 1.1.8.1. copies of the Plan Documents, available at <https://shareplans.rolls-royce.com/> , following the same procedure as explained in sub-section 1.1.1 above or through the Employees' engagement with Equiniti via email at myshareplan@equiniti.com/GSPPPQUERIES@equiniti.com; and
 - 1.1.8.2. a copy of the Company's most recent annual report/s, which sets out information relating to the Company, the general nature of its business, its profit history over the last three years, as well as the Company's latest annual financial statements which are all available at



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<https://www.rollsroyce.com/investors/results-reports-and-presentations/financial-results.aspx>, the contents of which are deemed to be incorporated herein by way of reference thereto.

1.2. Plan type and awards

The Plan is a share purchase and matching plan under which the Company may offer to eligible persons under the Rules the following types of awards:

- 1.2.1. **Investment Shares** – consisting of the opportunity for Employees to invest post-tax salary contributions for the purchase of fully paid ordinary shares in the capital of the Company, or where relevant, American depositary receipts or American depositary shares representing one or more fully paid ordinary shares in the capital of the Company (**Shares**); and
- 1.2.2. **Matching Share Awards** – granted to employees who buy Investment Shares, being a conditional right to receive a number of Shares in the future for free linked to the number of Investment Shares purchased (**Matching Share Awards**); and/or;
- 1.2.3. **Free Share Awards** – being a conditional right to acquire Shares in the future for free, together (“**Awards**”). The Committee can choose to grant Matching Share Awards and Free Share Awards as phantom awards, so that they are a conditional right to receive a cash sum in the future linked to the value of a number of hypothetical Shares. The Committee has absolute discretion as to what type of Award may be granted

In order to give effect to the acquisition of Awards, a Participant is required to execute and/or implement acceptance document/s contemplated in the Rules, including for example, execution of a PSA.

1.3. Nominee

The Plan operates in conjunction with a nominee arrangement, so that Shares acquired by Participants under the Plan will be held by a nominee (the “**Nominee**”) on behalf of the Participants. Participants may be required to enter into an agreement with the Nominee as a condition of grant of Awards. Participants may withdraw their Shares from the Nominee arrangements at any time. However, the withdrawal of Investment Shares by a Participant will normally cause the related Matching Share Award to lapse pro-rata if the Matching Share Award has not yet vested.



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1.4. **Plan approval**

The Rules were approved by the Committee on February 26, 2024 and by shareholders at the AGM on May 23, 2024. The schedules were adopted under authority delegated by the Committee on 30 July 2024.

1.5. **Purpose of Plan**

The Company considers employee share ownership to be a key part of the Company's overall remuneration strategy, which enables the Company to align the interests of employees and shareholders. The Plan is intended to deliver Shares at all levels in as many countries as possible within the Group.

1.6. **Eligibility**

Employees (including employed executive directors) of the Company and its subsidiaries (the "Group") will be eligible to participate in the Plan at the discretion of the Committee.

1.7. **Administration**

The Plan is administered by the Committee (or a duly authorised committee) on behalf of the Company and it will decide whether and how to exercise any discretion in the Plan. The decision of the Committee on the interpretation of the Plan, or in any dispute relating to an Award, will be final and conclusive.

1.8. **Duration of Plan**

The Plan will terminate on the date the Committee decides, although no newly issued or treasury Shares may be used for new offers or grants of Awards following the Company's AGM in 2034, unless further shareholder approval is obtained. Termination will not affect any existing rights under the Plan, although Participants will be required to remove their Shares from the Nominee.

No Awards may be granted after the termination of the Plan.

