



Rolls-Royce plc SharePurchase Plan: Share Plan Agreement (SPA)

Terms and Conditions for SharePurchase Shares and Matching Shares

What is this Agreement?

This Share Plan Agreement (SPA) sets out the terms which apply between you and Rolls -Royce plc (the "Company") and Equiniti Share Plan Trustees Limited (the "Trustee") and form part of your agreement, along with the rules of the Plan, to buy shares under the Rolls-Royce SharePurchase Plan (the "Plan") and to be awarded Matching Shares in relation to those SharePurchase Shares (to be known as 'Investment Shares'). Investment Shares, Matching Shares and Dividend Shares together make up all shares held in the Plan ("Plan Shares"). Words used here are defined in the rules of the Plan or legislation. In the event of any conflict between this SPA, the rules of the Plan and/or legislation, the rules of the Plan and legislation will apply.

Your Privacy Notices clearly explain how your data is protected and how your enhanced rights apply. To read the Equiniti Privacy Notice please visit <https://privacy.equiniti.com>. To find the Rolls-Royce version of the Privacy Notice go to the 'Documents' section of your Equiniti portal.

PLEASE NOTE THE PRICE OF SHARES AND THE INCOME FROM THEM MAY GO DOWN AS WELL AS UP AND YOU MAY NOT GET BACK THE AMOUNT THAT YOU HAVE INVESTED

Notice to Participant about possible effect on benefits

- Deductions from your pay to buy Investment Shares under this SPA may affect your entitlement to, or the level of, some contributory social security benefits, statutory maternity pay and statutory sick pay.
- They may also have a similar effect in respect of some contributory social security benefits paid to your spouse or civil partner.
- You can find information on the effect of deductions from your pay to buy Investment Shares on entitlement to social security benefits, statutory maternity pay, statutory neonatal care pay and statutory sick pay on the HMRC website [here](#). It is important that you read this to understand how this may impact you. The effect is particularly significant if your earnings are brought below the lower earnings limit for National Insurance purposes and is explained in the information booklet: "Share Incentive Plans and your entitlement to benefits"

Participant Investment Shares

I agree that:

- the deductions stated on my application will be held in a non-interest bearing account until they are used by the Trustee to buy Investment Shares in Rolls-Royce Holdings plc for me;
- any deductions not used to buy Investment Shares will be carried forward and added to the next deduction;
- I may stop the deductions at any time, or begin them again, by amending my investment value on the Equiniti portal, but I may not make up any amounts missed when deductions were stopped;
- if I cease to be employed by a Company or a Participating Company participating in the Plan my salary deductions must cease.

I understand that:



- In the event that the Company places any restrictions on the deductions taken from my salary, or the Investment Shares available for the award(s) they will arrange to notify me.

Matching Shares

I understand that:

- the ratio of Matching Shares to Investment Shares is 1 to 1 for the first £50 of Investment Shares acquired on my behalf each month;
- the ratio may be varied by the Company. If the ratio is varied, the Company will notify me before the Investment Shares that would be subject to the varied ratio are bought for me;
- the Matching Shares will be subject to a Forfeiture Period of 1 year from the Award Date of those Matching Shares. I will lose my Matching Shares if:
 - i) I withdraw the Investment Shares in respect of which the Matching Shares were awarded; or
 - ii) I am summarily dismissed or cease Relevant Employment in circumstances where I could have been summarily dismissed during the Forfeiture Period.

I agree to:

- accept Matching Shares awarded to me under the Plan and the terms of this SPA;
- allow any Matching Shares awarded to me to remain in the Trust, and not to assign, charge or otherwise dispose of my beneficial interest in the Matching Shares, for the whole of the locked period of 3 years from the Award Date of those Matching Shares.

Dividend Shares

I understand that:

- the Company has directed that the default position relating to cash dividends paid in respect of my Plan Shares is that the cash will be reinvested in Dividend Shares which will be locked in for three years.
- If I wish to receive any cash dividend as a cash payment I can instruct this via the Equiniti Portal.
- I further understand that the Company may at any time revoke or amend such direction.

I agree that unless I request that any dividend is paid as cash:

- to accept Dividend Shares acquired on my behalf under the Plan and the terms of this SPA;
- that all cash dividends paid in respect of my Plan Shares will be reinvested in Dividend Shares and any amount not reinvested in Dividend Shares will be carried forward and added to the next cash dividend paid in respect of my Plan Shares;
- that all cash dividends paid on my Plan Shares will be paid by the Company to the Trustee and held in a non-interest-bearing account until the dividends are reinvested in Dividend Shares;
- to allow any Dividend Shares acquired on my behalf to remain in the hands of the Trustee and not to assign, charge or otherwise dispose of my beneficial interest in the Dividend Shares, for of the duration of the 3 year locked period from the Award Date of those Dividend Shares.



