

# NOTICE OF 2020 ANNUAL GENERAL MEETING OF ROLLS-ROYCE HOLDINGS PLC



Annual General Meeting – 11.00am on Thursday 7 May 2020 at Kings Place, London.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about the action that you should take, you should consult an independent financial adviser. If you have recently sold or transferred your shareholding in Rolls-Royce Holdings plc ('the Company') you should forward this document to your bank, stockbroker or other agent through whom the sale or transfer was made for transmission to the purchaser or transferee.

## Dear Shareholder

The Company's Annual General Meeting (AGM) will be held at 11:00 am on Thursday 7 May 2020 at Kings Place, London N1 9FX. The resolutions proposed and explanatory notes about each of them can be found on pages 2 to 5. Biographies for each Director standing for election or re-election can be found on pages 6 and 7.

If you plan to join us at the meeting, you will find directions to the venue and information about public transport enclosed. We are keeping a close watch on the Covid-19 developments and in particular the advice from Public Health England. Shareholders wishing to attend should consider this advice when deciding whether or not to travel.

## Alternative arrangements due to Covid-19

As a result of the Covid-19 situation, the Board is putting in place alternative arrangements for shareholders who may not be able to attend the meeting in person. Shareholders will be able to access the meeting remotely and details of how to do this will be made available ahead of the meeting on our website, <http://www.rolls-royce.com>, or alternatively by contacting our Registrar. Their details can be found on page 8 of this Notice of Meeting. Please be aware that remote connectivity cannot be guaranteed but we will do all that we can to ensure this is possible. Shareholders accessing the meeting remotely will not be counted as being present and, therefore, will not be able to vote, speak or ask questions at the meeting. Shareholders are encouraged to do the following in advance of the meeting:

1. Register your vote online by visiting <http://www.investorcentre.co.uk/eproxy> and following the instructions; or  
Lodge your vote by completing and returning the enclosed proxy form to our Registrar (Computershare Investor Services PLC) in the reply-paid envelope enclosed.  
Votes cast either online or by post will be counted in the votes for the meeting.  
The Registrar must receive your vote by 11.00am on Tuesday 5 May 2020.

2. Submit any questions to the Company Secretary by email to: [governanceteam@rolls-royce.com](mailto:governanceteam@rolls-royce.com). Please submit your question(s) by 11.00am on Tuesday 5 May 2020.

As many of your questions as possible will be answered at the meeting in the normal way.

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

Yours sincerely

**Sir Ian Davis**  
Chairman

## Business of the AGM

This year's AGM will be held at Kings Place, 90 York Way, London, N1 9AG at 11.00am on Thursday 7 May 2020. You will be asked to consider and, if thought fit, to pass the resolutions set out below.

## Ordinary Resolutions 1–21

### Report and accounts

1. To receive the Company's accounts and the reports of the Directors and the auditor for the year ended 31 December 2019.

### Remuneration policy

2. To approve the Directors' remuneration policy set out on pages 88 to 94 of the 2019 Annual Report to take effect from the conclusion of the AGM.

### Remuneration report

3. To approve the Directors' remuneration report for the year ended 31 December 2019.

### Re-election of Directors

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

### Re-appointment and remuneration of the auditor

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

### Payment to shareholders – C Shares

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

- b) pursuant to section 551 of the Companies Act 2006 (the Act), to exercise all powers of the Company to allot and issue C Shares credited as fully paid up to an aggregate nominal amount of £500m to the holders of ordinary shares of 20 pence each in the capital of the Company on the register of members of the Company on any dates determined by the Directors from time to time and on the basis of the number of C Shares for every ordinary share held as may be determined by the Directors from time to time; and provided that the authority conferred by this resolution shall expire at the end of the Company's AGM in 2021 or 30 June 2021, whichever is sooner, and so that such authority shall be additional to, and without prejudice to, the unexercised portion of any other authorities and powers granted to the Directors, and any resolution passed before the date of passing of this resolution; and
- c) to do all acts and things they may consider necessary or desirable to give effect to this resolution and to satisfy any entitlement to C Shares howsoever arising.

### Political donations and expenditure

20. To resolve that in accordance with part 14 of the Act, the Company and all companies that are its subsidiaries (together the Group) during the period for which this resolution has effect are authorised to:
  - a) make donations to political parties and/or independent election candidates;
  - b) make donations to political organisations other than political parties; and
  - c) incur political expenditure;

up to an aggregate amount for the Group of £100,000, and the amount authorised under each of paragraphs (a) to (c) shall also be limited to such amount during the period from the date that this resolution is passed to the earlier of the conclusion of the Company's AGM in 2021 or close of business on 30 June 2021.