2. **Terms of Investment Shares**

2.1. **Invitation**

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



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2.2. Key terms

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

- (i) the number and frequency of Contributions (which will normally be deducted from the Participant's salary);
- (ii) the maximum and minimum amounts of each Contribution (the Contribution limit currently being a minimum of £5 and a maximum of £150 each month (or the local currency equivalent)) as such amount/s may vary as determined by the Committee from time to time;
- (iii) any limit on the number or value of Investment Shares available for purchase (and if applications or Contributions are received in excess of this the Committee will decide whether to scale them back and Participants will be notified accordingly);
- (iv) the frequency at which Contributions will be used to purchase Investment Shares (currently on a monthly basis); and
- (v) the period over which Investment Shares will be purchased (currently being July to June .i.e. 12 months, the purchase date of which being the 18th of each month or the nearest Business Day) .

2.3. Evergreen nature

It is currently intended that the Plan will normally be operated on an evergreen basis, meaning that purchase periods will roll on one after the other and that when a Participant enrolls in the Plan, they enrol for the current and all future purchase periods, until stopped by the Participant or the Company. The terms for each new purchase period will normally be the same as the previous purchase period, unless the Committee decides otherwise (in which case the new terms will be communicated to Participants). The Committee can decide at any time that the Plan will cease to apply on an evergreen basis, but this will not normally affect any purchase period already in existence. The Committee may also decide at any time that no further Contributions will be taken during a purchase period, although Contributions already taken will normally be used to purchase Investment Shares.

2.4. Holding Contributions

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



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2.5. Purchase of Investment Shares

The number of Shares purchased will be determined by reference to that Participant's Contributions and the market value of a Share on the purchase date.

2.6. Stopping Contributions

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

2.7. No Matching Share Award required

The Company may offer Participants the opportunity to purchase Investment Shares without a matching element.

3. Terms of Matching Share Awards

3.1. Key terms

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

- (i) the Matching Ratio used to determine the number of Shares subject to a Matching Share Award, by reference to the number of Investment Shares purchased (the Matching Ratio currently being 1:1, up to the Matching Limit);
- (ii) any limit on the number or value of Investment Shares that can be 'matched' (the Matching Limit currently being capped at £50 each month); and
- (iii) the date on which the Matching Share Award is expected to vest (currently being 1 June following the end of the Purchase Period).

3.2. Vesting

The number of Shares that will vest will be equal to the aggregate number of Investment Shares purchased (and still held), up to any Matching Limit that applies, multiplied by the Matching Ratio.

4. Terms of Free Share Awards

4.1. Timing of grant

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



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

Participants may be required to accept Free Share Awards or specific terms of Free Share Awards. Free Share Awards may lapse if they are not accepted within the time specified. Alternatively/additionally, Participants may be allowed to disclaim all or part of Free Share Awards within a specified period (in which case, the Free Share Award will be deemed never to have been granted).

4.2. **Performance or other conditions**

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

4.3. **Amendment of performance or other conditions**

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

4.4. **Vesting**

Subject to the satisfaction of any performance conditions, and other conditions that apply, Free Share Awards will normally vest on the later of the date the Committee decides the performance conditions/other conditions have been satisfied and the vesting date specified by the Committee at the grant date.



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5. Other terms applicable to Awards

5.1. No payment

A Participant is not required to pay for the grant of a Free Share Award or a Matching Share Award.

5.2. Not pensionable

Benefits under the Plan are not pensionable.

5.3. Transfer

Free Share Awards, Matching Share Awards and rights to purchase Investment Shares may not be transferred or otherwise disposed of except on the Participant's death.

Once purchased on behalf of a Participant, Investment Shares may be transferred by a Participant. However, the transfer will normally cause the related Matching Share Award to lapse pro-rata if the Matching Share Award has not yet vested.

5.4. Mobile participants

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

5.5. Source of Shares

Awards may be satisfied using newly issued, treasury or existing Shares (although see section 1.8 (Duration of Plan) above).

5.6. Administrative errors

If the Committee grants an Award:

- (i) in error, it will be deemed never to have been granted and/or will immediately lapse; and/or
- (ii) which is inconsistent with any provisions of the Plan, will take effect only to the extent permissible under the Plan.



