

THE COMPANIES ACT 2006

**Rolls-Royce Group plc**

COMPANY LIMITED BY SHARES

**SPECIAL RESOLUTION**

WEDNESDAY



A13 \*AEBJCU8W\* 270  
18/05/2011  
COMPANIES HOUSE

At the ANNUAL GENERAL MEETING of ROLLS-ROYCE GROUP plc  
held on Friday, 6 May 2011, the following  
Resolution was passed as a SPECIAL RESOLUTION

**RESOLUTION**

**That:**

(A) for the purpose of giving effect to the scheme of arrangement dated 22 March 2011 between the Company and the holders of the Scheme Shares (as defined in the said scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman hereof, in its original form or subject to such modification, addition or condition agreed between the Company and Rolls-Royce Holdings (registered in England and Wales with registered number 07524813) and approved or imposed by the High Court (the *Scheme*)

- a) the Scheme be approved and the directors of the Company be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect,
- b) the issued share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares,
- c) subject to and conditional upon the reduction of capital referred to in Resolution 28(A)(b) above taking effect and notwithstanding anything to the contrary in the articles of association of the Company
  - (i) the Company shall apply the credit arising in its books of account as a result of the reduction of share capital referred to in Resolution 28(A)(b) above in paying up, in full at par, such number of ordinary shares of 20 pence each in the capital of the Company (the New Shares) as shall be equal to the number of Scheme Shares (as defined in the Scheme) cancelled pursuant to Resolution 28(A)(b) above, which shall be allotted and issued, credited as fully paid, to Rolls-Royce Holdings and/or Rolls-Royce Holdings' nominee(s) in accordance with the Scheme, and

- (n) conditional on the Scheme becoming effective, the directors of the Company be and are hereby generally and unconditionally authorised, for the purposes of Section 551 of the Act, to allot the New Shares provided that (1) the maximum aggregate nominal amount of relevant securities that may be allotted under this authority shall be the aggregate nominal amount of the said New Shares (not exceeding £380,000,000), (2) this authority shall expire (unless previously revoked, varied or renewed) on 31 December 2011, and (3) this authority shall be in addition, and without prejudice to, any other subsisting authority under the said Section 551 previously granted and in force on the date on which this resolution is passed,
- d) subject to and conditional upon the reduction of capital referred to in Resolution 28(A)(b) above taking effect, one A Ordinary Share of 20 pence in the capital of the Company, having the rights set out in the Amended Articles as amended pursuant to Resolution 28(A)(e) below, be issued and allotted to Rolls-Royce Holdings,
- (e) with effect from the passing of this resolution, the Amended Articles be hereby amended by the adoption and inclusion of the following new articles 218 and 219

**“218 Shares not otherwise subject to the Scheme**

- a) In this article only, references to the *Scheme* are references to the scheme of arrangement between the Company and its members dated 22 March 2011 under sections 895 and 899 of the Act, in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court and (save as defined in this article) expressions defined in the Scheme shall have the same meaning in this article
- b) Notwithstanding any other provisions in these articles, if any Rolls-Royce Group Ordinary Shares are allotted and issued to any person (a **New Member**) other than Rolls-Royce Holdings plc (**Rolls-Royce Holdings**) and / or its nominee or nominees after the time at which this article becomes effective and before the Scheme Record Time, such Rolls-Royce Group Ordinary Shares shall be allotted and issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the New Member, and any subsequent holder other than Rolls-Royce Holdings and / or its nominee or nominees, shall be bound by the terms of the Scheme
- c) If any Rolls-Royce Group Ordinary Shares are allotted and issued to a New Member after the Scheme Record Time, they will immediately be transferred to Rolls-Royce Holdings and / or its nominee or nominees in consideration of and conditional on the issue or transfer to the New Member of one Rolls-Royce Holdings Ordinary Share for every one Rolls-Royce Group Ordinary Share so transferred. The Rolls-Royce Holdings Ordinary Shares issued or transferred pursuant to this article 218(c) to the New Member will be credited as fully paid and will rank equally in all respects with all Rolls-Royce Holdings Ordinary Shares in issue at the time and be subject to the memorandum and articles of association of Rolls-Royce Holdings
- d) The number of Rolls-Royce Holdings Ordinary Shares to be issued or transferred to the New Member under this article 218 may be adjusted by the directors of the Company in such manner as the Company’s auditors may determine on any reorganisation or material alteration of the share capital of either the Company or of Rolls-Royce Holdings or any other return of value to holders of Rolls-Royce Holdings Ordinary Shares, provided always that any fractions of Rolls-Royce Holdings Ordinary Shares shall be disregarded and shall be aggregated and sold for the benefit of Rolls-Royce Holdings
- e) In order to give effect to any such transfer required by this article 218, the Company may appoint any person to execute and deliver a form of transfer on behalf of the New Member in favour of Rolls-Royce Holdings and / or its nominee or nominees and to agree for and on behalf of the New Member to become a member of Rolls-Royce Holdings. Pending the registration of Rolls-Royce Holdings as holder of any share to be transferred pursuant to this article 218, Rolls-Royce Holdings shall be empowered to appoint a person nominated by the directors to act as attorney on behalf of any holder of such share in accordance with such directions as Rolls-Royce Holdings may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holder of such share shall exercise all rights attached thereto in accordance with the directions of Rolls-Royce Holdings but not otherwise “