### Authority to allot ordinary shares

21. To authorise the Directors generally and unconditionally to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company:
  - a) up to a nominal amount of £128,733,021 equal to the first section 551 amount as defined in Article 12 of the Articles; and
  - b) comprising equity shares up to a nominal amount of £257,466,042 of the second section 551 amount as defined in Article 12 of the Articles.

The prescribed period as defined in Article 12 of the Articles for which the authorities conferred by this resolution are given shall be a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the Company's AGM in 2021 or 30 June 2021, whichever is sooner.

## Special Resolutions 22 and 23

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### Disapplication of pre-emption rights

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

- a) a pre-emptive offer; and
- b) otherwise than in connection with a pre-emptive offer, up to a nominal amount of £19,309,953;

such authority to expire at the end of the Company's AGM in 2021 or 30 June 2021, whichever is sooner.

### Authority to purchase own shares

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

- a) the maximum number of ordinary shares to be purchased is 193,099,531;
- b) the minimum price which may be paid for an ordinary share is 20 pence (being the nominal value of an ordinary share) and the maximum price which may be paid for each ordinary share is the higher of:
  - i) an amount equal to 105% of the average of the middle market prices for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and
  - ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Trading System (in both cases exclusive of expenses);

and this authority shall expire at the end of the Company's AGM in 2021 or 30 June 2021, whichever is sooner, and a contract to purchase shares under this authority may be made prior to the expiry of this authority and concluded, in whole or in part, after the expiry of this authority.

#### By order of the Board

**Pamela Coles**

Company Secretary

6 March 2020

Rolls-Royce Holdings plc

Registered office:

Kings Place

90 York Way

London N1 9FX

[www.rolls-royce.com](http://www.rolls-royce.com)

Registered in England and Wales No: 7524813

## Explanation of Resolutions

### Resolutions 1 to 21 are Ordinary Resolutions – for these resolutions to be passed more than 50% of votes cast must be in favour.

#### RESOLUTION 1 – REPORT AND ACCOUNTS

The 2019 Annual Report is available at [www.rolls-royce.com](http://www.rolls-royce.com). A hard copy of the Annual Report has been sent to those shareholders who have requested this.

#### RESOLUTION 2 – THE DIRECTORS' REMUNERATION POLICY

All UK listed companies must seek shareholder approval of their remuneration policy every three years, or earlier if it is proposed that the policy is changed during that period. Our current remuneration policy was approved by shareholders at the 2017 AGM. We are proposing a revised Directors' remuneration policy, details of which are set out on pages 88 to 94 of the Annual Report.

#### RESOLUTION 3 – THE DIRECTORS' REMUNERATION REPORT

It is a requirement of company law that the Directors' remuneration report, which is set out on pages 95 to 104 of the Annual Report, is put to a shareholder vote. This is an advisory resolution but in the event that a substantial minority of shareholders vote against the Directors' remuneration report, the Company will respond and explain how it will address shareholder concerns.

#### RESOLUTIONS 4 TO 16 – ELECTION AND RE-ELECTION OF DIRECTORS

The Articles require that at the AGM, all Directors at the date of the Notice of AGM shall retire from office. The Directors will put themselves forward for re-election at the AGM in 2020. Biographies of each Director standing for re-election are included in this Notice on pages 6 and 7.

In accordance with the UK Corporate Governance Code (the Code), the Board has reviewed the independence of its Non-Executive Directors and has determined that each of them remains fully independent of management. The Code states that whilst the Chairman should, on appointment, be independent, thereafter the test of independence is not appropriate in relation to that post. Sir Ian Davis met the Code's independence criteria upon his election as Chairman on 2 May 2013.

The re-election of two directors who will reach their nine year term in 2020 is being proposed:

Lewis Booth will have completed nine years on the Board in May 2020 and will step down as Chairman of the Audit Committee at that time. However, the Board has approved that he will remain as an independent Non-Executive Director and as an Audit Committee member to provide continuity of support to Nick Luff as he takes over as Chairman of the Audit Committee following the 2020 AGM.

The Board also approved the term extension for Sir Frank Chapman to remain as an independent Non-Executive Director and as Chairman of the Safety, Ethics & Sustainability Committee, recognising his significant support for our safety, ethics and sustainability agenda. Sir Frank Chapman will have completed his nine years on the Board in November 2020.

Subject to shareholder approval at the 2020 AGM, both Lewis Booth and Sir Frank Chapman will step down from the Board no later than the 2021 AGM.