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5.7. **Separate to Employment**

The grant and/or receipt of an Award is independent of an individual's employment contract, and the services that the individual provides under their employment contract are not consideration for any Award/s that may be granted.

5.8. **Effect of Acquisition Documents**

To participate in the Plan, Participants will be required to accept the Plan Documents. The Plan Documents regulate, amongst other things, specific contractual aspects pertaining to the administrative and related aspects of a Participant's participation in the Plan, including:

- 5.8.1. a Participant's formal agreement to participate in the Plan and the terms on which Participants agree to buy Investment Shares and receive Matching Share Awards under the Plan – these include for example formal authorisation to deduct amount/s from a Participant's salary;
- 5.8.2. the powers, authority and capacity of third party facilitators, such as nominees to administer and hold an Award for a Participant;
- 5.8.3. the ability to execute and implement arrangements electronically;
- 5.8.4. the data privacy aspects of participation; and
- 5.8.5. related matters.

A Participant is encouraged to read and consider the Plan Documents and associated arrangements and if necessary to seek and obtain at the Participant's own cost independent professional advice as to the specific impact of them on the Participant.

6. **Settlement of Matching Share Awards and Free Share Awards**

6.1. **Delivery**

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

6.2. **Cash and net settlement**



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The Committee may decide to settle an award partly or fully in cash instead of Shares. Vesting and/or the subsequent delivery of cash or Shares to the Participant may be delayed due to Dealing Restrictions.

6.3. Lapse

To the extent a Matching Share Award or Free Share Award or any part of it is no longer capable of vesting, it will lapse.

6.4. Shareholder rights

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

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

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

7. Taxation

7.1. Withholding

7.1.1. Any member of the Group, any employing company, the Nominee or any third party provider nominated by the Committee may make withholding arrangements to meet any liability for any tax or social security, and to meet any applicable dealing or currency exchange costs, or for any other associated costs.

7.1.2. These withholding arrangements may include deductions from the Participant's pay and/or from any cash payment owed to the Participant. They may also include reducing the number of Shares the Participant acquires on vesting and settling that balance in cash (and withholding from that cash), or the sale of some or all of the Shares the Participant acquires under the Plan.



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7.1.3. The Participant may be required to indemnify any member of the Group in relation to any tax and social security liabilities that may arise in connection the Plan and/or enter into tax elections for a particular tax and/or social security treatment.

7.2. South African Tax Summary

7.2.1. It should be noted that the information set out below is general in nature and does not constitute tax advice. Participants should obtain their own tax advice in respect of their participation in the Plan. The information below applies in respect of Participants who are South African residents in terms of South Africa's Income Tax Act No. 58 of 1962 (as amended) (the "**SA Income Tax Act**") and/or who render services in South Africa. It should further be noted that tax legislation is subject to frequent change. The information below is based on the provisions of the SA Income Tax Act which are effective as at 13 April 2026.

7.2.2. Section 8C of the SA Income Tax Act will apply to Awards granted to Participants under the Plan.

7.2.3. As a result, Participants will be required to include in or deduct from their income for a year of assessment, any gain or loss arising in respect of the "vesting" of an Award during the relevant year. "*Vesting*" is a defined concept for purposes of section 8C of the SA Income Tax Act and, broadly speaking, takes place at the earliest of *inter alia* i) when all "*restrictions*" on the Award, or Shares acquired in terms of the Award, fall away (subject to numerous exceptions), ii) immediately before the Award or Shares acquired in terms of the Award are disposed of (subject to a number of exceptions), (iii) immediately after an Award terminates or lapses (other than by way of vesting or settlement) and iv) immediately before the death of the applicable Participant.