Locked Period: Dividend and Matching Shares

I understand that my obligations during the Locked Period will end:

- i. if I cease to be in Relevant Employment, and this may lead to forfeiture of the Matching Shares, or
- ii. if the Company terminates the Plan in accordance with the rules of the Plan.

If i) or ii) occur, I consent to the transfer of my Plan Shares to me. If ii) occurs, shares can only be transferred once I have received notice of the Plan's termination (any consent to an early transfer of shares will be invalid).

After the end of the Locked Period I may ask the Trustee for my Plan Shares, although I may have to pay income tax and NICs when the shares are removed.

I understand that my obligations under the Locked Period are subject to:

- the right of the Trustee to sell my shares to meet PAYE obligations; and/or
- the Trustee accepting at my direction an offer for my Plan Shares in accordance with the Plan.

Statements

I understand that a statement of account will be issued on an annual basis.

I agree for the service notification to be sent to the email address that I registered with and held under my Equiniti Portal account.

Rights and Obligations

I agree that:

- taking part in the Plan does not affect my rights, entitlements and obligations under my contract of employment, and does not give me any rights or additional rights to compensation or damages if my employment ceases;
- I allow the Trustee to sell some or all of my Plan Shares to pay any income tax and NICs;
- in respect of my shares ceasing to be subject to the Plan, unless I provide them in advance with a cheque that is drawn on a UK bank account in my name and have sufficient funds to pay these amounts.
- if there is a rights issue:
 - i) I agree to allow the Trustee to sell the rights attached to some of my Plan Shares, in order to fund the exercise of the rights attached to my remaining Plan Shares;
 - ii) in the event that there is insufficient time to take the action outlined above (as deemed by both the Company and the Trustee) or the sale of rights is insufficient to fund the exercise of any of my rights, the Trustee will sell the rights and pass the funds to me through my payroll.
- Deductions from my salary, or the number of Investment Shares that I receive may be scaled down if any limit on the number of Investment Shares set by the Company for an allocation of Investment Shares would otherwise be exceeded
- I understand that in leaving the employment of the Company, Equiniti will write to me explaining my options in relation to my Plan Shares. I understand that I have 30 days from the date of this letter to direct the Trustee in respect of my Plan shares. I agree that where an instruction is not received within 30 days, any Plan shares



remaining after any sale required for income tax and/or NICs will exit the Plan and be placed into the Rolls Royce Corporate Sponsored Nominee to be held on my behalf by Equiniti Financial Services Limited in accordance with the Rolls Royce Corporate Sponsored Nominee Terms and Conditions, available at www.share-view.co.uk/info/csn or by calling Equiniti Financial Services Limited on 0333-207- 6388 (+44 333-207-6388 from outside the UK). Lines open from 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales). Where I do not meet the Terms and Conditions of Rolls Royce Corporate Sponsored Nominee (age and/or country of residence requirements) I agree that a share certificate will be issued to me at my risk.

Restrictions

I understand that if I am subject to the Company's share dealing code, the restrictions set out in the code will apply and may affect my Plan Shares. I am aware that a copy of the Company's share dealing code is available on the Company's intranet.

Cancellation and withdrawal rights

I acknowledge that I can cancel my participation in the Plan at any time and that:

- this exceeds my legal rights and will not affect the terms on which I agreed to accept shares already held for me under the Plan;
- no cancellation fee will be payable but any administration or dealing fees when selling or transferring shares into a certificated form will be payable;
- the value of funds returned to me may be lower than the market value at the time of investment and I will not get back amounts representing market loss from the date the Plan was opened until cancellation;
- as the funds were deducted from my salary before deduction of income tax and NICs, the funds will be returned through my payroll for payment to me through the PAYE system with the necessary deductions of income tax and NICs.

For further information about statutory rights contact a local authority Trading Standards Department or Citizens Advice Bureau.

Any request to cancel shall be dealt with in accordance with the rules of the Plan.

Company

The Company agrees to arrange for shares in Rolls-Royce Holdings plc to be bought for or awarded to me, according to the rules of the Plan and this SPA.

Trustee

The Trustee is a part of the Equiniti group of companies whose registered offices are Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom registered in England and Wales number 3925002. The main business of the Trustee is to act as Trustee for UK tax- advantaged Share Incentive Plans.