#### RESOLUTIONS 17 AND 18 – RE-APPOINTMENT OF THE AUDITOR AND AUDITOR'S REMUNERATION

On the recommendation of the Audit Committee, the Board proposes the re-appointment of PwC as the Company's auditor for the financial year commencing 1 January 2020. Details of the remuneration paid to PwC in 2019 can be found in note 7 of the Consolidated Financial Statements of the 2019 Annual Report. Resolution 18 will authorise the Audit Committee, on behalf of the Board, to determine the auditor's remuneration for 2020.

#### RESOLUTION 19 – PAYMENT TO SHAREHOLDERS (C SHARES)

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

The Company proposes to make a final bonus issue of 71 C Shares in respect of the financial year ended 31 December 2019 with a total nominal value of 7.1 pence for each ordinary share. C Shares will be allotted on 1 July 2020 to shareholders on the register on 24 April 2020 and the C Share ex-entitlement date is 23 April 2020. Together with the interim issue on 3 January 2020 of 46 C Shares for each ordinary share with a total nominal value of 4.6 pence, this is the equivalent of a total annual payment to ordinary shareholders of 11.7 pence for each ordinary share.

If you have not already submitted your payment instruction form (to redeem or reinvest C Shares) or if you want to change your instruction, your new instruction must be received by the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom no later than 5.00pm on 1 June 2020. CREST holders must submit their instructions in CREST in sufficient time for it to settle before 2.55pm on 1 June 2020. Redemption will take place on 3 July 2020. Further information about C Shares can be found on the investors' section at [www.rolls-royce.com](http://www.rolls-royce.com).

We are asking shareholders to approve Resolution 19 so that we can continue making payments to shareholders by issuing C Shares.

#### RESOLUTION 20 – POLITICAL DONATIONS AND EXPENDITURE

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

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

**RESOLUTION 21 – AUTHORITY TO ALLOT ORDINARY SHARES**

The directors of a company may only allot shares (or grant rights to subscribe for, or convert any security into shares) if authorised to do so. Article 9(a) of the Articles authorises the Directors to allot shares up to a maximum nominal amount specified each year. This is called the 'first section 551 amount' in the Articles. Resolution 21(a) enables the Directors to allot new shares up to a nominal value of £128,733,021 representing approximately one third of the total issued ordinary share capital of the Company as at 6 March 2020\*.

Article 9(b) of the Articles authorises the Directors to allot further shares in the case of a rights issue, in line with guidance issued by the Investment Association. This is called the 'second section 551 amount' in the Articles. Resolution 21(b) enables the Directors to allot new shares up to a nominal value of £257,466,042 representing approximately two thirds of the total issued ordinary share capital of the Company as at 6 March 2020\*.

As at 6 March 2020\*, the Company did not hold any shares in treasury.

Following approval from the relevant authorities in Spain on 19 December 2017, the Group acquired a 53.1% shareholding in ITP Aero from SENER resulting in ITP Aero becoming a wholly-owned subsidiary of the Company. The consideration of €718m was settled over a two-year payment period in eight equal instalments, and the agreement with SENER allowed the Company flexibility to settle up to 100% of the consideration in the form of ordinary shares. Three payments were settled in 2019, all in the form of ordinary shares, as follows:

Instalment	No. of ordinary shares	Date
6th	8,681,110	19 March 2019
7th	9,301,958	19 June 2019
8th	10,990,194	19 September 2019

Having completed the agreement with SENER, the Directors have no present intention of using this authority.

**Resolutions 22 and 23 are Special Resolutions – for these resolutions to be passed, 75% or more of votes cast must be in favour.**

**RESOLUTION 22 – DISAPPLICATION OF PRE-EMPTION RIGHTS**

Section 561(1) of the Act requires that when new ordinary shares are issued, they must first be offered to the existing shareholders on a pre-emptive basis (unless they are issued or sold in connection with an employee share scheme). This is called a pre-emption right.

It is proposed that the Directors be authorised to issue an amount of new ordinary shares, or sell treasury shares, for cash without first offering them to existing shareholders. This amount is equal to 5% of the Company's issued ordinary share capital as at 6 March 2020\*. The Directors believe that seeking the disapplication of pre-emption rights, up to this amount, will allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue.

In line with best practice, the Company has not issued more than 7.5% of its issued share capital on a non-pro-rata basis over the last three years and the Board confirms its intention to follow best practice set out in the Pre-emption Group's Statement of Principles which provides that usage of this authority in excess of 7.5% of the Company's ordinary share capital for cash other than to existing shareholders in any rolling three-year period would not take place without prior consultation with shareholders. The issue of ordinary shares for non-cash consideration in settlement of the acquisition of ITP Aero (referred to in the explanatory note to Resolution 21 above) is not subject to pre-emption rights.