7.2.4. The "restrictions" contemplated in i) above include, amongst others, any restriction:

- (i) that prevents the Participant from freely disposing of the Award or Shares acquired in terms of the Award, at market value;
- (ii) which could result in the Participant forfeiting ownership or the right to acquire ownership of the Award, or Shares acquired in terms of the Award, otherwise than at market value, or being penalised financially in any other manner for not complying with the terms of the agreement for the acquisition of the Award;



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- (iii) in terms of which any person has retained the right to impose a restriction as contemplated in (i) and (ii) above on the disposal of the Award, or Shares acquired in terms of the Award;
- (iv) in terms of which the Shares which shall be acquired pursuant to an Award will be restricted;
- (v) if a member of the Group (being the employer associated institution in relation to the employer, or other person by arrangement with the employer), has at the time of acquisition of the Award by the Participant undertaken to cancel the transaction under which the Participant acquired the Award or repurchase the Award, or Shares acquired in terms of the Award, from the Participant at a price exceeding the market value on the date of repurchase if there is a decline in market value of the Award or Shares acquired in terms of the Award; and/or
- (vi) in terms of which the Award, or Shares acquired in terms of the Award, are not deliverable to the Participant until the happening of an event, whether fixed or contingent.

7.2.5. Drawing from the above, in the meaning of the SA Income Tax Act, Participants' Awards may "vest" at a different time to when Participants' Awards "vest" in the meaning of the Plan and its Rules.

7.2.6. When Awards, or Shares acquired in terms of the Award, "vest" for South African tax purposes, the relevant Participant will be required to include the gain or deduct the loss, which is (save for certain special circumstances) calculated as the difference between the market value of the Shares on the date of "vesting", and the consideration paid for the same (if any), in their income. For Investment Shares, the consideration paid will be the amount of the Participant's chosen Contributions used in purchasing the Investment Shares. In Matching Share and Free Share Awards, no consideration is paid the Participant. Such gain or loss must be accounted for in the income tax return of the relevant Participant relating to the year of assessment in which the Awards "vested". Each Participant should obtain their own tax advice as to when their Awards will "vest", having regard to their particular circumstances.

7.2.7. In accordance with paragraph 11A of the Fourth Schedule of the SA Income Tax Act, employees' tax will be required to be withheld in relation to any gain made upon the



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“vesting” of the Awards, or Shares acquired in terms of the Award, held by the Participants.

7.2.8. Each Participant is responsible for the tax consequences on any subsequent sale of the Shares, which tax consequences will depend on whether the Shares were acquired and held by the Participant as capital or as revenue assets.

7.2.9. Dividends received or accrued in respect of Shares may be subject to tax in South Africa. Individuals will generally qualify for a full or partial exemption from income tax in respect of local or foreign dividends received by or accrued to them. This exemption does not apply to *inter alia*, any –

- (i) manufactured dividends or dividend equivalent payments; and
- (ii) if the shares are subject to “restrictions”, dividends paid or payable in respect of the acquisition or redemption of the shares; or the liquidation, winding-up, deregistration or final termination of the Company.

8. South African Exchange Control

8.1. Each Participant who is a South African resident for exchange control purposes should ensure that their participation in the Plan complies with the South African exchange control requirements. These include, *inter alia*, that:

- (i) the Participant should place their participation in the Plan on record with the Financial Surveillance Department of the South African Reserve Bank (“**SARB**”); and
- (ii) where the Participant will not remit any funds from South Africa in order to acquire Awards (as in the case of Free Share Awards and Matching Share Awards, which are acquired on freely), the Participant should notify the SARB of the acquisition of foreign asset (Shares acquired under the Plan) within 30 days of becoming unconditionally entitled to them. Where the Participant is required to remit funds from South Africa in order to acquire Shares (as is the case for Investment Shares), the Participant must apply for approval for such remittance of funds which will be applied against the Participant’s annual foreign investment allowance of ZAR10 million or annual single discretionary allowance of ZAR2 million. To utilise the foreign investment allowance, the Participant must obtain the relevant Tax Compliance Status (“**TSC**”) pin from the South African Revenue Service (“**SARS**”) and process the request via their Authorised Dealer (generally their local bank). To utilise their single discretionary allowance the Participant must contact their Authorised Dealer.