The Trustee:

- will not be responsible for advising me on the suitability of any transaction in relation to the Plan;
- may, whether itself or through another member of the Equiniti group of companies, provide other services



in relation to the administration of the Plan and may be compensated for these services

- agrees to keep any dividends paid in respect of my Plan Shares in a non-interest bearing account until the dividends are either paid to me or reinvested in Dividend Shares (carried forward amounts will also be held in a non-interest bearing account) in accordance with the rules of the Plan and this SPA.
- the Trustee and / or the Company may delegate the performance of services and the administration of the Plan to Equiniti Limited (company number 6226088, registered address Highdown House, Yeoman Way, Worthing, BN99 3HH), a company that is an affiliate of the Trustee and part of the Equiniti group of companies.

Electronic Applications

If I apply to participate in the Plan via the Equiniti Portal, the following provisions will apply (references to "the Company" and where investments are held in Trust "the Trustee" refer to definitions in the rules of the Plan for which I am applying).

If I submit multiple applications the most recently dated application (that is received prior to any published closing date) will be given precedence.

The information that I provide to gain access to the service together with my acceptance of the terms and conditions will, when I confirm my application, constitute my electronic signature.

The Company and/or the Trustee may allow me to modify my application using the electronic application facility. If so, they may implement a cut-off date, after which I will no longer be able to modify my application.

If I subscribe for Equiniti Limited's Shareview or account creation service, or any other service in connection with the Plan, Equiniti Limited will be entitled to use and process the information which I enter to gain access to that other service (subject to the terms and conditions of the service).

How do I complain?

If I wish to complain about the service provided to me under this SPA I can put my complaint in writing to Equiniti at: Complaint Resolution Team, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex. BN99 6DA, United Kingdom. Or I can email Equiniti at: concerns@equinitil.com

ABOUT 0371 TELEPHONE NUMBERS

When contacting us, you can telephone our Employee Helpline on: +44(0) 371 384 2040. Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales). For RelayUK users with a textphone you can either download the RelayUK app or use the Relay UK website, <https://www.relayuk.bt.com>. You can also contact us by using our email service myshareplan@equiniti.com.

Please contact us to request this document in an alternative format, for example large print, Braille or audio tape.

General Provisions

I understand that:

- The Plan will be governed by the Rules and Trust Deed of the Plan under English Law. I agree that legal action relating to this SPA may only be dealt with by the courts of England and Wales. Any contact made by the parties



to this SPA in relation to these terms and conditions will be in the English language. All instructions and notices to me under this SPA must be given to me under the rules of the Plan.

- The Trustee will take any actions considered necessary in their reasonable opinion to comply with all applicable laws and regulations or any requirements of any regulatory body that are binding upon them.
- Any Member of the Group, Rolls-Royce Holdings plc, any employing company or the Trustee may make any withholding arrangements that it considers necessary or desirable to meet any liability for Tax (and to collect any reasonable dealing costs). Withholding arrangements may include making deductions from any cash payment owed to you and/or selling on behalf of you some or all of your Plan Shares.
- The Trustee and the Company may vary the terms on which participation is offered. Should the terms of this SPA change in such a way as to have an effect on my entitlements or the service provided under the Plan, either the Trustee or the Company will write to me, giving me 30 days' notice, outlining the changes and when they are due to take effect. If I no longer wish to participate on these terms, I should notify the Trustee in accordance with the rules of the Plan.
- If a gain is made in the course of administering the Plan, the Trustee will be entitled to keep it.
- This offer is being made to employees as part of an employee incentive programme in order to provide an additional incentive and to encourage employee share ownership and to increase your interest in the success of Rolls-Royce Holdings plc. The company offering these rights is Rolls-Royce plc. The shares which are the subject of these rights are ordinary shares (and potentially C shares) in Rolls-Royce Holdings plc. More information in relation to Rolls-Royce Holdings plc including the share price can be found at the following web address: <https://www.rolls-royce.com/investors.aspx>.
- The obligation to publish a prospectus in respect of the Plan does not apply because of Section 86(1)(aa) of the Financial Services and Markets Act 2000 (as amended, supplemented or substituted by any UK legislation enacted in connection with the UK's exit from the European Union). The total maximum number of shares which are the subject of this offer will not exceed 10% of the ordinary share capital of Rolls-Royce Holdings plc at any time.
- Nothing in the terms of the awards or any communication issued to you in connection with the awards is intended to constitute investment advice in relation to the awards. If you are in any doubt as to whether to proceed in participating in this Plan or in connection with your own financial or tax position, you are recommended to seek advice from a duly authorised independent adviser.