**RESOLUTION 23 – AUTHORITY TO PURCHASE OWN SHARES**

This Resolution gives the Company authority to buy back its own ordinary shares in the market as permitted by the Act. The Directors believe that, in common with many other listed companies, the Company should obtain from shareholders a general authority to make market purchases of its own ordinary shares on the London Stock Exchange. This Resolution specifies the maximum number of shares which may be acquired (up to 10% of the Company's issued ordinary share capital as at 6 March 2020) and the minimum and maximum prices at which they may be bought.

On 6 March 2020\*, there were options over ordinary shares in the capital of the Company representing 2.1% of the Company's issued ordinary share capital. If the authority to purchase the Company's ordinary shares was exercised in full and those shares were subsequently cancelled, these options would represent 2.4% of the Company's issued and voting ordinary share capital.

This authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per ordinary share and would be in the best interests of shareholders generally. The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review.

\* 6 March 2020 being the latest practicable date prior to the publication of this Notice.

## Directors' biographies

### Sir Ian Davis

Chairman of the Board  
Chairman, Nominations & Governance Committee

Appointed to the Board in March 2013 and as Chairman in May 2013.

**Career** Sir Ian was a partner at McKinsey for 31 years and, during his time, served as chairman and worldwide managing director. Sir Ian was knighted in 2019 for services to business.

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

#### Other principal roles

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

### Warren East CBE

Chief Executive

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

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

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

#### Other principal roles

- ASML Holdings NV, member of the supervisory board (with effect from 22 April 2020)

### Stephen Daintith

Chief Financial Officer

Appointed in April 2017.

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

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

#### Other principal roles

- 3i Group plc, non-executive director

### Lewis Booth CBE

Independent Non-Executive Director  
Chairman, Audit Committee

Appointed in May 2011.

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

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

#### Other principal roles

- Mondelez International Inc., director

### Sir Frank Chapman

Independent Non-Executive Director  
Chairman, Safety, Ethics & Sustainability Committee

Appointed in November 2011.

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

**Board skills and experience** Sir Frank has an outstanding record of business achievement, a life-long passion for engineering and innovation and a deep understanding of technology. His significant industrial and safety experience are invaluable to the Board and its committees.

#### Other principal roles

- NextDecade Corporation, non-executive director
- Myeloma UK, vice chairman

### George Culmer

Independent Non-Executive Director

Appointed in January 2020.

**Career** George is a chartered accountant. Having started his career with Coopers & Lybrand, he has held senior financial positions with Prudential, Zurich Financial Services and RSA Insurance Group where he was chief financial officer. Until August 2019, George was CFO at Lloyds Banking Group, a position he held for 7 years.

**Board skills and experience** George has significant experience gained in large, international, highly regulated groups and has proven business leadership credentials. Together with this, he brings to the Board and its committees change leadership and transformation experience gained from within complex groups.

#### Other principal roles

- Aviva plc, senior independent non-executive director

### Irene Dorner

Independent Non-Executive Director  
Chairman, Remuneration Committee  
Employee Champion

Appointed in July 2015.

**Career** Irene was CEO and president of HSBC, US until retiring in 2014. During her 30-year career with HSBC, she held a number of international roles including CEO of HSBC in Malaysia. Irene is an honorary fellow of St Anne's College Oxford. She qualified as a barrister-at-law in London and from 2015 to 2016, was a consultant at PwC.

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

#### Other principal roles

- Taylor Wimpey, chair
- AXA SA, director
- Control Risks Group, chair

### Beverly Goulet

Independent Non-Executive Director  
Employee Champion, North America

Appointed in July 2017.

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

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

#### Other principal roles

- Xenia Hotels and Resorts Inc., non-executive director
- Texas Women's Foundation, board member
- American Airlines Federal Credit Union, board chair
- Rolls-Royce North America Holdings, Inc., board member

**Lee Hsien Yang**

Independent Non-Executive Director

Appointed in January 2014.

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

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

**Other principal roles**

– INSEAD South East Asia Council, president

**Nick Luff**

Independent Non-Executive Director

Appointed in May 2018.

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

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

**Other principal roles**

– RELX plc, chief financial officer

**Sir Kevin Smith CBE**

Senior Independent Director

Chairman, Science & Technology Committee

Appointed in November 2015.

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

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

**Other principal roles**

– L.E.K. Consulting, European advisory board member

**Jasmin Staiblin**

Independent Non-Executive Director

Appointed in May 2012.

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

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

**Other principal roles**

– Zurich Insurance Group, non-executive director  
– NXP Semiconductors N.V., non-executive director  
– Georg Fischer AG, non-executive director

**Dame Angela Strank**

Independent Non-Executive Director

To join the Board in May 2020.