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- 8.2. Each Participant must ensure that their participation in the Plan will not cause them to exceed their applicable allowance limits. If a Participant's participation would cause the single discretionary allowance to be exceeded (in addition to any private remittances made outside the remit of the Plan), the Participant must obtain a TCS pin from SARS (and SARB approval were necessary) and notify the Company accordingly.
- 8.3. Each Participant should note that the vesting of Matching Share Awards and Free Share Awards and the acquisition of dividend shares are subject to reporting as discussed above. Each Participant bears their own responsibility of ensuring that reporting is done accurately and within the relevant timescale.
- 8.4. Each Participant should obtain their own advice in respect of the exchange control requirements relating to their participation in the Plan.

9. **Leaving**

9.1. **General**

9.1.1. If a Participant leaves the Group:

- (i) as soon as reasonably practicable the Participant's Contributions will stop and no further Contributions can be made;
- (ii) their rights to purchase Investment Shares will lapse, but Contributions made or in the process of being made will normally be used to purchase Investment Shares (which will qualify for a Matching Share Award, where applicable, up to any Matching Limit that applies);
- (iii) any unvested Matching Share Awards will normally vest early; and
- (iv) any unvested Free Share Awards will normally lapse.

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

9.1.3. Special rules apply to US taxpayers' Awards.

9.2. **Leaving after vesting**

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



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9.3. **Meaning of leaving**

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

9.4. **Summary dismissal**

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

10. **Corporate events**

10.1. **General**

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

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

10.2. **Variation of capital**

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

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

11. **Changing the Plan**

11.1. **Shareholder approval requirements**

11.1.1. The Committee may change the Plan in any way at any time, but the Company will obtain prior shareholder approval for any change that is to the advantage of present



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or future Participants and which relates to any of the following: the persons who may receive Shares or cash under the Plan; the total number or amount of Shares or cash that may be delivered under the Plan; the maximum entitlement for any Participant; the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan; the rights of a Participant in the event of a capitalisation issue, rights issue, open offer, sub-division or consolidation of Shares, reduction of capital or any other variation of the Company's share capital; or to the provision in the Rules requiring shareholder approval for changes.

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

11.2. Participant consent requirements

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

12. Schedules to the Plan

12.1. Schedules and further plans

12.1.1. The Committee may establish further 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 any Awards made under them count towards the individual and plan limits in the Plan.

12.1.2. As at the date of this summary, there are 4 schedules, covering the US, the State of California in the US, China and Germany respectively.

12.2. US taxpayer participants

12.2.1. Schedule 1 applies to US taxpayers' Awards. This schedule requires that US taxpayers' Awards be administered and interpreted so as to qualify for an exemption from Section 409A of the U.S. Internal Revenue Code of 1986, as amended (**Section 409A**). In practice, this means there is a strict (and often shorter than usual) time limit on the settlement of Awards in order to avoid violating Section 409A. However, the



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tax treatment of Awards under the Plan is not guaranteed. Each Participant is solely responsible and liable for the satisfaction of all taxes, penalties and interest that may be imposed on the Participant in connection with the Plan or any Award, including any taxes, penalty and/or interest under Section 409A. No member of the Group has any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes, penalty or interest.

12.2.2. Briefly, Free Share Awards and Matching Share Awards must normally be settled no later than 15 March of the year following the lapse of the 'substantial risk of forfeiture'. Generally, the lapse of the 'substantial risk of forfeiture' occurs at vesting, but may occur earlier in certain situations, such as for certain good leavers. As a consequence of Section 409A, special leaver provisions apply to a US taxpayer's Matching Share Awards, including a rule that their Matching Share Awards normally lapse when they leave unless they are leaving for a good leaver reason.

12.3. **California participants**

For Participants who work or reside in California, additional terms apply under Schedule 2 of the Plan in order to satisfy the exemption from California securities law under Section 25102(o) of the California Corporate Securities Law of 1968, as amended. 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 Participant who works or resides in California will be proportionately adjusted to the extent required by Section 25102(o).

