

THE COMPANIES ACT 1985

Rolls-Royce Group plc

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

THURSDAY



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15/05/2008

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COMPANIES HOUSE

At the ANNUAL GENERAL MEETING of ROLLS-ROYCE GROUP plc
held on Wednesday, 7 May 2008, the following
Resolution was passed as a SPECIAL RESOLUTION

RESOLUTION

That

- a) the authorised share capital of the Company be increased from £1,500,050,000 60 to £3,500,050,000 60 by the creation of 2,000,000,000 non-cumulative redeemable preference shares with a nominal value of 0.1 pence each ('C Shares') having the rights and restrictions contained in the Articles of Association of the Company as amended by paragraph (c) below,
- b) the directors be and are authorised and empowered
 - i) on one or more occasions, to capitalise such sums as they may determine from time to time but not exceeding the aggregate sum of £350 million standing to the credit of the Company's merger reserve and/or such other reserves as the Company may legally use in paying up in full at par, up to 350 billion C Shares from time to time having the rights and being subject to the restrictions contained in the Articles of Association of the Company as amended by paragraph (c) below or any other terms and conditions approved by the directors from time to time,
 - ii) pursuant to Section 80 of the Companies Act 1985 (as amended) to exercise all powers of the Company to allot and distribute C Shares credited as fully paid up to an aggregate nominal amount of £350 million to the holders of ordinary shares of 20 pence each on the register of members 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 next Annual General Meeting of the Company and so that such authority shall be additional to and without prejudice to the unexercised portion of any authorities and powers granted to the directors pursuant to resolution 15 above, and any resolution passed prior to the date of passing of this resolution,

- c) the Articles of Association of the Company be and are amended by the insertion of a new Article 6B which is set out in the document produced to the meeting and initialled by the Chairman of the Meeting for the purpose of identification as May 2008 Articles, and
- d) the directors be and are authorised 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

A handwritten signature in black ink, appearing to read 'T M Rayner', with a stylized, cursive script.

T M Rayner
Company Secretary