**Career** Dame Angela is a chartered engineer and is currently chief scientist and head of downstream technology at BP and a member of their executive management team. She joined BP in 1982 and has held a number of senior executive roles. She is a fellow of the UK Energy Institute, the Institute of Chemical Engineers, the Royal Academy of Engineers and the Royal Society. Dame Angela received a DBE in 2017 for services to the oil & gas industry and for encouraging women into STEM careers.

**Board skills and experience** Dame Angela brings a proven track record in managing engineering operations and technology and digital research and development programmes. She is a recognised role model for women in both the energy industry and STEM careers in business and industry.

**Other principal roles**

– Severn Trent plc, non-executive director

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

As at 6 March 2020 \*, the issued share capital of the Company consisted of 1,930,995,313 ordinary shares of 20 pence each, 28,993,228,557 C Shares of 0.1 pence each and one Special Share of £1. At the AGM, voting on the resolutions set out in this Notice will be by way of a poll. Holders of ordinary shares will be entitled to one vote for each ordinary share held. The Special Shareholder (as defined in the Articles) is entitled to receive notice of and to attend and speak, but has no right to vote, at a general meeting. C Shares do not carry the right to receive notice of any general meeting of the Company nor to attend, speak or vote at any general meeting except one at which a resolution to wind up the Company is to be considered. Therefore, the total number of voting rights in the Company as at 6 March 2020 \* was 1,930,995,313.

**Entitlement to attend and vote**

To be entitled to attend and vote at this AGM, shareholders must be registered on the Company's register of members as at 6.00pm on Tuesday 5 May 2020 (or, in the event of an adjournment, on the register of members 48 hours before the time of any adjourned meeting). Changes to the register of members made after the deadline will be disregarded in determining the rights of any person to attend or vote at the AGM.

\* 6 March 2020 being the latest practicable date prior to the publication of this Notice.

## Voting at the AGM

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

## Vote withheld

A vote withheld option is provided to enable you to abstain on any particular resolution. It is not a vote in law, which means that the vote will not be counted in the calculation of the percentage of votes for or against the resolution.

## Nominated Persons

The main point of contact for Nominated Persons remains the registered shareholder (or the custodian or broker who administers the investment on their behalf). Any person who has been nominated under section 146 of the Act to enjoy Information Rights (a 'Nominated Person') may, under an agreement with the registered shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed), as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, the Nominated Person may, under any such agreement, have a right to give instructions to the shareholders as to the exercise of voting rights, but you cannot yourself appoint a proxy. Alternatively, if you do not have such a right, or do not wish to exercise it, you may have the right under such an agreement to give instructions to the registered shareholder as to the exercise of voting rights.

## Corporate representatives

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

## American depositary receipt (ADR) holders

Registered holders should contact the depositary:

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

Email: [jpmorgan.adr@eq-us.com](mailto:jpmorgan.adr@eq-us.com)

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

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

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

Email: [adr@jpmorgan.com](mailto:adr@jpmorgan.com)

ADR holders who do not hold their investment directly should contact the registered shareholder, custodian or broker, or whoever administers the investment on their behalf in relation to any rights under agreements with them to be appointed as a proxy to vote at the AGM.

## Documents available for inspection

Shareholders may inspect the following documents at the Company's registered office during normal business hours and from 10.00am on the date and at the place of the AGM until the meeting closes:

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

## Business at the AGM

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

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

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

## Information available on our website

The following information is available at [www.rolls-royce.com](http://www.rolls-royce.com):

- the matters set out in this Notice including the total voting rights and number of shares of each class in respect of which shareholders are entitled to exercise voting rights at the AGM, and shareholders' rights to include business to be dealt with at the AGM; and
- if applicable, shareholders' statements, resolutions and matters of business received by the Company after the date of this Notice.

## Publication of audit concerns on our website

Under section 527 of the Act, shareholders have a right to request publication of any concerns that they propose to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be submitted to the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the last AGM.

The Company will publish the statement on its website if sufficient requests have been received in accordance with section 527(2) of the Act. This requires a minimum of 100 shareholders who have a right to vote at the AGM and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100, or shareholders representing at least 5% of the total voting rights, to make the request which must be submitted in the manner detailed in section 527 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with such request.

Where a statement is published, the Company will forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required, under section 527 of the Act, to publish on its website.

## Communication

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

- by calling the Registrar's helpline on +44 (0)370 703 0162 between 8.30am and 5.30pm Monday to Friday;
- by writing to the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom; or
- by emailing [webqueries@computershare.co.uk](mailto:webqueries@computershare.co.uk)