12.4. **China participants**

Schedule 3 of the Plan contains variations to the Plan for Participants who are registered with the State Administration of Foreign Exchange of the People's Republic of China and its local-level branch offices (**SAFE**). The Plan is varied to ensure compliance with foreign exchange requirements in that jurisdiction, including alternative leaver treatment where necessary or desirable for compliance with SAFE rules, and alternative treatment for shareholder distributions to comply with SAFE requirements.

12.5. **German taxpayer participants**

Schedule 4 of the Plan contains variations to the Plan for certain Participants who are German taxpayers, in order for the Plan to qualify for tax advantages in Germany. In particular, an equal treatment requirement applies under German law. The German schedule facilitates German Participants to acquire Investment Shares by way of a salary sacrifice, being a reduction of the Relevant Employee's gross monthly salary in an amount equal to the employee's Contribution.



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13. General

13.1. Costs of Plan

The Company will pay the costs of introducing and running the Plan. The Company may however require a Participant's employer to share the costs on such basis as the Committee considers fair.

13.2. Data Protection

Participation in the Plan will be subject to:

- (i) the provisions of the PSA and any data protection policies applicable to any relevant Group member; and
- (ii) any applicable privacy notices.

In addition to the above, please note below how the Group, or any member thereof, processes personal information about Participants in accordance with the requirements of the South African Protection of Personal Information Act, 2013 (Act No. 4 of 2013, as amended) ("**POPIA**"):

- 13.2.1. For the purposes of administering the Plan, the relevant Group member shall with the Company (and/or its service providers) store Participants' personal information including (but not limited to) personal contact details (such as full name, title, addresses, telephone numbers and personal email addresses), age, identity number, tax numbers, nationality and residency status.
- 13.2.2. This personal information will be stored as long as is necessary for the purposes specified herein, or for as long as permitted or otherwise required by law.
- 13.2.3. Participants have the right to:
 - (i) request access to the Participant's own personal information as set out in Company or the Group member's Promotion of Access to Information Act, 2000 manual. This enables Participants to receive a copy of the personal information held about them and to check that the Group member and/or the Company is lawfully processing it;
 - (ii) request correction of that Participant's personal information. This enables Participants to have any incomplete or inaccurate information that the Group member and/or the Company hold about that Participant corrected;



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- (iii) request erasure of that Participant's personal information. This enables Participants to ask the Group member and/or the Company to delete or remove personal information where a Participant has exercised that Participant's right to object to processing;
- (iv) object to processing of that Participant's personal information where the Group member and/or the Company is relying on a legitimate interest (or those of a third party) and there is something about that Participant's particular situation which makes that Participant want to object to processing on this ground. A Participant also has a right to object where the Group member and/or the Company is processing that Participant's personal information for direct marketing purposes;
- (v) request the restriction of processing of that Participant's personal information. This enables Participants to ask the Group member and/or the Company to suspend the processing of personal information about Participants, for example if Participants want the Group member and/or the Company to establish its accuracy or the reason for processing it; and
- (vi) request the transfer of a Participant's personal information to another party.

If Participants want to review, verify, correct or request erasure of a Participant's personal information, object to processing of a Participant's personal information, or request that the Group member and/or the Company transfer a copy of the Participant's personal information to another party, Participants can contact Equiniti via email at myshareplan@equiniti.com / GSPQUERYES@equiniti.com

If Participants believe the Group member and/or the Company has utilised Participants personal information contrary to the applicable law, the Participant shall first resolve the concerns via engagement with the Group member and/or the Company by correspondences to Equiniti via email at myshareplan@equiniti.com / GSPQUERYES@equiniti.com. If a Participant is not satisfied with such process, that Participant has the right to lodge a complaint with the Information Regulator of South Africa at inforeg@justice.gov.za or JD House, 27 Stiemens Street, Braamfontein, Johannesburg, 2001.