### **"219 A Ordinary Share**

The A Ordinary Share issued and allotted by special resolution of the Company passed on or around the date of adoption of this article shall have all the rights of an ordinary share as set out in these articles, save that

- a) the holder of the A Ordinary Share shall not be entitled to receive a dividend or other distribution or to have any other right to participate in the profits of the Company,
- b) the holder of the A Ordinary Share shall have no right to attend or vote at any general meeting of the Company, and
- c) on a return of capital or winding-up of the Company, the holder of the A Ordinary Share shall be entitled, subject to payment to the holders of all other classes of shares of the amount paid up or credited as paid up on such shares, to repayment of the amount paid up or credited as paid up on the A Ordinary Share, but shall have no further or other right to participate in the assets of the Company", and

the adoption and inclusion of the following additional related definition to article 2

**"A Ordinary Share** means the one A Ordinary Share of 20 pence in the capital of the Company whose rights are set out in article 219,"

- f) the directors of the Company be and are hereby generally and unconditionally authorised, for the purposes of section 551 of the Act, to allot an A Ordinary Share of 20 pence in the capital of the Company (Rolls-Royce Group A Ordinary Share) having the rights and being subject to the restrictions of the articles of association of the Company as amended in accordance with Resolution 28(A)(e), provided that (1) this authority shall expire (unless previously revoked, varied or renewed) on the fifth anniversary of the date of this Resolution, and (2) this authority shall be in addition, and without prejudice to, any other subsisting authority under the said section 551 previously granted and in force on the date on which this resolution is passed, and
- g) pursuant to and during the period of the said authority the directors of the Company be empowered to allot the said Rolls-Royce Group A Ordinary Share as if section 561(1) of the Act did not apply to any such allotment,
- (B) subject to and conditional upon (i) the passing of Resolution 28(A) set out in this notice, (ii) the ordinary shares of 20 pence each in the capital of Rolls-Royce Holdings (***Rolls-Royce Holdings Ordinary Shares***) required to be allotted and issued by Rolls-Royce Holdings pursuant to the Scheme having been allotted and issued and registered in the names of the persons entitled to such Rolls-Royce Holdings Ordinary Shares in Rolls-Royce Holdings' register of members, and (iii) the Scheme becoming effective, the reduction of the nominal value of each Rolls-Royce Holdings Ordinary Share from 150 pence (or such lower nominal value as the directors of Rolls-Royce Holdings determine) to 20 pence be approved,
- (C) subject to and conditional upon the Scheme becoming effective, the Rolls-Royce Group Ordinary Shares be de-listed from the Official List (as defined in the Scheme), and
- (D) subject to and conditional upon the Scheme becoming effective, the rules of the Rolls-Royce Group Performance Share Plan and the Rolls-Royce plc Share Purchase Plan be amended in the manner described in paragraphs 14 and 15 of Part III of this document



**Paul Davies**  
Deputy Company Secretary