By accepting Awards under the Plan (including by not rejecting an Award, where there is an 'opt-out' process), Participants thereby consent to the processing of Participants' personal information by the Group member and/or the Company in accordance with the provisions of POPIA and as described therein.

13.3. **Conflict**

In the event of any conflict between the Plan and this summary, the terms of the Plan will control.



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13.4. **Additional information**

Additional information about the Plan and the Nominee may be obtained by request in writing to the Reward Team at shareplans@rolls-royce.com

14. **Risk factor statement**

The following information is intended to provide, at a high level, the risks associated with an investment in the Shares pursuant to the Plan.

14.1. **Business and operational risk factors**

There are a number of business and operational risk factors that the Company faces that may impact the value of the Company and, in turn, the value of the Shares. These risk factors should be reviewed carefully. The business and operational risk factors can be found in the Company's most recent annual report under "*Annual Report*" at <https://www.rolls-royce.com/investors.aspx>.

14.2. **Share price risk**

14.2.1. The value of Shares may fall as well as rise due to a number of factors including:

- (i) general economic conditions including interest rates, exchange rates and inflation rates;
- (ii) variations in the local and global market for listed securities including the Shares;
- (iii) changes in government policy, legislation or regulation in jurisdictions in which the Company operates or undertakes business;
- (iv) the nature of competition in the markets in which the Company operates; and
- (v) general operational and business risks.

14.2.2. In this respect, the price of Shares may reflect a diverse range of non-Company specific influences such as the general state of the economy. Market fluctuations due to these factors may materially adversely affect the value of the Shares.

14.2.3. The future value of Shares cannot be predicted with certainty. Market forces may impact the price of the Shares and, in the worst case, may become zero. The Company does not secure, guarantee or warrant a specified level of return.

14.3. **Currency conversion**



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The Shares are listed in GBP on the London Stock Exchange, and the value of the Shares to you may be affected by movements in the GBP/local currency exchange rate. There may also be an exchange rate risk in relation to any cash which is held in local currency for use to buy Shares listed in GBP. The Company is not liable in any way for any loss in value due to movements in the exchange rate.

14.4. **Delisting risk**

There is a risk that the Shares may cease to be listed. If such a delisting were to occur, there may be no market for your Shares.

14.5. **No legal, tax or financial advice**

The information and materials provided do not take into account your objectives, financial situation or needs. Any information provided is not intended to qualify as advice. You are recommended to consult an independent authorised financial advisor if unsure of the contents of the Plan.

14.6. **Securities laws**

The Company is not required to deliver Shares unless and until it completes any registration, exemption or qualification requirements or obtains any clearance or approval that the Company considers is necessary or desirable. Neither the Company nor any employer is under any obligation to register, exempt or qualify, or seek clearance or approval for the grant of Awards or delivery of Shares. Invitations to participate in the Plan are not intended for the general public and may not be used for any public offer which requires a prospectus. No prospectus or similar offering or registration document has been prepared, authorised or approved by any applicable authority in any jurisdiction. The regulatory bodies in all relevant countries accept no responsibility for the accuracy and completeness of the statements and information contained in the documents made in connection with the Plan or the Rules nor this Statement, and take no liability whatsoever for any loss arising from any reliance upon any of those documents.

14.7. **Force majeure events**

Events such as acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars and other natural disasters, including epidemics, pandemics and other health-related emergencies, may occur within or outside jurisdictions in which a Group member and/or the Company operates. These events could impact on the global economy, the operations of the Company and the price of Shares. The Company has only a limited ability to insure against some of these risks, if any at all.



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The list of risks above are not exhaustive. Participants are encouraged to consult and obtain independent professional advice specific for a Participant's own particular situation.

15. **Financial statements**

- 15.1. The most recent full-year and half-year financial statements of the Company can be found under "Results, reports and presentations" at <https://www.rolls-royce.com/investors.aspx>.
- 15.2. Additionally, further information relevant to being an investor in the Company can be found on the Company's website here: www.rolls-royce.com.